

Weser Funding S.A. Société anonyme

Annual Accounts

As at and for the year ended 31 December 2021

12E, Rue Guillaume Kroll
L-1882 Luxembourg
R.C.S. Luxembourg B 210388

Weser Funding S.A Société Anonyme

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WESER FUNDING S.A.

Société Anonyme

Registered office: 12E, Rue Guillaume Kroll, L-1882 Luxembourg R.C.S. Luxembourg: B210388
(the 'Company')

MANAGEMENT REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR ENDED 31ST DECEMBER 2021

The Board of Directors wishes to report as follows on the activities for the year ended 31st December 2021.

With reference to the mandate given to us as Board of Directors, we are pleased to submit to you the Company's annual accounts for the year ended 31st December 2021.

As at 31st December 2021, the total balance sheet amounts to EUR 1576,178,027.65. As at 31st December 2021, the Company shows a nil result for the year.

Investment

Compartment No. 1

On 9th May 2017, the Company, acting in respect of its Compartment No. 1, entered into a Loan Receivables Purchase Agreement under which the Company has been transferred a portfolio of revolving Loan Receivables amounting to EUR 400,000,000.

On 6th July 2021, the Company entered into a repurchase agreement for the purpose of the receivables to be repurchased by the seller and then reassigned and transferred to the new Compartment No. 3. Following this, the transaction in Compartment No. 1 was terminated at the same date.

As at 31st December 2021, the remaining amount of the Loan Receivables under Compartment No. 1 amounts to EUR Nil.

Compartment No. 2

On 7th May 2020, the Company, acting in respect of its Compartment No. 2, entered into a Loan Receivables Purchase Agreement under which the Company has been transferred a portfolio of revolving Loan Receivables amounting to EUR 1,100,000,000.

During the year under review the net of additions and disposals amounts to EUR 1,000.11 (2020: EUR 4.56) resulting in a remaining amount of Loan Receivables under Compartment No. 2 of EUR 1,099,998,995.33 as at 31 December 2021. No further transaction occurred in 2021.

Compartment No. 3

On 7th July 2021, the Company, acting in respect of its Compartment No.3, entered into a Loan Receivable Purchase Agreement under which it purchased a portfolio revolving Loan Receivables amounting to EUR 400,000,000.

During the year under review the net of additions and disposals amounts to EUR 9,679.90, resulting in a remaining amount of Loan Receivables under Compartment No. 3 of EUR 399,990,320.10 as at 31 December 2021. No further transaction occurred in 2021.

Compartment Leine

On 27th March 2020, the Company, acting in respect of its Compartment Leine, entered into a Receivables Purchase Agreement under which the Company has been continuously transferred amounts of Receivable that amounted to a total of EUR 16,011,574.17 (Transaction Leine I).

During the year under review, EUR 5,605,123.64 of the Receivable relating to Transaction Leine I has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Receivables under Transaction Leine I amounts to EUR 10,406,450.53.

On 25th March 2021, the Company, acting in respect of its Compartment Leine, entered into a Receivable Purchase Agreement under which the Company has been continuously transferred amounts of Receivable that amounted to a total of EUR 3,332,646.78 (Transaction Leine II).

During the year under review, EUR 430,192.02 of the Receivable relating to Transaction Leine II has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Receivables under Transaction Leine II amounts to EUR 2,902,454.02.

Compartment CP Finance

On 17th March 2021, the Company, acting in respect of its Compartment CP Finance, entered into a Receivables Purchase Agreement under which the Company has been continuously transferred amounts of Receivables that amounted to a total of EUR 6,539,323.83.

During the year under review, EUR 687,343.27 of the Receivable has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Receivables under Compartment CP Finance amounts to EUR 5,851,980.56.

Compartment Pegnitz

On 30th April 2021, the Company, acting in respect of its Compartment Pegnitz, entered into a Receivables Purchase Agreement under which the Company has been continuously transferred amounts of Receivables that amounted to a total of EUR 17,864,340.57.

During the year under review, EUR 2,610,102.30 of the Receivable has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Receivables under Compartment Pegnitz amounts to EUR 15,254,238.27.

Compartment Rheingau

On 16th September 2021, the Company, acting in respect of its Compartment Rheingau, entered into a Receivables Purchase Agreement under which it has been continuously transferred amounts of Receivables that amounted to a total of EUR 20,726,209.09.

During the year under review, EUR 2,434,504.96 of the Receivable has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Receivables under Compartment Rheingau amounts to EUR 18,291,704.60.

Notes

Compartment No. 1

- On 9th May 2017, the Company, acting in respect of its Compartment No.1, issued 3,100 notes, each in the nominal amount of EUR 100,000, called the EUR 310,000,000 Compartment No. 1 fixed rate notes due 2028.
- On 9th May 2017, the Company, acting in respect of its Compartment No.1, issued one subordinated registered note in an initial principal amount of EUR 105,117,772.29 (as increased or decreased from time to time);
- On 6th July 2021, the Company entered into a repurchase agreement for the purpose of the receivables to be repurchased by the seller and then reassigned and transferred to the new Compartment No. 3 Following this the transaction in Compartment No. 1 was terminated at the same time and the notes were repaid in full

As at 31st December 2021, the remaining amount of the Notes under Compartment No.1 amounts to EUR Nil.

Compartment No. 2

- On 7th May 2020, the Company, acting in respect of its Compartment No.2, issued global notes that represents up to EUR 906,700,000 (EUR 726,700,000 in 2020), called the Class A Compartment No.2 fixed rate notes.
- On 7th May 2020, the Company, acting in respect of its Compartment No.2, issued global notes that represents EUR 52,600,000, called the Class B Compartment No.2 fixed rate notes.
- On 7th May 2020, the Company acting in respects of its Compartment No.2, issued one subordinated registered note in an initial principal amount of EUR 218,780,833.33 (as increased or decreased from time to time);

No further transactions occurred in 2021.

As at 31st December 2021, the remaining amount of the Notes under Compartment No.2 amounts to EUR 1,107,331,659.92 (including a set-off reserve of EUR 110,000,000).

Compartment No. 3

- On 22nd April 2021, the Company acting in respect of its Compartment No.3, issued one subordinated registered note in an initial principal amount of EUR 146,582,273 (as increased or decreased from time to time);
- On 7th July 2021, the Company, acting in respect of its Compartment No.3, issues a global notes that represents EUR 255,700,000, called the Class A Compartment No.3 fixed rate notes.

No further transactions occurred in 2021.

As at 31st December 2021, the remaining amount of the Notes under Compartment No.3 amounts to EUR 402,629,849.15 (including a set-off reserve of EUR 32,000,000).

Compartment Leine

On 27th May 2020, the Company, acting in respect of its Compartment Leine, drew a Schuldschein Darlehen (German Promissory Note) in an aggregate amount of EUR 14,242,569.80 (as increased or decreased from time to time). - Transaction Leine I

During the year under review, EUR 5,605,123.64 of the German Promissory Note has been repaid.

As at 31st December 2021, the remaining amount of the Notes under Transaction Leine I amounts to EUR 10,406,450.53.

On 25th March 2021, the Company, acting in respect of its Compartment Leine, drew a Schuldschein Darlehen (German Promissory Note) in an aggregate amount of EUR 3,332,646.04 (as increased or decreased from time to time). - Transaction Leine II

During the year under review, EUR 430,192.02 of the German Promissory Note has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Notes under Transaction Leine II amounts to EUR 2,902,454.02.

Compartment CP Finance

On 17th February 2021, the Company, acting in respect of its Compartment CP Finance, drew a Schuldschein Darelehen (German Promissory Note) in an aggregate amount of EUR 6,539,323.83 (as increased or decreased from time to time).

During the year under review, EUR 589,706.61 of the German Promissory Note has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Notes under compartment CP Finance amounts to EUR 5,949,617.22.

Compartment Pegnitz

On 30th April 2021, the Company, acting in respect of its Compartment Pegnitz, drew a Schuldschein Darlehen (German Promissory Note) up to an amount of EUR 20,000,000.

During the year under review, EUR 2,596,855.17 of the German Promissory Note has been repaid. No further transaction occurred in 2021.

As at 31st December 2021, the remaining amount of the Notes under compartment Pegnitz amounts to EUR 15,254,238.27.

Compartment Rheingau

On 16th September 2021, the Company acting in respect of its Compartment Rheingau, drew a Schuldschein Darlehen (German Promissory Note) up to an amount of EUR 10,000,000 and used the overdraft facility in the amount of EUR 20,448,038.11.

During the year under review, no repayment was made.

As at 31st December 2021, the remaining amount of the Notes under compartment Rheingau amounts to EUR 10,000,000.

Main inherent risk

Various factors that may affect the Issuer's ability to fulfil its obligations under the Company are summarized below.

Non-Existence of Purchased Receivables

The Issuer is entitled to demand payment of Deemed Collections from the Seller, but from no other Person, if Purchased Receivables do not exist or cease to exist (Bestands- und Veritätshaftung) in accordance with the Loan Receivables Purchase Agreement. If a Loan Agreement relating to a Purchased Receivable proves not to have been legally valid as of the relevant Cut-Off Date, the Seller will, pursuant to the Loan Receivables Purchase Agreement, pay to the Issuer Deemed Collections in an amount equal to the then Outstanding Loan Balance of such Purchased Receivable (including, for the avoidance of doubt, in case only a portion of such Purchased Receivable is affected), provided that for the avoidance of doubt, no Deemed Collection shall be payable in respect of Eligible Receivables if the Debtor fails to make due payments solely as a result of its lack of funds or insolvency (Delkredererisiko). To this extent, the Issuer is subject to the credit risk of the Seller and payments under the relevant Compartment's Notes may be affected if the Seller is unable to fulfil its obligations vis-à-vis the Issuer. Consequently, in the event that any such representation or warranty is breached, the Issuer is exposed to the credit risk of the Seller and the Originator. Should the Seller's or the Originator's credit quality deteriorate, this could, in conjunction with afore-said breach of contract, undermine the Issuer's ability to make payments on the relevant Compartment's Notes.

Credit Risk of the Debtors

If the Seller does not receive the full amounts due from the Debtors in respect of the Purchased Receivables, the Noteholders are at risk to receive less than the full principal amount of their Notes

and interest payable thereon. Consequently, the Noteholders are exposed to the credit risk of the Debtors. Neither the Seller nor the Issuer guarantees or warrants the full and timely payment by the Debtors of any sums payable under the Purchased Receivables. The ability of any Debtor to make timely payments of amounts due under the relevant Loan Agreement will mainly depend on his or her assets and liabilities as well as his or her ability to generate sufficient income to make the required payments. The Debtors' ability to generate income may be adversely affected by a large number of factors.

There is no assurance that the then current value of the Purchased Receivables will at any time be equal to or greater than the principal amounts outstanding of the relevant Compartment's Notes.

Risk of Losses on the Purchased Receivables

Losses on the Purchased Receivables may result in Losses for the relevant Compartment's Noteholders.

The risk to the relevant Compartment's Noteholders that they will not receive the amount due to them under the relevant Compartment's Notes is mitigated by in different ways, depending on the specific arrangement done for each compartment separately.

For Compartment 2 risk mitigation is done via (a) a Cash Reserve established, (b) Collection Reserve and (c) the subordination of the Subordinated Note to the relevant Compartment Notes issued.

There is no assurance that the credit enhancement and risk mitigation instruments provided for under the compartment No.2 will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment No. 2 Noteholders will receive for each Compartment No.2 Note the total principal amount of EUR 906,700,000 Class A Note and EUR 52,600,000 Class B Note.

For Compartment 3 risk mitigation is done via (a) a Cash Reserve established, (b) Collection Reserve and (c) the subordination of the Subordinated Note to the relevant Compartment Notes issued.

There is no assurance that the credit enhancement provided for under the compartment No.3 will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment No. 3 Noteholders will receive for each Compartment No.3 Note the total principal amount of EUR 255,700,000 Class A Note.

For Compartment Leine, risk mitigation is done via a re-purchase obligation by the seller in case of receivables become disrupted.

Still there is no assurance that the mitigation instruments provided for through the German Promissory Note will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment Leine's Noteholders will receive for each Transaction Leine I Note the total principal amount of EUR 14,242,569.80 and Transaction Leine II Note the total principal amount of EUR 3,332,646.04.

Still there is no assurance that the credit enhancement provided for through the German Promissory Note will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment CP Finance's Noteholders will receive for each Compartment CP Finance Note the total principal amount of EUR 6,539,323.83.

For Compartment Pegnitz risk mitigation is done via assignment of the underlying assets as collateral and a re-purchase obligation by the seller in case of receivables become disrupted or defaulted.

Still there is no assurance that the credit enhancement provided for through the German Promissory Note will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment Pegnitz's Noteholders will receive for each Compartment Pegnitz Note the total principal amount up to EUR 20,000,000.

For Compartment Rheingau risk mitigation is done via valid credit insurance being in place for all receivables being sold to Compartment Rheingau. In addition a cash reserve in the amount of 2.5 Mio. EUR was established to cover for potential shortfalls.

Still there is no assurance that the credit enhancement provided for through the German Promissory Note will be sufficient to cover losses in respect of the Purchased Receivables and, consequently, that the Compartment Rheingau's Noteholders will receive for each Compartment Rheingau Note the total principal amount up to EUR 25,000,000.

Limited Recourse of the Compartment

The Issuer is a special purpose entity organised under and governed by the Luxembourg Securitisation Law with no business operations other than the issue of the Compartments' Notes, the financing of the purchase of the Purchased Receivables secured by Related Collateral and the entrance into related Transactions. Assets and proceeds of the Issuer in respect of each compartment will be available for payments under the relevant Compartments' Notes.

The right of Note holders to participate in the assets of the Company is limited to the Assets. If the payments received by the Company in respect of the Assets are not sufficient to make all payments due in respect of the Notes, then the obligations of the Company in respect of the Notes will be limited to the Assets of the Compartments, as specified in the Compartments' Conditions and the Articles.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial as they fall due.

The Directors believe that the Company does not face major liquidity risks.

Currency, Price and Cash Flow risk

The currency, price and cash flow risk are not defined and the Directors of the Company believe that these risks are not applicable to the company or they are not deemed principal risks to the Company or its compartments.

Corporate Governance

The Company has adopted its proper corporate governance, which established the following committees:

- Annual General Meeting of Shareholders,
- Board of Directors.

Considering its specific structure, the Company has decided not to appoint an audit committee in accordance with the Article 52 paragraph 5 letter c) of the law of 23 July 2016 in its amended version. Therefore the duties of the audit committee are the responsibilities of the Board of Directors.

Annual General Meeting of Shareholders

As long as there is only one sole shareholder of the Company, such sole shareholder will exercise the powers of the general meetings of shareholders.

The annual general meeting shall be held within six (6) months of the end of each financial year in the Grand Duchy of Luxembourg at the registered office of the Company or at such other place in the Grand Duchy of Luxembourg as may be specified in the convening notice of such meeting. Other meetings of shareholders may be held at such place and time as may be specified in the respective convening notice.

Board of Directors

The Company is managed by a board of directors comprising at least three members.

The directors, whether shareholders or not, who are appointed for a period not exceeding six years by the sole shareholder or by the general meeting of shareholders, as the case may be, which may at any time remove them.

The number of directors, their term and their remuneration are fixed by the sole shareholder or by the general meeting of the shareholders, as the case may be.

The office of a director shall be vacated if:

- i. He resigns his office by notice to the Company, or
- ii. He ceases by virtue of any provision of the law or he becomes prohibited or disqualified by law from being a director,
- iii. He becomes bankrupt or makes any arrangement or composition with his creditors generally,
or
- iv. He is removed from office by resolution of the general meeting of shareholders.

The board of directors may elect among its members a chairman.

The board of directors convenes upon call by the chairman, as often as the interest of the Company so requires. It must be convened each time two directors so request.

Directors may participate in a meeting of the board of directors by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, provided that all actions approved by the directors at any such meeting will be reproduced in writing in the form of resolutions.

Resolutions signed by all members of the board of directors will be as valid and effective as if passed at a meeting duly convened and held. Such signatures may appear on a single document or multiple copies of an identical resolution and may be evidenced by letter fax, email or similar communication.

The board of directors is vested with the powers to perform all acts of administration and disposition in compliance with the corporate object of the Company established in Article 4 of the Articles of Association of the Company.

The Company will be bound in any circumstances by the joint signatures of two members of the board of directors unless special decisions have been reached concerning the authorized signature in case of delegation of powers or proxies given by the board of directors pursuant to Article 11 of the Articles of Association of the Company.

The board of directors may delegate its powers to conduct the daily management of the Company to one or more directors, who will be called managing directors.

The board of directors may also commit the management of all the affairs of the Company or of a special branch to one or more directors and give special powers for determined matters to one or more proxyholders, selected from its own members or not, whether shareholders or not.

Any litigation involving the Company, either as plaintiff or as defendant, will be handled in the name of the Company by the board of directors, represented by its chairman or by the director delegated for this purpose.

Internal control and risk management procedures in relation to the financial reporting process

The Board of Directors is responsible for managing the Company and carefully managing the Company's system of internal control risk management. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

The Board has the overall responsibility for the Company's system of internal control and for achieving its effectiveness. This system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company operates a management structure with clear delegated authority levels and clear functional reporting lines and accountability. All relevant decisions are subject to appropriate authorisation procedures and the four eyes principle is applied in daily operations. The Board monitors financial and operational performance and compliance controls on a continuing basis and identifies and responds to business risks as they arise.

On March 11, 2020, the World Health Organisation declared the Coronavirus (COVID-19) in the category of a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide.

The Management has considered the impact of the COVID-19 on the going concern assumption of the Company. The limited recourse nature of the notes issued by the Company limit the Noteholders' recourse only up to the realisation of the portfolio loans. The Noteholders have no right to petition for insolvency proceedings against the Company in the event that the net proceeds are insufficient to make all payments due in respect of a particular class of notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders. In light of this, the Management has concluded that the impact of the Coronavirus does not represent a material uncertainty in relation to the Company's ability to continue as going concerns through the date of the issuance of these financial statements.

The Management has as well assessed the impact of the COVID-19 on the valuation of assets and liabilities of the Company. Based on the monitoring procedures in place the Management did not identify any indicator for an impairment and any value adjustment on the receivables or the notes (including the Schuldscheindarlehen and subordinated notes) issued and drawn by the Company.

Significant events

The Company was incorporated on 9th November 2016 as Securitization Company ("*société de titrisation*") within the meaning of the Luxembourg law of 22 March 2004 on securitisations.

On 10th November 2016, the board of directors approved the creation of Compartment No.1 to acquire certain loan portfolios to be financed by amongst others the issue of notes to be listed on the official list of the Luxembourg Stock Exchange.

On 11th November 2016, the board of directors approved the transaction for the securitisation of certain loan portfolios to be purchased from Oldenburgische Landesbank Aktiengesellschaft (formerly known as Bremer Kreditbank Aktiengesellschaft).

On 12th February 2020, the board of directors approved the creation of Compartments No.2 to acquire certain loan portfolios to be finance amongst others the issue of notes to be listed on the official list of the Luxembourg Stock Exchange.

On 12th February 2020, the board of directors approved the creation of Compartment Leine to acquire certain portfolios to be financed by the issue of German Promissory Notes. Until year end 2021 two transactions have been entered into.

On 17th February 2021, the board of directors approved the creation of Compartment CP Finance to acquire certain portfolios to be financed by the issue of German Promissory Notes.

On 22nd April 2021, the board of directors approved the creation of Compartment Pegnitz to acquire certain portfolios to be financed by the issue of German Promissory Notes.

On 22nd April 2021, the board of directors approved the creation of Compartment No. 3 to acquire certain loan portfolios to be finance amongst others the issue of notes to be listed on the official list of the Luxembourg Stock Exchange.

On 15th May 2021, the board of directors approved the creation of Compartment Rheingau to acquire certain portfolios to be financed by the issue of German Promissory Notes and use of overdraft facility.

No additional transaction was entered into in the period between 1st January 2021 and 31st December 2021.

Acquisition of own shares

The Company did not acquire any of its own shares during the period under review.

Research and development activities

The Company has no activity relating to the Research and Development as at 31st December 2021.

Branches and participations of the Company

The Company has no branch as at 31st December 2021.

Other information

The Company did not allocate free shares to staff during the period under review.

The activities undertaken by the Company are in line with its corporate objects.

Foreseeable evolution of the Company

The Company's level of activity in the foreseeable future is expected to remain stable. Opportunities in line with the Company's corporate objective are considered and reviewed.

Transparency Statement

The Board of directors examined the annual accounts of the Company as at 31st December 2021, on 08th July 2022 and approved them and suggest them for ratification by the annual shareholder meeting and authorised their publication.

The Boards of Directors of the Company declares that, to its knowledge, the financial statements as of 31st December 2021 which has been prepared by an external service provider in accordance with the applicable set of accounting standards gives a true and fair value of the assets, liabilities, financial situation and profit or loss of the issuer, and that the management report includes a fair review of the information required under Article 4, paragraph 3 of the Transparency Luxembourg. The management report presents the evolution accurately, the results and the situation of the Company and a description of the principal risks and uncertainties with which they are confronted. Moreover please be informed that the period end accounts as at 31 December 2021 have been subject to an audit.

Constanze Schmidt
Director

Anika Oberbillig
Director



Audit report

To the Board of Directors of

Weser Funding S.A.

Report on the audit of the annual accounts

Our opinion

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of Weser Funding S.A. (the "Company") as at 31 December 2021, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

What we have audited

The Company's annual accounts comprise:

- the balance sheet as at 31 December 2021;
- the profit and loss account for the year then ended; and
- the notes to the annual accounts, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts" section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts. We have fulfilled our other ethical responsibilities under those ethical requirements.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of the EU Regulation No 537/2014.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of our audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matter How our audit addressed the key audit matter

Valuation of investments and Existence of investments

The Company is a securitisation entity within the meaning of the Securitisation Law. As such, each compartment of the Company has purchased from an originator a portfolio of loan receivables classified under Financial Assets and amounting to EUR 1,552,776,805.07 as at 31 December 2021.

As described in Note 2.2.2 of the annual accounts, Investments held as fixed assets are valued and recorded at purchase price/nominal value in the annual accounts. In case of a durable depreciation in value, value adjustments are made.

Existence of investments held as fixed assets and valuation of investments held as fixed assets are both considered as significant risks as the portfolios of loan receivables represents 99% of the total assets of the Company and the recoverability of the purchased receivables will determine the capacity of the Company to meet its obligations under the Compartments' Notes issued.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our audit report thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of the annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation No 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;

- conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Company to cease to continue as a going concern;



evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as "Réviseur d'Entreprises Agréé" by the Board of Directors on 1 June 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

PricewaterhouseCoopers, Société coopérative
Represented by

A handwritten signature in blue ink, appearing to read 'H. von Keutz', written over a faint horizontal line.

Holger von Keutz

Weser Funding S.A.
Balance Sheet
as at 31 December 2021 (denominated in EUR)

	Notes	31/12/2021	31/12/2020
ASSETS			
C. Fixed assets			
<i>III. Financial assets</i>			
5. Investments held as fixed assets	(3)	1,552,696,143.41	1,325,638,967.54
D. Current Assets			
<i>1. Trade debtors</i>			
a) becoming due and payable within one year	(4)	8,753,534.96	22,831,427.15
<i>4. Other debtors</i>			
a) becoming due and payable within one year	(4)	137,669.84	1,181,807.59
b) becoming due and payable after more than one year		-	
<i>IV. Cash at bank and in hand</i>		14,520,650.93	15,335,946.24
E. Prepayments		-	-
TOTAL ASSETS		1,576,107,999.14	1,364,988,148.52
CAPITAL, RESERVES AND LIABILITIES			
A. Capital and reserves			
<i>I. Subscribed capital</i>	(5)	31,000.00	31,000.00
<i>VI. Profit or loss for the financial year</i>		-	-
B. Provisions			
3. Other provision	(7)	53,775.03	65,354.33
C. Creditors			
<i>1. Debenture loans</i>			
<i>a) Non convertible loans</i>			
i) becoming due and payable within one year	(8)	5,350,089.23	21,285,253.45
ii) becoming due and payable after more than one year		1,415,281,979.49	1,231,675,087.45
<i>2. Amounts owed to credit institutions</i>			
a) becoming due and payable within one year	(9)	-	727,145.72
b) becoming due and payable after more than one year		151,384,793.18	111,179,807.57
<i>4. Trade creditors</i>			
a) becoming due and payable within one year		4,006,362.21	24,500.00
b) becoming due and payable after more than one year		-	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		1,576,107,999.14	1,364,988,148.52

The accompanying notes are integral part of the annual accounts
Page 17 **Weser Funding S.A.**

**Profit and loss account
for the year ended 31 December 2021 (denominated in EUR)**

	Notes	from 01/01/2021 to 31/12/2021	from 01/01/2020 to 31/12/2020
<u>4. Other operating income</u>	(10)	3,366,918.32	107,815.25
<u>5. Raw materials and consumables and other external</u>			
<u> - expenses</u>			
b) Other external expenses	(11)	(27,320,333.87)	(12,974,928.43)
<u>8. Other operating expenses</u>	(12)	(2,850,787.18)	(12,977.73)
<u>11. Other interest receivable and other financial income</u>			
b) other interest and similar financial income	(13)	31,610,511.01	17,312,630.93
<u>14. Interest payable and similar expenses</u>			
a) concerning affiliated undertakings			
b) other interest and similar expenses	(14)	(4,800,668.28)	(4,422,982.02)
<u>15. Tax on profit or loss</u>	(15)	-	(5,552.99)
<u>16. Profit or loss after taxation</u>		5,640.00	4,005.01
<u>17. Other taxes not shown under items 1 to 16</u>	(15)	(5,640.00)	(4,005.01)
<u>18. Profit or loss for the financial year</u>		-	-

The accompanying notes are integral part of the annual accounts Page 18

Note 1 - General information

Weser Funding S.A. (the "Company") was incorporated on the 9 November 2016 and is organised under the laws of Luxembourg as a Société Anonyme for an unlimited period of time and is subject to the Law of 22 March 2004 on securitisation ("Securitisation Law").

The Company's registered address is 12E, Rue Guillaume Kroll, L-1882, Luxembourg. The Company is registered with the Luxembourg Commercial register under number R.C.S. Luxembourg n° B 210388.

The Company's financial year starts on 1 January and ends on 31 December of each year.

The Company shall have as its business purpose the securitisation within the meaning of the Securitisation Law (including, amongst others, two-tier structures), which shall apply to the Company, of, amongst others, risks associated to receivables and related assets.

The Company may issue securities of any nature and in any currency and, to the largest extent permitted by the Securitisation Law, pledge, mortgage or charge or otherwise create security interests in and over its assets, property and rights to secure its obligations.

The Company may enter into any agreement and perform any action necessary or useful for the purpose of carrying out transactions permitted by the Securitisation Law, including, without limitation, disposing of its assets in accordance with the relevant agreements.

The Company may also carry out transactions permitted by the Securitisation Law through the issuance of shares.

The Company does not intend to issue transferable securities on a continual basis to the public as provided by the Securitisation Law.

The Company may only carry out the above activities if and to the extent that they are compatible with the Securitisation Law.

In general, the Company may take any controlling and supervisory measures and carry out any operation or transaction which it considers necessary or useful in the accomplishment and development of its corporate objectives, to the largest extent permitted under the Securitisation Law.

The Board of Directors (the "Board") of the Company may, in accordance with the terms of the Securitisation Law, and in particular its article 5, create one or more compartments within the Company. Each compartment shall, unless otherwise provided for in the resolution of the Board of Directors creating such compartment, correspond to a distinct part of its assets and liabilities in respect of the corresponding funding. The resolution of the Board of Directors creating one or more compartments within the Company, as well as any subsequent amendments thereto, are binding as of the date of such resolution against any third party.

With regard to third parties, the Company shall constitute a single legal entity. However, as between shareholders and creditors, each compartment of the Company is to be treated as a separate entity. Rights of shareholders and creditors of the Company that (i) have, when coming into existence, been designated as relating to a compartment or (ii) have arisen in connection with the creation, the operation or the liquidation of a compartment are, except if otherwise provided for in the resolution of the Board of Directors having created the relevant compartment, strictly limited to the assets of that compartment and are exclusively available to satisfy such shareholders and creditors. Creditors and shareholders of the Company whose rights are not related to a specific compartment of the Company have no rights to the assets of any such compartment.

Unless otherwise provided for in the resolution of the Board of Directors of the Company in the creation of such compartment, no resolution of the Board of Directors of the Company may amend the resolution creating such compartment or to take any other decision directly affect the rights of the shareholders or creditors whose rights relate to such compartment without the prior approval of all shareholders or creditors whose rights relate to this compartment. Any decision of the Board of Directors taken in breach of this provision shall be void.

Note 1 - General information (continued)

Each compartment of the Company may be separately liquidated without such liquidation resulting in the liquidation of another compartment of the Company or of the Company itself.

Fees, costs, expenses and other liabilities incurred on behalf of the Company as a whole shall be general liabilities of the Company and shall not be payable out of the assets of any compartment. If the aforementioned fees, costs, expenses and other liabilities cannot be otherwise funded, they shall be apportioned pro rata among the compartments of the Company upon a decision of the Board of Directors.

As at 31 December 2021 the Company has six active compartments (31 December 2020: 3 active compartments):

Compartment No. 1

The Company participates to a transactions for the securitisation of certain loan portfolios to be purchased from financial institutions. For the purpose of the transaction the Company has established a Compartment No. 1 by a resolution passed at 10 November 2016. On 9 May 2017, the Company, acting in respect of its Compartment No. 1, entered into a Loan Receivables Purchase Agreement under which it purchased a portfolio of revolving Loan Receivables amounting to EUR 400,000,000. In connection with the transaction, the Company acting through the compartment issued to professional investors EUR 310,000,000 denominated fixed rate notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (ISIN code: XS1609257875).

On 9 May 2017, the Company issued a Subordinated Note in an aggregate notional amount of EUR 105,117,772.29 (as increased or decreased from time to time) for the purpose of purchase of Loan Receivables under the Loan Receivables Purchase Agreement and/or to finance or to provide credit enhancement in respect of any Loan Receivables so purchased.

On 6 July 2021, the Company entered into a repurchase agreement for the purpose of the receivables to be repurchased by the seller and then reassigned and transferred to Compartment No. 3. Following this the transaction in Compartment No. 1 was terminated at the same date.

Compartment No. 2

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment No. 2 of the Company by a resolution passed on 12 February 2020.

On 7 May 2020, the Company, acting in respect of its Compartment No. 2, entered into a Loan Receivable Purchase Agreement under which it purchased a portfolio revolving Loan Receivables amounting to EUR 1,100,000,000. In connection with this transaction, the Company acting through the compartment issued the Subordinated Note in an aggregate nominal amount of EUR 328,780,833.33 (as increased or decreased from time to time).

On 7 May 2020, the Company issued to professional investors a global note which represents up to EUR 906,700,000 Class A Compartment No. 2 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2156515848).

On 7 May 2020, the Company issued to professional investors a global note which represents EUR 52,600,000 Class B Compartment No. 2 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2156516226).

Compartment No. 3

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment No. 3 of the Company by a resolution passed on 22 April 2021.

On 7 July 2021, the Company, acting in respect of its Compartment No. 3, entered into a Loan Receivable Purchase Agreement under which it purchased a portfolio revolving Loan Receivables amounting to EUR 400,000,000. In connection with this transaction, the Company acting through the compartment issued the Subordinated Note in an aggregate nominal amount of EUR 147,056,666.67 (as increased or decreased from time to time).

On 7 July 2021, the Company issued to professional investors a global note which represents up to EUR 255,700,000 Class A Compartment No.3 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2351351163).

Compartment Leine

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Leine of the Company by a resolution passed on 12 February 2020.

On 27 March 2020, the Company, acting in respect of its Compartment Leine, entered into a Loan Receivables Purchase Agreement under which it purchased Loan Receivables on a revolving basis amounting to EUR 14,242,569.80. In connection with this transaction, the Company acting through the compartment draw Schuldscheindarlehen (German promissory note) up to an amount of EUR 14,242,569.80 until year end. (Transaction Leine I)

On 25 March 2021, the Company, acting in respect of its Compartment Leine, entered into a Loan Receivables Purchase Agreement under which it purchased Loan Receivables on a revolving basis amounting to EUR 3,332,646.04. In connection with this transaction, the Company acting through the compartment draw Schuldscheindarlehen (German promissory note) up to an amount of EUR 3,332,646.04 until year end. (Transaction Leine II)

Compartment CP Finance

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment CP Finance of the Company by a resolution passed on 17 February 2021.

On 17 March 2021, the Company, acting in respect of its Compartment CP Finance, entered into a Loan Receivables Purchase Agreement under which it purchased Loan Receivables on a revolving basis amounting to EUR 6,539,323.83. In connection with this transaction, the Company acting through the compartment draw Schuldscheindarlehen (German promissory note) up to an amount of EUR 10,200,000.

Compartment Pegnitz

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Pegnitz of the Company by a resolution passed on 22 April 2021.

On 30 April 2021, the Company, acting in respect of its Compartment Pegnitz, entered into a Loan Receivables Purchase Agreement under which it purchased Loan Receivables on a revolving basis amounting to EUR 15,254,238.52. In connection with this transaction, the Company acting through the compartment draw Schuldscheindarlehen (German promissory note) up to an amount of EUR 20,000,000.

Compartment Rheingau

In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Rheingau of the Company by a resolution passed on 15 May 2021.

On 16 September 2021, the Company, acting in respect of its Compartment Rheingau, entered into a Loan Receivables Purchase Agreement under which it purchased Loan Receivables on a revolving basis amounting to EUR 18,291,704.60. In connection with this transaction, the Company acting through the compartment draw Schuldscheindarlehen (German promissory note) up to an amount of EUR 25,000,000 and used the overdraft 'Betriebsmittelkreditlinie' in the amount of EUR 20,448,038.11.

Note 2 - Summary of significant accounting policies

2.1 Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December, 2002, as amended, determined and applied by the Board of Directors. These accounts have been prepared on a going concern basis.

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. The Board of Directors believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities, in the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Covid-19 Pandemic

On March 11, 2020, the World Health Organisation declared the Coronavirus (COVID-19) in the category of a pandemic. The spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide.

The Board has considered the impact of the COVID-19 on the going concern assumption of the Company. The limited recourse nature of the notes issued by the Company limit the Noteholders' recourse only up to the realisation of the portfolio loans. The Noteholders have no right to petition for insolvency proceedings against the Company in the event that the net proceeds are insufficient to make all payments due in respect of a particular class of notes, the other assets of the Company will not be available for payment and the deficit is instead borne by the Noteholders. In light of this, the Board has concluded that the impact of the Coronavirus does not represent a material uncertainty in relation to the Company's ability to continue as going concerns through the date of the issuance of these financial statements.

The Board has as well assessed the impact of the COVID-19 on the valuation of assets and liabilities of the Company. Based on the monitoring procedures in place the Board did not identify any indicator for an impairment and any value adjustment on the receivables or the notes (including the Schuldscheindarlehen and subordinated notes) issued by the Company.

2.2 Significant accounting policies

2.2.1 Formation expenses

The formation expenses of the Company are directly charged to the profit and loss account of the year.

2.2.2 Financial assets

Valuation at purchase price

Investments held as fixed assets are valued at purchase price/nominal value (loans and claims), including the expenses incidental thereto.

In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustment was made have ceased to apply.

2.2.3 Current assets

Current assets are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.4 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

2.2 Significant accounting policies (continued)

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

2.2.5 Deferred charges

This asset includes expenditures incurred during the financial year but relating to a subsequent financial year.

2.2.6 Deferred income

This liability item includes income received during the financial year but relating to a subsequent financial year.

2.2.7 Value adjustments

Value adjustments are deducted directly from the related asset, i.e. using the net book value disclosure.

2.2.8 Debts

Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account when the debt is issued.

2.2.9 Equalisation provision

Losses during the year as a result of sales, default, lower market values or cost may reduce the value of the notes issued (Note 8). Such shortfalls will be borne by noteholders in inverse order of the priority of payments. Consequently, a provision for value diminution will be made and deducted from the amount repayable of the notes issued and booked in the profit and loss account as an 'Equalisation provision' in the position 'Other operating income' or in 'Other operating charges' in case of additional charges.

2.2.10. Foreign currency translation

The annual accounts are stated in EUR. Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of transaction.

Monetary items are converted at the exchange rates effective at the balance sheet date, whereas non-monetary items are converted at the exchange rate effective at the time of the transaction. The realised and unrealised exchange losses are recorded in the profit and loss account, whereas the realised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Long-term assets expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these assets remain translated at historic exchange rates.

Other assets and liabilities are translated separately respectively at the lower or at the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at the balance sheet date. The unrealised exchange losses are recorded in the profit and loss account. The exchange gains are recorded in the profit and loss account at the moment of their realisation. The unrealised exchange gains are not recorded.

Where there is an economic link between an asset and a liability, these are valued in total according to the method described above, while the net unrealised losses are recorded in the profit and loss account and the unrealised exchange gains are recorded in the profit and loss account at the moment of their realisation.

Assets and liabilities which are valued at fair value are converted at the exchange rates effective at the balance sheet date. Foreign exchange differences on those items which are accounted at fair value are recognised in the profit and loss account or revaluation reserves with the change in fair value.

2.2.11 Interest income and expenses

Interest income and expenses are recorded on an accrual basis.

2.2.12 Combined figures

Inter-compartment balances are eliminated for presentation purposes of presenting the combined financial positions and the combined results along with the relevant realized and unrealized gain or loss on investments.

Note 3 - Financial assets

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

The financial assets consist of receivables purchased ("Loan Receivables"). The movements for the period are as follows:

			2021 EUR	2020 EUR
			Combined	Combined
Gross book value - opening balance	1,325,638,967.54	400,000,000.00		
Initial purchase price	419,461,050.19	1,100,000,000.00		
Additions	3,402,129,591.77	399,482,465.53		
Subsequent Additions	-	1,691,708,892.82		
Disposals	(3,594,533,466.09)	(2,265,552,390.81)		
Gross book value - closing balance	1,552,696,143.41	1,325,638,967.54		
Accumulated value adjustments - closing balance		-		
Net book value - closing balance	1,552,696,143.41	1,325,638,967.54		
Net book value - opening balance	1,325,638,967.54	400,000,000.00		

				2021 EUR
Gross book value - opening balance	-	12,651,751.84		Compartment Pegnitz
Initial purchase price	254,429.57	1,000,033.48	3,987,323.10	
Additions	6,284,894.26	5,692,434.89	13,877,017.47	
Disposals	(687,343.27)	(6,035,315.66)	(2,610,102.30)	
Gross book value - closing balance	5,851,980.56	13,308,904.55	15,254,238.27	

				2021 EUR
Gross book value - opening balance	-			Compartment Rheingau
Initial purchase price	14,219,264.04			
Additions	58,263,592.81			
Disposals	(54,191,152.25)			
Gross book value - closing balance	18,291,704.60			

The collections from the loan instalments in respect of the Loan Receivables will be available for the purchase of additional Loan Receivables. During the Revolving Period, the Required Replenishment Fund credited to the Replenishment Fund shall be used for the purchase of Additional Loan Receivables from the seller of the receivables purchased, in accordance with the terms and provisions of the Loan Receivables Purchase Agreement.

In the opinion of management, there is no impairment on financial assets as at 31 December 2021.

Note 4 - Debtors

Debtors are composed as follows:

Debtors are composed as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
<u>Trade debtors</u>		
Interest receivable	4077145.67	925708.45
Collections Receivables	4676389.29	21905718.7
<u>Other debtors</u>		
Replenishment Reserve	30,208.97	1,179,807.59
Other	107,460.87	2000
Total	8,891,204.80	24013234.74

Note 5 - Subscribed capital

The subscribed capital amounts to EUR 31,000 and is divided into 3,100 shares fully paid-up with a nominal value per unit of EUR 10 per share.

The movements on the "Subscribed capital" item during the year are as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
Subscribed capital - opening balance	31,000.00	31,000.00
Subscriptions for the year	-	-
Redemptions for the year	-	-
Subscribed capital - closing balance	31,000.00	31,000.00

Note 6 - Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual net income, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed. As of 31 December 2021, no legal reserve was created by the Company as no accounting net income is recognised by the Company.

Note 7 - Provisions

Provisions are composed as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
		- 21.00
VAT Payable - 5,000.00		
Auditors Fees 53,775.03 37,000.00		
Other Accrued Fees - 23,333.33		
Total 53,775.03 65,354.33		

Note 8 - Debenture loans

The amounts disclosed under "debenture loans- non convertible loans " consist of the following:

	2021	2021	2021
	EUR	EUR	EUR
Within one year			
Compartment No. 1			
Fixed Rate Note EUR 310,000,000 (1)	-	-	-
Subordinated note (2)	-	-	-
Equalisation provision	-	34,192.70	34,192.70
Compartment No. 2			
Class A Note (4)	226,076.37	726,700,000.00	726,926,076.37
Class B Note (5)	45,004.56	52,600,000.00	52,645,004.56
Subordinated note (3)	1,188,141.24	218,031,659.92	219,219,801.16
Equalisation provision	-	290,277.35	290,277.35
Compartment No. 3			
Class A Note (8)	79,548.27	255,700,000.00	255,779,548.27
Subordinated note (7)	462,173.18	114,929,849.15	115,392,022.33
Equalisation provision	-	(252.91)	(252.91)
Compartment Leine			
German promissory note (6)	652,604.69	13,308,904.55	13,961,509.24
Equalisation provision	-	(1,756.71)	(1,756.71)
Compartment Pegnitz			
German promissory note (10)	1,820,116.06	15,254,238.27	17,074,354.33
Equalisation provision	-	(252.91)	(252.91)
Compartment CP Finance			
German promissory note (11)	876,424.88	5,949,617.22	6,826,042.10
Equalisation provision	-	7,629.21	7,629.21
Compartment Rheingau			
German promissory note (12)	-	10,000,000.00	10,000,000.00
Equalisation provision	-	2,477,873.63	2,477,873.63
Total	5,350,089.25	1,415,281,979.47	1,420,632,068.72
	2020	2020	2020
	EUR	EUR	EUR
Within one year			
Compartment 1			
Fixed Rate Note EUR 310,000,000 (1)	20,457,060.57	122,987,220.26	143,444,280.83
Subordinated note (2)	95,629.51	98,462,578.26	98,558,207.77
Equalisation provision	- (34,532.75)	(34,532.75)	
Compartment No.2			
Class A Note (4)	242,209.11	726,700,000.00	726,942,209.11
Class B Note (5)	48,218.42	52,600,000.00	52,648,218.42
Subordinated note (3)	-	218,344,387.90	218,344,387.90
Equalisation provision	-	(15,419.11)	(15,419.11)
Compartment Leine			
German promissory note (6)	442,135.84	12,651,751.84	13,093,887.68
Equalisation provision	-	(20,898.96)	(20,898.96)
Total	21,285,253.45	1,231,675,087.44	1,252,960,340.89

Note 8 - Debenture loans (continued)

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

Compartment No. 1

(1) The Company participates to a transactions for the securitisation of certain loan portfolios to be purchased from financial institutions. For the purpose of the transaction the Company has established a Compartment No. 1 by a resolution passed at 10 November 2016. In connection with the transaction, the Company acting through the compartment issued to professional investors EUR 310,000,000 denominated fixed rate notes carrying a 0.8% rate of interest and a maturity date of 11 December 2028 listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock Exchange (ISIN code: XS1609257875).

(2) The Company issued on the 9 May 2017 the Subordinated Note in an initial aggregate notional amount of EUR 105,117,722.29 carrying a nil rate of interest and a maturity date of 11 December 2028 (as increased or decreased from time to time) for the purpose of purchase of Loan Receivables under the Loan Receivables Purchase Agreement and/ or to finance or to provide credit enhancement in respect any Loan Receivables so purchased.

On 6 July 2021, the Company entered into a repurchase agreement for the purpose of the receivables to be repurchased by the seller and then reassigned and transferred to compartment 3. Following this the transaction in Compartment 1 was terminated at the same date.

As at 31 December 2021, the outstanding balance under the Fixed Rate Note is EUR Nil (2020: EUR 122,987,220.26) and the outstanding balance under the Subordinated Note is EUR Nil (2020: EUR 98,462,578.26).

The amortisation of the Compartment No. 1 Notes has commenced after the expiration of the Revolving Period on 11 June 2020.

Compartment No. 2

(3) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment No. 2 of the Company by a resolution passed on 12 February 2020.

In connection with this transaction, the Company acting through the compartment issued the Subordinated Note in an aggregate nominal amount of EUR 328,780,833.33 (as increased or decreased from time to time).

As at 31 December 2021, the outstanding balance under the Subordinated Note is 218,031,659.92 (2020: EUR 218,344,387.90), and a set-off reserve created amounting to EUR 110,000,000 (2020: EUR 110,000,000) (Note 9).

(4) The Company issued to professional investors on 7 May 2020 a global note which represents up to EUR 906,700,000 Class A Compartment No. 2 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2156515848).

(5) The Company issued to professional investors on 7 May 2020 a global note which represents EUR 52,600,000 Class B Compartment No. 2 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2156516226).

As at 31 December 2021, the outstanding balance under the Class A Note is EUR 726,700,000 (2020: EUR 726,700,000) and under the Class B Note is EUR 52,600,000 (2020: EUR 52,600,000).

The amortisation of the Compartment No. 2 Note will commence after the expiration of the Revolving Period, i.e. (but excluding) on the earlier of (i) the payment date in May 2023 and (ii) the occurrence of an Early Amortisation Event.

Compartment No. 3

(7) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment No. 3 of the Company by a resolution passed on 22 April 2021.

In connection with this transaction, the Company acting through the compartment issued the Subordinated Note in an aggregate nominal amount of EUR 147,056,666.67 (as increased or decreased from time to time).

As at 31 December 2021, the outstanding balance under the Subordinated Note is 114,929,849.15 and a set-off reserve created amounting to EUR 32,000,000 (Note 9).

(8) The Company issued to professional investors on 7 July 2021 a global note which represents up to EUR 255,700,000 Class A Compartment No. 3 Fixed Rate Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the regulated market of the Luxembourg Stock exchange (ISIN code: XS2351351163).

As at 31 December 2021, the outstanding balance under the Class A Note is EUR 255,700,000.

Note 8 - Debenture loans (continued)

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Notes to the Annual Accounts
for the year ended 31 December 2021

Compartment Leine

(6) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Leine of the Company by a resolution passed on 12 February 2020.

In connection with the transaction Leine I, the Company acting through the compartment drew the German promissory note in an aggregate nominal amount of up to EUR 14,242,569.80.

As at 31 December 2021, the outstanding balance under the Note is EUR 10,406,450.53 (2020: EUR 12,651,751.84).

In connection with this transaction Leine II, the Company acting through the compartment drew the German promissory note in an aggregate nominal amount of up to EUR 3,332,646.78.

As at 31 December 2021, the outstanding balance under the Note is EUR 2,902,454.02.

Compartment Pegnitz

(10) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Pegnitz of the Company by a resolution passed on 22 April 2021.

In connection with this transaction, the Company acting through the compartment drew the German promissory note in an aggregate nominal amount of up to EUR 15,254,238.52.

As at 31 December 2021, the outstanding balance under the Note is EUR 15,254,238.27.

Compartment CP Finance

(11) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment CP Finance of the Company by a resolution passed on 17 February 2021.

In connection with this transaction, the Company acting through the compartment drew the German promissory note in an aggregate nominal amount of up to EUR 6,539,323.83.

As at 31 December 2021, the outstanding balance under the Note is EUR 5,949,617.22.

Compartment Rheingau

(12) In order to securitise certain assets and in accordance with article 5 of the Securitisation Law, the Board decided to create a segregated compartment referred to as Compartment Rheingau of the Company by a resolution passed on 15 May 2021.

In connection with this transaction, the Company acting through the compartment drew the German promissory note in an aggregate nominal amount of up to EUR 10,000,000 and used the overdraft 'Betriebsmittelkreditlinie' in the amount of EUR 20,448,038.11.

As at 31 December 2021, the outstanding balance under the Note is EUR 10,000,000.

Note 9 - Amounts owed to credit institutions

The amounts disclosed under amounts owed to credit institutions consists of the following:

	2021	2020
	EUR	EUR
	Combined	Combined
<u>Becoming due and payable within one year</u>		
Payable to Financial Institution	-	727,145.72
Other Creditors	4,006,362.21	24,500.00
<u>Becoming due and payable after more than one year</u>		
Payable to Financial Institution	9,384,793.18	1,179,807.57
Set off Reserve	142,000,000.00	110,000,000.00
Total	155,391,155.39	111,931,453.29

Note 10 - Other operating income

Other operating income is composed as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
	758.73	36,318.07
	3,345,659.59	35,392.75
	20,500.00	36,104.43
Total	3,366,918.32	107,815.25

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Notes to the Annual Accounts
for the year ended 31 December 2021

Note 11 - Raw materials and consumables and other external expenses

The raw materials and consumables and other external expenses are composed of the following :

	2021	2020
	EUR	EUR
	Combined	Combined
	(343,584.61)	(130,518.64)
Legal Fees	(60,886.74)	(6,139.79)
Audit Fees (1)	(73,300.79)	(38,082.29)
Corporate Service Provider Fees	(26,803,634.73)	(12,664,054.54)
Other third party Fees	(38,927.00)	(136,133.17)
Total	(27,320,333.87)	(12,974,928.43)

(1) The statutory auditors fees are as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
Statutory audit of the annual accounts - Including VAT	<u>(53,775.00)</u>	<u>(45,454.50)</u>

Note 12 - Other operating charges

Other operating charges is composed as follows:

	2021	2020
	EUR	EUR
	Combined	Combined
	(6,000.00)	(4,961.40)
Equalisation Provision	(2,844,787.21)	(8,016.32)
Total	(2,850,787.21)	(12,977.72)

Note 13 - Other interest and other financial income

Other interest and other financial income amounting to EUR 31,610,511.01 (2020: EUR 17,312,630.93) are mainly composed of interest income on financial assets (Note 3).

Note 14 - Interest payable and similar expenses

Other interest and similar financial charges amounting to EUR 4,800,668.28 (2020: EUR 4,422,982.02) are mainly composed of interest expenses on the debenture loans. (Note 8).

Note 15 - Taxes

The Company is subject to all taxes applicable to commercial companies in Luxembourg. Pursuant to the provision of the Securitisation Law, the commitments to remunerate investors and other creditors are fully deductible.

Note 16 - Staff

The Company did not employ staff during the year under review.

Note 17 - Director fees

The Directors did not receive any remuneration during the year under review.

Note 18 - Related Party Transactions

During the year ended 31 December 2021, there were no significant transactions entered into with related parties outside the normal course of business.

Note 19 - Subsequent events

The ongoing military operation in Ukraine and the related sanctions targeted against the Russian Federation may have impact on the European economies and globally. The Company does not have any significant direct exposure to Ukraine, Russia or Belarus. However, the impact on the general economic situation may require revisions of certain assumptions and estimates. This may lead to material adjustments to the carrying value of certain assets and liabilities including within the next financial year. At this stage management is not able to reliably estimate the impact as events are unfolding day-by-day. The longer-term impact may also affect cash flows. Nevertheless, at the date of these financial statements the Company continues to meet its obligations as they fall due and therefore continues to apply the going concern basis of preparation. In the opinion of the Board of Directors, no other matters or events have occurred subsequent to 31 December 2021 which could materially affect the Annual Accounts and related disclosures for the year ended 31 December 2021.

There are no material subsequent events to report for the year ended 31 December 2021.

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Notes to the Annual Accounts
for the year ended 31 December 2021

Note 20 - Compartment Balance Sheet and Compartment P&L (continued)

Balance Sheet
as at 31 December 2020 (Denominated in EUR)

	Not	31/12/2020	31/12/2020	31/12/2020	ot	31/12/2020	ot	31/12/2020	General Compartment	Combined
ASSETS										
C. Fixed assets										
<i>III. Financial assets (0)</i>										
5. Investments held as fixed assets		12,651,751.84	1,099,999,995.44	212,987,220.26		-		1,325,638,967.54		
D. Current Assets										
<i>I. Trade debtors</i>										
i) becoming due and payable within one		442,220.01	186,770.44	22,202,436.70		-		22,831,427.15		
<i>4. Other debtors</i>										
i) becoming due and payable within one		15,575.48	2,702.87	1,182,510.46		22,154.53		1,181,807.59	*	
ii) becoming due and payable after more than one year		-	-	-		-		-		
<i>IV. Cash at bank and in hand</i>										
		-	7,758,049.55	7,550,070.00		27,826.69		15,335,946.24		
E. Prepayments		-	-	-		-		-		
TOTAL ASSETS		13,109,547.33	1,107,947,518.30	243,922,237.42		49,981.22		1,364,988,148.52		
CAPITAL, RESERVES AND LIABILITIES										
A. Capital and reserves										
<i>I. Subscribed capital</i>										
		-	-	-		31,000.00		31,000.00		
<i>VI. Profit or loss for the financial year</i>										
		-	-	-		-		-		
B. Provisions										
3. Other provisions		18,000.00	15,000.00	32,354.33		-		65,354.33		
C. Creditors										
1. Debenture Loans										
<i>a) Non convertible loans</i>										
i) becoming due and payable within one		442,135.84	290,427.53	20,552,690.08		-		21,285,253.45		
ii) becoming due and payable after more than one year		12,630,852.88	997,628,968.79	221,415,265.77		-		1,231,675,087.45		
2. Amounts owed to credit institutions										
i) becoming due and payable within one		83.33	-	727,062.39		-		727,145.72		
ii) becoming due and payable after more than one year		-	110,000,000.00	1,179,807.57		-		111,179,807.57		
4. Trade creditors										
i) becoming due and payable within one		2,000.00	10,000.00	12,500.00		-		24,500.00		
8. Other creditors										
<i>e) Other creditors</i>										
i) becoming due and payable within one		16,475.28	3,121.98	2,557.28		18,981.22		-		
* TOTAL (CAPITAL, RESERVES AND LIABILITIES)		13,109,547.33	1,107,947,518.30	243,922,237.42		49,981.22		1,364,988,148.52		

* Inter-compartmental balances have been eliminated

for the year ended 31 December 2021

Profit and loss account

for the year ended from 01 January 2021 to 31 December 2021
(denominated in EUR)

General
Compartment Combined

	14/05/2021 - 31/12/2021	17/02/2021 - 31/12/2021	22/04/2021 - 31/12/2021	01/01/2021 - 31/12/2021	22/04/2021 - 31/12/2021	01/01/2021 - 31/12/2021	01/01/2021 - 20/07/2021	01/01/2021 - 31/12/2021	01/01/2021 - 31/12/2021	01/01/2021
4. Other operating income	2,700,590.15	266,000.68								3,366,918.32
5. Raw materials and consumables and other external expenses										
expenses	b) (222,716.52)	(266,293.48)	(107,097.82)	(115,044.30)	Other (3,515,099.24)	(19,546,398.93)	(3,547,683.58)	-	(27,320,333.87)	external
expenses	(2,477,873.63)	(7,629.21)	-	(19,395.18)	-	(311,196.46)	(34,692.70)	-	(2,850,787.18)	operating
11. Other interest receivable and other financial income										
income	b) other interest and similar financial	62,994.68	117,105.85	203,666.47	4,010,653.43	23,346,881.83	3,869,208.75	-	31,610,511.01	
14. Interest payable and similar expenses										
expenses	b) other interest and similar	(55,072.67)	(117,105.85)	(202,101.71)	(522,778.65)	(3,485,265.18)	(418,344.22)	-	(4,800,668.28)	
15. Tax on profit or loss										
16. Profit or loss after taxation	-	0.00	-	0.00	1,202.62	4,021.26	416.12	-	-	5,640.00

17. Other taxes not shown under items 1 to								
16	-	-	-	(1,202.62)	(4,021.26)	(416.12)	-	(5,640.00)
18. Profit or loss for the financial	0.00	-	0.00	(0.00)	(0.00)	(0.00)	-	0.00
year	-	0.00	-	0.00	(0.00)	(0.00)	-	0.00

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

Note 20 - Compartment Balance Sheet and Compartment P&L (continued)

Balance Sheet
as at 31 December 2020 (Denominated in EUR)

	Not	31/12/2020	31/12/2020	31/12/2020	ot	31/12/2020	ot	31/12/2020	General	
									Compartment	Combined
ASSETS										
C. Fixed assets										
<i>III. Financial assets (0)</i>										
5. Investments held as fixed assets		12,651,751.84	1,099,999,995.44	212,987,220.26		-		1,325,638,967.54		
D. Current Assets										
<i>I. Trade debtors</i>										
i) becoming due and payable within one year		442,220.01	186,770.44	22,202,436.70		-		22,831,427.15		
<i>4. Other debtors</i>										
i) becoming due and payable within one year		15,575.48	2,702.87	1,182,510.46		22,154.53		1,181,807.59	*	
ii) becoming due and payable after more than one year		-	-	-		-		-		
<i>IV. Cash at bank and in hand</i>										
		-	7,758,049.55	7,550,070.00		27,826.69		15,335,946.24		
E. Prepayments										
		-	-	-		-		-		
TOTAL ASSETS		13,109,547.33	1,107,947,518.30	243,922,237.42		49,981.22		1,364,988,148.52		
CAPITAL, RESERVES AND LIABILITIES										
A. Capital and reserves										
<i>I. Subscribed capital</i>										
		-	-	-		31,000.00		31,000.00		
<i>VI. Profit or loss for the financial year</i>										
		-	-	-		-		-		
B. Provisions										
3. Other provisions		18,000.00	15,000.00	32,354.33		-		65,354.33		
C. Creditors										
<i>1. Debenture Loans</i>										
<i>a) Non convertible loans</i>										
i) becoming due and payable within one year		442,135.84	290,427.53	20,552,690.08		-		21,285,253.45		
ii) becoming due and payable after more than one year		12,630,852.88	997,628,968.79	221,415,265.77		-		1,231,675,087.45		
<i>2. Amounts owed to credit institutions</i>										
i) becoming due and payable within one year		83.33	-	727,062.39		-		727,145.72		
ii) becoming due and payable after more than one year		-	110,000,000.00	1,179,807.57		-		111,179,807.57		
<i>4. Trade creditors</i>										
i) becoming due and payable within one year		2,000.00	10,000.00	12,500.00		-		24,500.00		
<i>8. Other creditors c) Other creditors</i>										
i) becoming due and payable within one year		16,475.28	3,121.98	2,557.28		18,981.22		-	*	
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		13,109,547.33	1,107,947,518.30	243,922,237.42		49,981.22		1,364,988,148.52		

* Inter-compartmental balances have been eliminated

Weser Funding S.A.
Notes to the Annual Accounts
for the year ended 31 December 2021

Profit and loss account
for the year ended from 01 January 2020 to 31 December 2020 (denominated in EUR)

		General				
		Compartment		Combined		
		12/02/2020 -	12/02/2020 -	01/01/2020 -	01/01/2020 -	01/01/2020 -
		Not	31/12/2020	31/12/2020	31/12/2020	ot 31/12/2020
		15,419.11	36,104.43	-	-	107,815.25
4. Other operating income	56,291.71					
5. Raw materials and consumables and other external expenses						
b) Other external expenses	(53,895.18)	(7,144,323.38)	(5,776,709.88)	-	-	(12,974,928.43)
8. Other operating expenses	(2,480.70)	(2,480.70)	(8,016.32)	-	-	(12,977.73)
11. Other interest receivable and other financial income						
b) other interest and similar financial income	66,488.99	9,493,560.56	7,752,581.38	-	-	17,312,630.93
14. Interest payable and similar expenses						
b) other interest and similar expenses	(66,404.82)	(2,362,175.59)	(1,994,401.61)	-	-	(4,422,982.02)
15. Tax on profit or loss			(5,552.99)	-	-	(5,552.99)
16. Profit or loss after taxation			4,005.01	-	-	4,005.01
17. Other taxes not shown under items 1 to 16				(4,005.01)	-	(4,005.01)
18. Profit or loss for the financial year						