

AFE S.A. SICAV-RAIF

For the period from 1 January 2024 to 30 June 2024

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General Information

Fund

AFE S.A. SICAV-RAIF
43-45, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Alternative Investment Fund Manager (“AIFM”)

Carne Global Fund Managers (Luxembourg) S.A.
3, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Custodian, Depositary Bank

RBS International Depositary Services S.A.
40, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Depositary

RBS International Depositary Services S.A.
Luxembourg Branch
The Square, Building A – 40 Avenue J.F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Portfolio Manager

Carne Global Fund Managers (Luxembourg) S.A.
3, rue Jean Piret
L-2350 Luxembourg
Grand Duchy of Luxembourg

Board of Directors

Audrey Lewis
Graham Parry-Dew (resigned 9 July 2024)
Christopher Ross-Roberts
Eric Verret (resigned 15 August 2024)
Anthony Place (13 September 2024)
James Culshaw
Gregory McKenzie (appointed 9 July 2024)
Clarissa Steland (appointed 15 August 2024)

Board of Directors of the AIFM and Portfolio Manager

Anouk Agnes
John Alldis
Veronica Buffoni
Jacqueline O’Connor
Glenn Thorpe

Administrative Agent

Belasko Luxembourg S.a.r.l
43-45, Allée Scheffer
L-2520 Luxembourg
Grand Duchy of Luxembourg

Investment Advisor

Since 9 February 2024:
AGG Capital Management Limited
27 Esplanade
St. Helier
Jersey
JE1 1SG

Until 21 December 2023:

Veld Capital Limited
105 Wigmore Street
London
W1U 1QY

Fund Performance Summary (Unaudited)

	Inception to 30 June 2024	Inception to 30 June 2023
	EUR '000	EUR '000
ERC	486,918	518,738
Cumulative purchases of loan portfolios and loan notes	763,523	721,604
Number of investments	66	67
Total attributable collections	35,000	43,245
Operating expenses	14,689	20,717
Collection cost ratio	42%	58%
Adjusted EBITDA	21,652	23,635
LTM Adjusted EBITDA	37,605	73,498
LTM Net interest expenses	10,019	23,849

Net Debt

The Notes	343,214	307,500
Revolving Credit Facility	140,739	74,848
Term Facility	0	0
Less:		
Cash at bank	(27,158)	(7,537)
Cash held on AFE's account at servicers' and others	(12,484)	(7,240)
Cash collected on behalf of secured loan note holders	1,120	1,090
Net Debt	445,431	368,661

Key Facts

	Inception to 30 June 2024	Inception to 30 June 2023
LTV ratio at period end	91.48%	71.07%
Adjusted EBITDA leverage ratio	11.84	5.02
Fixed charge cover ratio ("FCCR")	3.75	3.08

Consolidated Statement of Financial Position (Unaudited)

	<u>As at 30 June 2024</u>	<u>As at 31 December 2023</u>
	EUR '000	EUR '000
Assets		
Non-current assets		
Property, plant and equipment	55	90
Investments in joint ventures at amortised cost	56,751	47,535
Investments in joint ventures at FVPL	98,843	103,518
Participation in joint ventures	34,157	61,168
Goodwill	770	770
Total non-current assets	190,576	213,081
Current assets		
Cash and cash equivalents	27,158	22,635
Trade and other Receivables	16,251	31,463
Tax receivable	384	389
Other assets	3,750	3,928
Purchased loan portfolios	60,221	65,044
Purchased loan notes	5,949	6,869
Investments in joint ventures at amortised cost	31,091	33,196
Inventory	15,060	21,758
Total current assets	159,864	185,282
Total Assets	350,440	398,363
Liabilities		
Non-current liabilities		
Borrowings	473,010	-
Secured loan notes	8,570	9,019
Total non-current liabilities	481,580	9,019
Current liabilities		
Borrowings	6,592	407,635
Secured loan notes	666	562
Trade and other payables	11,894	21,730
Tax provisions	1,688	1,688
Total current liabilities	20,840	431,615
Total Liabilities	502,420	440,634
Equity		
Share capital	1,250	1,250
Retained earnings	(153,230)	(43,521)
Total equity	(151,980)	(42,271)
Total equity and liabilities	350,440	398,363

Consolidated Statement of Comprehensive Income (Unaudited)

	1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023
	EUR '000	EUR '000
Revenue		
Interest income from purchased loan portfolios	9,440	15,664
Interest income from purchased loan notes	370	444
Interest income on loans to joint ventures at amortised cost	5,379	6,269
Fair value (loss)/gain on investments in joint ventures at FVPL	(23,584)	8,976
Other income	1,321	2,197
Total Revenue	(7,074)	33,550
Expenses		
Collection activity costs	(6,118)	(11,530)
Impairment gain/(loss)	(24)	(9,036)
Loss on disposal	-	(7,100)
Net foreign exchange gain	2,511	1,715
Other operating expenses	(8,571)	(9,187)
Total Expenses	(12,202)	(35,138)
Operating Loss	(19,276)	(1,588)
Finance income	170	-
Finance costs	(28,301)	(18,214)
Exceptional items - restructuring costs	(37,665)	-
Share of loss in joint venture accounted for using equity method	(24,390)	10,473
Loss Before Tax	(109,462)	(9,329)
Tax charge	(247)	(99)
Comprehensive Loss for the year	(109,709)	(9,428)

Consolidated Statement of Cash Flows (Unaudited)

	1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023
	EUR '000	EUR '000
Cash flows from operating activities		
Loss before tax	(109,462)	(9,329)
Adjustments for:	-	-
Interest income from purchased loan portfolios	(9,440)	(15,664)
Interest income from purchased loan notes	(370)	(444)
Interest income from joint ventures	(5,379)	(6,269)
Fair value movement of investment in joint ventures at FVPL	23,584	(8,976)
Finance income	(170)	-
Impairment losses	24	9,036
Loss on disposals	-	7,100
Finance costs	28,301	18,214
Exceptional items - restructuring costs	37,665	-
Unrealised foreign currency gain	(2,644)	(1,784)
Share of loss/(profit) in joint venture accounted for using equity method	24,390	(10,473)
	(13,501)	(18,589)
Operating cash flows before movements in working capital		
Change in trade and other receivables	14,203	13,398
Change in trade and other payables	(9,836)	(952)
	(9,134)	(6,143)
Cash used in operating activities before collections and purchases		
Taxes paid	(631)	(622)
Collections in the period - sale of inventory	7,088	2,964
Collections in the period - loans	24,656	33,639
Collections in the period - joint ventures	4,396	6,642
Acquisition of purchased loan notes	-	(520)
Acquisition of joint ventures	(29,113)	(9,853)
	(2,738)	26,107
Net cash (used in)/generated from operating activities		
Cash flows from financing activities		
Proceeds from borrowings	39,516	11,537
Repayment of borrowings	(2,282)	(33,756)
Senior Secured Notes issued	24,019	-
Repayment of secured loan notes	(1,212)	(1,164)
Finance income received	170	-
Finance costs paid	(17,304)	(13,993)
Exceptional items - restructuring costs paid	(35,646)	-
	7,261	(37,376)
Net cash generated from/(used in) financing activities		
Net movements in cash and cash equivalents	4,523	(11,269)
Cash and cash equivalents at the beginning of the period	22,635	18,806
	27,158	7,537
Cash and cash equivalents at the end of the period		

Consolidated Statement of Changes in Equity (Unaudited)

	Share Capital	Retained Earnings	Total Equity
	EUR '000	EUR '000	EUR '000
Balance as at 1 January 2024	1,250	(43,521)	(42,271)
Comprehensive loss for the period	-	(109,709)	(109,709)
Balance as at 30 June 2024	1,250	(153,230)	(151,980)

Comparative figures from 1 January to 30 June 2023

	Share Capital	Retained Earnings	Total Equity
	EUR '000	EUR '000	EUR '000
Balance as at 1 January 2023	1,250	9,649	10,899
Comprehensive loss for the period	-	(9,428)	(9,428)
Balance as at 30 June 2023	1,250	221	1,471

Reconciliation of Core collections to Normalised EBITDA (Unaudited)

	1 January 2024 to 30 June 2024	1 January 2023 to 30 June 2023
	EUR '000	EUR '000
Core Collections in the year	36,140	35,830
Proceeds from portfolio disposals	-	7,415
Other income	1,321	2,197
Operating expenses	(12,202)	(35,138)
Net foreign currency movements	(2,511)	(1,715)
Impairment loss	24	9,036
Loss on disposal	-	7,100
Cash collected on behalf of secured loan noteholders	(1,120)	(1,090)
Adjusted EBITDA	21,652	23,635
Less: Assets disposals	-	(7,415)
Normalised Adjusted EBITDA	21,652	16,220