

AFE S.A. SICAV-RAIF

For the period from 1 July 2024 to 30 September 2024

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General Information

Fund

AFE S.A. SICAV-RAIF
43-45, Allée Scheffer
L-2520 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)

Alternative Investment Fund Manager ("AIFM")

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

Board of Directors of the AIFM and Portfolio Manager

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

Custodian, Depositary Bank

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

Administrative Agent

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

Investment Advisor

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

Portfolio Manager

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

Until 21 December 2023:
Veld Capital Limited
105 Wigmore Street
London
W1U 1QY

Fund Performance Summary (Unaudited)

	1 July 2024 to 30 September 2024	1 April 2024 to 30 June 2024
	EUR '000	EUR '000
ERC	464,847	486,918
Purchases of loan portfolios and loan notes	4,944	6,564
Operating expenses	7,006	6,300
Core collections	22,039	16,711
Collection cost ratio	32%	38%
Adjusted EBITDA	15,661	10,826
Cumulative number of investments	66	66
YTD core collections	57,039	35,000
Last twelve months adjusted EBITDA	40,538	37,605
Last twelve months net interest expenses	36,468	44,627

Net Debt

The Notes (in issue)	343,214	343,214
The Notes (held by AFE)	(2,868)	-
Revolving Credit Facility	144,915	140,739
Less:		
Cash at bank	(27,002)	(27,158)
Cash held on AFE's account at servicers' and others	(15,595)	(12,484)
Cash collected on behalf of secured loan note holders	303	516
Net Debt	442,968	444,827

Key Facts

	30 September 2024	30 June 2024
LTV ratio at period end	95.29%	91.48%
Adjusted EBITDA leverage ratio	10.93	11.84
Fixed charge cover ratio ("FCCR")	1.11	3.75

Consolidated Statement of Financial Position (Unaudited)

	As at 30 September 2024	As at 31 December 2023
	EUR '000	EUR '000
Assets		
Non-current assets		
Property, plant and equipment	71	90
Investments in joint ventures at amortised cost	41,433	47,535
Investments in joint ventures at FVPL	105,711	103,518
Participation in joint ventures	36,791	61,168
Goodwill	770	770
Total non-current assets	184,776	213,081
Current assets		
Cash and cash equivalents	27,002	22,635
Trade and other Receivables	18,017	31,463
Tax receivable	81	389
Other assets	3,697	3,928
Purchased loan portfolios	60,747	65,044
Purchased loan notes	6,033	6,869
Investments in joint ventures at amortised cost	30,008	33,196
Inventory	13,844	21,758
Total current assets	159,429	185,282
Total Assets	344,205	398,363
Liabilities		
Non-current liabilities		
Borrowings	474,772	-
Secured loan notes	8,020	9,019
Total non-current liabilities	482,792	9,019
Current liabilities		
Borrowings	6,473	407,635
Secured loan notes	791	562
Trade and other payables	17,248	21,730
Tax provisions	1,688	1,688
Total current liabilities	26,200	431,615
Total Liabilities	508,992	440,634
Equity		
Share capital	1,250	1,250
Retained earnings	(166,037)	(43,521)
Total equity	(164,787)	(42,271)
Total equity and liabilities	344,205	398,363

Consolidated Statement of Comprehensive Income (Unaudited)

	1 July 2024 to 30 September 2024	1 April 2024 to 30 June 2024
	EUR '000	EUR '000
Revenue		
Interest income from purchased loan portfolios	4,317	4,591
Interest income from purchased loan notes	173	179
Interest income on loans to joint ventures at amortised cost	1,560	2,778
Fair value gain on investments in joint ventures at FVPL	2,066	1,129
Other income	2,201	415
Total Revenue	10,317	9,092
Expenses		
Collection activity costs	(3,397)	(2,305)
Impairment gain/(loss)	(882)	1,454
Net foreign exchange (loss)/gain	(153)	756
Other operating expenses	(3,609)	(3,995)
Total Expenses	(8,041)	(4,090)
Operating Profit	2,276	5,002
Finance income	196	170
Finance costs	(14,762)	(15,220)
Exceptional items - restructuring costs	(1,953)	(397)
Share of loss in joint venture accounted for using equity method	1,923	(1,128)
Loss Before Tax	(12,320)	(11,573)
Tax charge	(486)	(39)
Comprehensive Loss for the quarter	(12,806)	(11,612)

Consolidated Statement of Cash Flows (Unaudited)

	1 July 2024 to 30 September 2024	1 April 2024 to 30 June 2024
	EUR '000	EUR '000
Cash flows from operating activities		
Loss before tax	(12,322)	(11,571)
Adjustments for:		
Interest income from purchased loan portfolios	(4,317)	(4,591)
Interest income from purchased loan notes	(173)	(179)
Interest income from joint ventures	(1,560)	(2,778)
Fair value movement of investment in joint ventures at FVPL	(2,066)	(1,129)
Finance income	(196)	(170)
Impairment losses	882	(1,454)
Finance costs	14,762	15,220
Exceptional items - restructuring costs	1,953	397
Unrealised foreign currency gain/(loss)	12	(751)
Share of loss/(profit) in joint venture accounted for using equity method	(1,923)	1,128
Operating cash flows before movements in working capital	(4,948)	(5,878)
Change in trade and other receivables	(4,476)	(1,884)
Change in trade and other payables	5,354	2,862
Cash used in operating activities before collections and purchases	(4,070)	(4,900)
Taxes paid	(182)	(80)
Collections in the period - sale of inventory	2,126	5,324
Collections in the period - loans	2,993	9,570
Collections in the period - joint ventures	17,223	2,333
Acquisition of joint ventures	(4,875)	(6,564)
Net cash (used in)/generated from operating activities	13,215	5,683
Cash flows from financing activities		
Senior Secured Notes repurchased	(1,295)	-
Repayment of secured loan notes	-	(855)
Finance income received	196	170
Finance costs paid	(10,319)	(10,137)
Exceptional items - restructuring costs paid	(1,953)	(335)
Net cash generated from/(used in) financing activities	(13,371)	(11,157)
Net movements in cash and cash equivalents	(156)	(5,474)
Cash and cash equivalents at the beginning of the period	27,158	32,632
Cash and cash equivalents at the end of the period	27,002	27,158

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	-	(122,516)	(122,516)
Balance as at 30 September 2024	1,250	(166,037)	(164,787)

Comparative figures from 1 January to 31 December 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	-	(53,170)	(53,170)
Balance as at 31 December 2023	1,250	(43,521)	(42,271)

Reconciliation of Core collections to Normalised EBITDA (Unaudited)

	1 July 2024 to 30 September 2024	1 April 2024 to 30 June 2024
	EUR '000	EUR '000
Core Collections in the period	22,342	17,227
Other income	2,201	415
Operating expenses	(8,041)	(4,090)
Net foreign currency movements	153	(756)
Impairment loss	882	(1,454)
Fair value gain on bond buyback	(1,573)	-
Cash collected on behalf of secured loan noteholders	(303)	(516)
Adjusted EBITDA	15,661	10,826
Normalised Adjusted EBITDA	15,661	10,826