

Limes Funding S.A.

Société Anonyme

AUDITED ANNUAL ACCOUNTS

**For the financial year ending 30 September 2020
with the report of the Reviseur d'Entreprises agréé thereon**

6, rue Eugène Ruppert
L-2453 Luxembourg

R.C.S. Luxembourg: B202302
Share capital: EUR 31,000.00

TABLE OF CONTENTS

	Page
Director`s report	1 - 11
Auditor report	12 - 16
Balance sheet as at 30 September 2020	17 - 21
Profit and loss account for the financial year from 01 October 2019 to 30 September 2020	22 - 23
Notes to the annual accounts	24 - 48

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

To the Sole Shareholder,

The Board of Directors is pleased to present the annual accounts of Limes Funding S.A. (the “Company”) for the financial year ended 30 September 2020.

1. Activities and development of the business

The Company was incorporated on 2 December 2015, and organised under the laws of the Grand-Duchy of Luxembourg (the “**Laws**”) as a *société anonyme* for an unlimited period.

The Company has been established for the purpose of securitisation in accordance with the definition within the Law of 22 March 2004. The Company securitises a portfolio of receivables (the “**Receivables**”) originated by Deutsche Sparkassen Leasing AG & Co. KG (the “**Originator**”, also referred to as “**DL**”).

The Company acts on behalf of 2 (two) compartments; Compartment 1 established on 14 December 2015 and Compartment 2019-1 established on 19 February 2019.

On 29 April 2019, the Company changed the period of its financial year. Consequentially, the financial year ended 30 September 2020 is the first financial year beginning on October 1 and ending on September 30.

The corporate object of the Company is to act as an acquisition and/or an issuing entity in the context of one or several securitisation operations. The Originator enters into lease agreements located in Germany and sells and transfers a portfolio of lease receivables under the relevant Lease Agreements on the face of the Company’s compartments. The principal risk facing the Company therefore is the reliance on counterparties and ability to settle all liabilities as they become due.

Compartment 1 (“**C1**”) was created for the purpose of issuing Notes “Refinancing instruments” to acquire trade receivables on a revolving basis. These notes are acquired through several Note purchase agreements between the Note Purchasers and the Company acting for and on behalf of C1 as Issuer and Purchaser of the receivables. On 15 December 2015, the Issuer entered into a Note Purchase Agreement (a “**NPA**”) with DL pertaining to a floating rate promissory note including and in excess of EUR 500,000,000. On 15 December 2015, the Issuer entered into a NPA with Corelux Purchaser No.1 S.A. (“**Corelux**”) pertaining to a floating rate promissory note including and in excess of EUR 240,000,000. On 26 September 2016, the Issuer entered into a NPA with Opusalpha Purchaser II Ltd (“**OPL**”) pertaining to a floating rate promissory note including and in excess of EUR 500,000,000. On 28 March 2018, the Issuer entered into a NPA with Weinberg Capital DAC (“**Weinberg**”) pertaining to a floating rate promissory note including and in excess of EUR 500,000,000. DL, Corelux, OPL and Weinberg are from herein referred to as the “Note Purchasers” for C1.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

1. Activities and development of the business (continued)

On 15 July 2019, the Company acting on behalf and for the account of C1 as Issuer and Purchaser entered into a Repurchase and Settlement Agreement with the Note Purchasers, Bayerische Landesbank (as Trustee and Issuer Account Bank), and Intertrust Luxembourg S.à r.l. (as Corporate Service Provider and Transaction Administrator) in order to allow the Originator, acting as seller, to sell and reassign lease receivables to the Company in respect of its Compartment 2019-1.

Compartment 2019-1 (“**C2019-1**”) was created as a mechanism to expand the Issuer’s refinancing portfolio and place it on the capital market. On 15 July 2019, the Company acting for and on behalf of C2019-1 purchased from the Originator a portfolio of lease receivables and hire purchase receivables equating to the amount of EUR 749,999,999.58 in accordance with the Receivables Purchase and servicing agreement entered into between DL and the Issuer. Notes are issued by the Issuer in order to finance the acquisition of the receivables. On 15 July 2019, the Issuer entered into an Interest Rate Swap Agreement on the basis of an ISDA Master Agreement (2002) with DZ Bank AG Deutsche ZentralGenossenschaftsbank, Frankfurt am Main (as Swap counterparty) in order to hedge its floating rate exposure under its Class A Notes. The Class A Notes are subject to an amount of EUR 671,200,000, which bears interest at an amount calculated to 1 month EURIBOR plus 0,50%; Class A Notes are rated as “AAAsf” by Fitch and “AAA(sf)” by S&P. On 15 July 2019, the Issuer entered into a NPA with DL for the issuance of Class B Notes subject to the amount of EUR 78,800,000.

The portfolio of assets has been purchased from one counterpart. This dependence on a sole counterpart represents the principle risk to the Company. The Company receives monthly reports from Deutsche Leasing Sparkassen AG & Co. KG in respect of C1 and US Bank Global Corporate Trust Ltd, as Cash Administrator for the account of C2019-1.

On 17 December 2019, the Board of Directors approved amendments of C1’s transaction to comply with Article 24 of the Regulation (EU) 2017/2402, which subsequently led to C1’s STS verification on 18 December 2019.

On 18 December 2019, the DL Note in C1 was fully repaid with an amount of EUR 63.157.187,55.

The continuance of the existing programme is foreseen without any significant change in the future for the compartments except for events disclosed in the “Subsequent events” section.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

1. Activities and development of the business (continued)

Movements in the active compartments:

	30 September 2020	30 September 2019
Opening	2	1
Number of compartment created	0	1
Number of compartment redeemed/cancelled	0	0
Closing	2	2

Financial highlights:

	30 September 2020 EUR	30 September 2019 EUR
Total Assets	1,138,307,831.51	1,181,791,047.60
Notes Issued	1,057,334,158.28	1,127,734,092.72
Net Profit/(Loss) for the financial year	NIL	NIL

Capital Compartment:

	30 September 2020 EUR	30 September 2019 EUR
Total Assets	31,000	31,000
Notes Issued	NIL	NIL
Net Profit/(Loss) for the financial year	NIL	NIL

Compartment 1:

	30 September 2020 EUR	30 September 2019 EUR
Total Assets	692,415,617.43	472,028,284.42
Notes Issued	612,082,033.25	434,244,097.82
Net Profit/(Loss) for the financial year	NIL	NIL

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

1. Activities and development of the business (continued)

Compartment 2019-1:

	30 September 2020 EUR	30 September 2019 EUR
Total Assets	445,861,214.08	709,731,763.18
Notes Issued	445,252,125.03	693,489,994.90
Net Profit/(Loss) for the financial year	NIL	NIL

Acquisition of own shares

During the year ended 30 September 2020, the Company has not purchased any of its own shares.

Research and development activities

The Company was not involved or participating in any kind of research or development activities in the year ended 30 September 2020.

Branches of the Company

The Company does not have any branches.

Covid-19

In March 2020, the World Health Organisation declared an outbreak of a novel coronavirus (COVID-19) as a health pandemic which has led to global economic instability. Throughout the financial year, the Board has convened to discuss the impact which the pandemic will have on the business activity of Limes Funding S.A. Germany has shown signs to be withstanding the macroeconomic pressures which has subsequently meant that there have been no major disruptions to the two existing compartments, nor is it forecasted that there will be major impacts.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

2. Principal risks and uncertainties

The Company's business purpose is securitisation, within the meaning of the Luxembourg law of 22 March 2004 on Securitisation which shall apply to the Company, of receivables (the "Permitted Assets").

The Company shall not actively source Permitted Assets but shall only securitize those Permitted Assets that are proposed to it by one or several originators.

The Company has exposure to the following risks from its use of financial instruments and does not have any externally imposed capital requirements, other than the minimum capital requirements of the Commercial Law in Luxembourg.

i - Credit risk

Credit risk is the risk of the financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's principal financial assets are other loans, debtors and Cash at bank and in hand. The risk factors, backing each existing compartment, are defined in the prospectus and/or subscription agreement of that compartment. The Non-convertible loans issued by the Company for each compartment are limited recourse to the assets of that compartment. The continuity of the Company does not depend on the quality of the collaterals backing the Compartment. The risk of default on these assets is borne by the holders of the debt securities of the relevant Compartment.

ii - Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities as they fall due. The Company's obligation to the noteholder of a particular compartment is limited to the net proceeds of the assets of that compartment. Should the net proceeds be insufficient to make all payments due in respect of a particular compartment other financial assets held by the Company will not be available for payment and the deficit is instead borne by the noteholder as per the prospectus and/or subscription agreement of that compartment.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The expediency and proceed amounts from the collateral of each compartment are subject to market conditions. All substantial risks and rewards associated with the financial assets, liabilities and derivatives are ultimately borne by the noteholders.

iii- Cash flow risk

Cashflow risk is covered under liquidity risk section.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

2. Principal risks and uncertainties (continued)

iv- Discount risk

Discount Risk is arising from the payments of the purchase price of the receivables to Deutsche Leasing, which equal the nominal amounts less any discounts. The discount represents the compensation of the counterparty's credit risk and is reflected in the dilution and default reserves for Compartment 1, and the commingling reserve for Compartment 2019-1.

v – Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The noteholders are exposed to the market risk of financial assets classified as "Other loans". Market risk embodies the potential for both gains and losses and includes price risk, currency risk and interest rate risk.

a - Price risk

Price risk is the risk that the value of the financial instruments will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. The Directors do not consider price risk to be a significant risk to the Company as the assets of the Company being lease receivables are not trading or liquid securities and hence the Company is not exposed to fluctuations in market price.

b - Currency risk

The Company is not exposed to movements in exchange rates as all the investments made and obligations raised by the Company are in Euro (EUR), its functional currency.

c - Interest rate risk

Interest rate risk is the risk that the Company does not receive adequate interest from its assets to secure interest payments on the senior classes of notes, as Class A Notes in the case of its Compartment 2019-1. The Company is not exposed to interest rate risk since it entered into swap agreements in order to hedge interest payments on Class A Notes. In particular, in case of Compartment 2019-1, the Company has entered into an ISDA (2002) Master Agreement in order to hedge its floating rate interest exposure in light of the Class A Notes.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

3. Directors and their interests

The Directors who held office on 30 September 2020 did not hold any shares in the Company or in any group company at that date, or during the financial year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, at any time during the year.

4. Corporate Governance Statement

Introduction

The Company is subject to and complies with the Commercial Law of Luxembourg, the Securitization Law, the Law of Transparency and the Listing Rules of the Luxembourg Stock Exchange. The Company does not apply additional requirements in addition to those required by the above.

The Company has no employees. Corporate and domiciliation services are provided by Intertrust (Luxembourg) S.à r.l., a private limited company organised under the laws of the Grand-Duchy of Luxembourg, registered under number B 103123 on the Luxembourg Trade and Companies register, a regulated service provider, supervised by the CSSF ("**Intertrust**").

Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

Financial Reporting Process

The Board of Directors (the "Board") is responsible for establishing and maintaining adequate internal control and risk management systems of the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

4. Corporate Governance Statement (continued)

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing the Corporate Service Provider, Intertrust, to maintain the accounting records of the Company independently of the Arranger and the Custodian.

For services provided by the Corporate Service Provider, the four eyes principle is established. Intertrust is contractually obliged to maintain proper books and records as required by the service agreement. To that end Intertrust performs reconciliations of its records to those of the Arranger and the Custodian. Intertrust is also contractually obliged to prepare for review and approval by the Board the Annual Accounts providing a true and fair view of the financial situation of the Company. The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board also examines and evaluates the external auditor's performance, qualifications and independence. Intertrust has operating responsibility for internal control in relation to the financial reporting process.

Risk Management and Internal Control

The Board of Directors has overall responsibility for the Company's system of internal control and risk management, incident to the day-to-day control of the Company's business, the internal control and the preparation of the annual accounts.

The Company has an embedded risk management and reporting process which ensures that risks are identified, assessed and mitigated at an executive level and reported to the Board of Directors.

The results of risk management activities are consolidated and reviewed by the Board of Directors on an annual basis.

The system of internal control is designed to manage the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Company's systems of internal control ensure key risks are managed through:

- 1 The management structure with delegated authority levels, segregation of duties, functional reporting lines and accountability;
- 2 Authorisation processes for all capital expenditure, other purchases and expenses are subject to appropriate authorisation procedures;
- 3 Formal reporting to the Board of Directors on specific areas of financial and operational risk.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

4. Corporate Governance Statement (continued)

The Board of Directors conducts reviews of the risk management process and system of internal controls. To achieve this, the Board of Directors receives regular updates on key risks and control priorities such as business controls, business continuity planning, tone at the top and anti-fraud procedures. The Board of Directors reviews the results of all internal and external audits performed over systems of internal controls and tracks management's response to any identified control issues.

The effectiveness of the system of internal control and risk management process is reviewed annually by the Board.

Rules governing the appointment and replacement of Board Members

The Company is managed by a Board of Directors comprising of at least three members. The Directors are appointed by the General Meeting of the Shareholder for a period not exceeding six years and are re-eligible. They may be removed at any time by a resolution of the general meeting of shareholders or by the Sole Shareholder. A Director will remain in function until his successor has been appointed. In case a Director is elected without mention of the term of his mandate, he is deemed to be elected for six years from the date of his election. In the event of vacancy of a member of the Board of Directors because of death, retirement, or otherwise, the remaining Directors thus appointed may meet and elect, by majority vote, a Director to fill such vacancy until the next general meeting of shareholder which will be asked to ratify such election.

Amendment of Articles of associations

Any amendments made to the articles of association of the Company are subject to requirements, procedures and majorities provided by the governing Laws of the Grand-Duchy of Luxemburg.

General powers of the Board of Directors

The Board of Directors is vested with the broadest powers to perform all acts of administration and disposition in the Company's interests. All powers not expressly reserved by law to the general meeting of the shareholder falls within the competence of the Board of Directors. The Board of Directors is authorised to transfer, assign and dispose of the assets of the Company in accordance with the Securitisation Law and in such manner as the Board of Directors deems appropriate as well as, for the avoidance of doubt, in accordance with the terms and conditions of the securities issued by the Company in the context of the securitisation of the relevant assets.

Issued Shares

It is not foreseen to buy back any issued shares.

Limes Funding S.A.

DIRECTORS' REPORT

For the year ended 30 September 2020

4. Corporate Governance Statement (continued)

Voting rights

Each issued share holds one vote in a meeting of the shareholders. No special voting rights exist.

Composition of the Board of Directors

The Company is managed by Board of Directors composed of three members, represented by:

- Sean Barrett, Director since 23 March 2020;
- Valérie Schleimer, Director since 2 December 2015; and
- Povilas Valencius, Director since 21 May 2019.

The Company's former Directors for the period 1 October 2019 to 30 September 2020 include:

- Ihssane Mediari, Director from 7 November 2018 until 23 March 2020.

The current Board of Directors was appointed on the General Meeting of the Shareholder of the Company after resignation of the prior Board of Directors in accordance with article 7 of the Company's Articles of Association.

5. Shares and shareholders

The subscribed share capital amounts to EUR 31,000 (thirty-one thousand euros) which is divided into 3,100 (three thousand one hundred) ordinary shares with a nominal value of EUR 10 (ten) each. Stichting Limes Funding holds 3,100 shares of the Company.

The shares may be represented, at the owner's option, by certificates representing single shares or certificates representing two or more shares.

The shares shall only be held in registered form.

6. Subsequent events

The launch of two new compartments in the financial year 2020 has been postponed to Q2 in the financial year 2021.

No events occurred subsequent to 30 September 2020, that would have a material impact on these annual accounts.

Limes Funding S.A.
DIRECTORS' REPORT
For the year ended 30 September 2020

6. Audit Committee

The Company has not established an Audit Committee.

Under the Art. 52 (5) c) of the Law of 23 July 2016 on Audit Profession as amended, such a Company may avail itself of an exemption from the requirement to establish an audit committee.

The sole business of the Company relates to the issuing of asset-backed securities. The Company also enters into certain derivatives to hedge out interest rate and currency risk exposures arising between asset and liability mismatches.

Given the limited recourse nature of the securities issued by the Company and the independency of all the Directors, the Board of Directors has concluded that there is currently no need for the Company to have a separate audit committee in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. Accordingly, the Board of Directors resolved to apply according to Art. 52 (5) c) of the Law of 23 July 2016 on Audit Profession the exemption from the requirements to set up an audit committee, as it acts as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission Regulation (EC) No 809/2004.

7. Statement of Directors' responsibilities

To the best of our knowledge, and in accordance with the applicable reporting principles, the Annual Accounts give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and the Directors' report and the Corporate Governance Declaration include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal opportunities and risks associated with the expected development of the Company.



Sean Barrett

Director



Povilas Valencius

Director



KPMG Luxembourg, Société coopérative
39, Avenue John F. Kennedy
L-1855 Luxembourg

Tel.: +352 22 51 51 1
Fax: +352 22 51 71
E-mail: info@kpmg.lu
Internet: www.kpmg.lu

To the Sole Shareholder of
Limes Funding S.A.
6, rue Eugène Ruppert
L-2453 Luxembourg
Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Limes Funding S.A. (the "Company"), which comprise the balance sheet as at 30 September 2020, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 30 September 2020 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.

Basis for opinion

We conducted our audit in accordance with the EU Regulation N° 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 N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the annual accounts » section of our report. We are also 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, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 the 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.

Valuation of Financial Assets

a) Why the matter was considered to be one of most significance in our audit of the annual accounts for the year ended 30 September 2020

As described in Note 1 to the annual accounts, the Company's activity consists in issuing structured debt instruments (the "notes"). The proceeds from the issuance of the notes are invested in lease receivables originated by Deutsche Sparkassen Leasing AG & Co KG. The portfolio of lease receivables is recorded under "Financial Assets: Other Loans".

As at 30 September 2020, the Company reports a combined outstanding balance of lease receivables amounting to EUR 1,134 million as per Note 4 to the annual accounts.

Lease receivables under securitisation represent 99.6% of Total Assets and are therefore materially significant to the annual accounts. Given that the reimbursement value on the notes is limited to the amounts received, realized or otherwise recovered from the lease receivables transactions, the assessment of the recoverability of the lease receivables requires management judgment, such as the identification of lease receivables/Other Loans that are deteriorating and the assessment of objective evidence for impairment.

Due to the significance of the Other Loans' balance and the management judgment involved, we consider their valuation as a key audit matter.

b) How the matter was addressed in our audit

Our procedures over the valuation of "Financial Assets: Other Loans" included, but were not limited to:

- We obtained the breakdown of lease receivables produced by Deutsche Sparkassen Leasing AG & Co KG as at 30 September 2020 and reconciled the information concerning purchased and reimbursed lease receivables to the underlying accounting records and relevant supporting evidence for the financial year and as at 30 September 2020.
- We performed substantive procedures with regards to default lease receivables by comparing the amounts recorded in the annual accounts to past due balances disclosed in the monthly aging reports.
- For a sample selection of items from the breakdown of receivables, we reconciled the information regarding the outstanding receivables amount to supporting evidence and assessed whether there are any indicators for impairment for the selected items.
- We obtained and evaluated management's assessment on the valuation and recoverability of the "Financial Assets: Other Loans".

Other matter relating to comparative information

The annual accounts of the Company for the period from 1 January 2019 to 30 September 2019 were audited by another auditor who expressed an unmodified opinion on those annual accounts on 27 November 2019.



Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the Director's report and the Corporate Governance Statement but does not include the annual accounts and our report of "réviseur d'entreprises agréé" 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 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 this 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 a report of "réviseur d'entreprises agréé" 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 N° 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 N° 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 skepticism 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 report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



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 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 27 November 2019 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The Director’s report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

The Corporate Governance Statement is included in the Director’s report. The information required by Article 68ter paragraph (1) letters c) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Luxembourg, 12 March 2021

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'M. Jahke'.

M. Jahke

Associate Partner

Annual Accounts Helpdesk :**Tel. : (+352) 247 88 494****Email : centralebilans@statec.etat.lu****RCSL Nr. : B202302****Matricule : 2015,2217,650****BALANCE SHEET****Financial year from** 01 01/10/2019 **to** 02 30/09/2020 **(in** 03 EUR **)****Limes Funding S.A.****6, Rue Eugene Ruppert****L-2453 Luxembourg****ASSETS**

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	0.00	0.00
I. Subscribed capital not called	1103	0.00	0.00
II. Subscribed capital called but unpaid	1105	0.00	0.00
B. Formation expenses	1107	0.00	0.00
C. Fixed assets	1109	1,133,998,111.54	1,161,698,012.85
I. Intangible assets	1111	0.00	0.00
1. Costs of development	1113	0.00	0.00
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	0.00	0.00
a) acquired for valuable consideration and need not be shown under C.I.3	1117	0.00	0.00
b) created by the undertaking itself	1119	0.00	0.00
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	0.00	0.00
4. Payments on account and intangible assets under development	1123	0.00	0.00
II. Tangible assets	1125	0.00	0.00
1. Land and buildings	1127	0.00	0.00
2. Plant and machinery	1129	0.00	0.00


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B202302

Matricule : 2015,2217,650

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131 0.00	132 0.00
4. Payments on account and tangible assets in the course of construction	1133	133 0.00	134 0.00
III. Financial assets	1135 2.2.1, 4	135 1,133,998,111.54	136 1,161,698,012.85
1. Shares in affiliated undertakings	1137	137 0.00	138 0.00
2. Loans to affiliated undertakings	1139	139 0.00	140 0.00
3. Participating interests	1141	141 0.00	142 0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	143 0.00	144 0.00
5. Investments held as fixed assets	1145	145 0.00	146 0.00
6. Other loans	1147	147 1,133,998,111.54	148 1,161,698,012.85
D. Current assets	1151	151 4,301,963.20	152 20,084,412.16
I. Stocks	1153	153 0.00	154 0.00
1. Raw materials and consumables	1155	155 0.00	156 0.00
2. Work in progress	1157	157 0.00	158 0.00
3. Finished goods and goods for resale	1159	159 0.00	160 0.00
4. Payments on account	1161	161 0.00	162 0.00
II. Debtors	1163 2.2.2	163 499,967.33	164 784,274.27
1. Trade debtors	1165	165 0.00	166 0.00
a) becoming due and payable within one year	1167	167 0.00	168 0.00
b) becoming due and payable after more than one year	1169	169 0.00	170 0.00
2. Amounts owed by affiliated undertakings	1171	171 0.00	172 0.00
a) becoming due and payable within one year	1173	173 0.00	174 0.00
b) becoming due and payable after more than one year	1175	175 0.00	176 0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	177 0.00	178 0.00
a) becoming due and payable within one year	1179	179 0.00	180 0.00
b) becoming due and payable after more than one year	1181	181 0.00	182 0.00
4. Other debtors	1183 5	183 499,967.33	184 784,274.27
a) becoming due and payable within one year	1185	185 499,967.33	186 784,274.27
b) becoming due and payable after more than one year	1187	187 0.00	188 0.00


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B202302

Matricule : 2015,2217,650

	Reference(s)	Current year	Previous year
III. Investments	1189	0.00	0.00
1. Shares in affiliated undertakings	1191	0.00	0.00
2. Own shares	1209	0.00	0.00
3. Other investments	1195	0.00	0.00
IV. Cash at bank and in hand	1197 2.2.3	3,801,995.87	19,300,137.89
E. Prepayments	1199 2.2.4	7,756.77	8,622.59
TOTAL (ASSETS)		1,138,307,831.51	1,181,791,047.60


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
A. Capital and reserves			
	1301 6	301 31,000.00	302 31,000.00
I. Subscribed capital	1303	303 31,000.00	304 31,000.00
II. Share premium account	1305	305 0.00	306 0.00
III. Revaluation reserve	1307	307 0.00	308 0.00
IV. Reserves	1309	309 0.00	310 0.00
1. Legal reserve	1311	311 0.00	312 0.00
2. Reserve for own shares	1313	313 0.00	314 0.00
3. Reserves provided for by the articles of association	1315	315 0.00	316 0.00
4. Other reserves, including the fair value reserve	1429	429 0.00	430 0.00
a) other available reserves	1431	431 0.00	432 0.00
b) other non available reserves	1433	433 0.00	434 0.00
V. Profit or loss brought forward	1319	319 0.00	320 0.00
VI. Profit or loss for the financial year	1321	321 0.00	322 0.00
VII. Interim dividends	1323	323 0.00	324 0.00
VIII. Capital investment subsidies	1325	325 0.00	326 0.00
B. Provisions	1331 2.2.5,7	331 245,418.42	332 373,493.25
1. Provisions for pensions and similar obligations	1333	333 0.00	334 0.00
2. Provisions for taxation	1335	335 0.00	336 0.00
3. Other provisions	1337	337 245,418.42	338 373,493.25
C. Creditors	1435 2.2.6	435 1,138,031,413.09	436 1,181,386,554.35
1. Debenture loans	1437 2.2.7	437 1,057,334,158.28	438 1,127,734,092.72
a) Convertible loans	1439	439 0.00	440 0.00
i) becoming due and payable within one year	1441	441 0.00	442 0.00
ii) becoming due and payable after more than one year	1443	443 0.00	444 0.00
b) Non convertible loans	1445 8	445 1,057,334,158.28	446 1,127,734,092.72
i) becoming due and payable within one year	1447 8.1	447 135,209.48	448 46,702.68
ii) becoming due and payable after more than one year	1449 8.2	449 1,057,198,948.80	450 1,127,687,390.04
2. Amounts owed to credit institutions	1355	355 0.00	356 0.00
a) becoming due and payable within one year	1357	357 0.00	358 0.00
b) becoming due and payable after more than one year	1359	359 0.00	360 0.00


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

RCSL Nr.: B202302

Matricule : 2015,2217,650

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	0.00	0.00
a) becoming due and payable within one year	1363	0.00	0.00
b) becoming due and payable after more than one year	1365	0.00	0.00
4. Trade creditors	1367 9	39,470.61	68,440.00
a) becoming due and payable within one year	1369	39,470.61	68,440.00
b) becoming due and payable after more than one year	1371	0.00	0.00
5. Bills of exchange payable	1373	0.00	0.00
a) becoming due and payable within one year	1375	0.00	0.00
b) becoming due and payable after more than one year	1377	0.00	0.00
6. Amounts owed to affiliated undertakings	1379	0.00	0.00
a) becoming due and payable within one year	1381	0.00	0.00
b) becoming due and payable after more than one year	1383	0.00	0.00
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	0.00	0.00
a) becoming due and payable within one year	1387	0.00	0.00
b) becoming due and payable after more than one year	1389	0.00	0.00
8. Other creditors	1451	80,657,784.20	53,584,021.63
a) Tax authorities	1393	6,026.16	4,173.00
b) Social security authorities	1395	0.00	0.00
c) Other creditors	1397 10	80,651,758.04	53,579,848.63
i) becoming due and payable within one year	1399	343,151.42	310,124.46
ii) becoming due and payable after more than one year	1401 2.2.8	80,308,606.62	53,269,724.17
D. Deferred income	1403	0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	1,138,307,831.51	1,181,791,047.60


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

Annual Accounts Helpdesk :

Tel. : (+352) 247 88 494

Email : centralebilans@statec.etat.lu

RCSL Nr. : B202302

Matricule : 2015,2217,650

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/10/2019 to ⁰² 30/09/2020 (in ⁰³ EUR)

Limes Funding S.A.

6, Rue Eugene Ruppert

L-2453 Luxembourg

PROFIT AND LOSS ACCOUNT

	Reference(s)	Current year	Previous year
1. Net turnover	1701 _____	701 <u>0.00</u>	702 <u>0.00</u>
2. Variation in stocks of finished goods and in work in progress	1703 _____	703 <u>0.00</u>	704 <u>0.00</u>
3. Work performed by the undertaking for its own purposes and capitalised	1705 _____	705 <u>0.00</u>	706 <u>0.00</u>
4. Other operating income	1713 <u>2.2.9, 2.2.10, 11</u>	713 <u>966,214.24</u>	714 <u>21,692.05</u>
5. Raw materials and consumables and other external expenses	1671 _____	671 <u>-282,626.73</u>	672 <u>-151,089.41</u>
a) Raw materials and consumables	1601 _____	601 <u>0.00</u>	602 <u>0.00</u>
b) Other external expenses	1603 <u>2.2.10, 12</u>	603 <u>-282,626.73</u>	604 <u>-151,089.41</u>
6. Staff costs	1605 _____	605 <u>0.00</u>	606 <u>0.00</u>
a) Wages and salaries	1607 _____	607 <u>0.00</u>	608 <u>0.00</u>
b) Social security costs	1609 _____	609 <u>0.00</u>	610 <u>0.00</u>
i) relating to pensions	1653 _____	653 <u>0.00</u>	654 <u>0.00</u>
ii) other social security costs	1655 _____	655 <u>0.00</u>	656 <u>0.00</u>
c) Other staff costs	1613 _____	613 <u>0.00</u>	614 <u>0.00</u>
7. Value adjustments	1657 _____	657 <u>0.00</u>	658 <u>0.00</u>
a) in respect of formation expenses and of tangible and intangible fixed assets	1659 _____	659 <u>0.00</u>	660 <u>0.00</u>
b) in respect of current assets	1661 _____	661 <u>0.00</u>	662 <u>0.00</u>
8. Other operating expenses	1621 <u>2.2.10, 4</u>	621 <u>-6,302,272.13</u>	622 <u>-773,293.38</u>


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

RCSL Nr. : B202302

Matricule : 2015,2217,650

	Reference(s)	Current year	Previous year
9. Income from participating interests			
a) derived from affiliated undertakings	1715	0.00	0.00
b) other income from participating interests	1717	0.00	0.00
	1719	0.00	0.00
10. Income from other investments and loans forming part of the fixed assets			
a) derived from affiliated undertakings	1721	23,103,032.11	9,321,295.35
b) other income not included under a)	1723	0.00	0.00
	1725	23,103,032.11	9,321,295.35
11. Other interest receivable and similar income			
a) derived from affiliated undertakings	1727	2,105,015.23	2,307,149.66
b) other interest and similar income	1729	0.00	0.00
	1731	2,105,015.23	2,307,149.66
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663	0.00	0.00
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665	0.00	0.00
14. Interest payable and similar expenses			
a) concerning affiliated undertakings	1627	-19,581,865.46	-10,720,939.27
b) other interest and similar expenses	1629	0.00	0.00
	1631	-19,581,865.46	-10,720,939.27
15. Tax on profit or loss			
	1635	-4,173.00	-642.00
16. Profit or loss after taxation			
	1667	3,324.26	4,173.00
17. Other taxes not shown under items 1 to 16			
	1637	-3,324.26	-4,173.00
18. Profit or loss for the financial year			
	1669	0.00	0.00


 Sean Barrett
 Director


 Povilas Valencius
 Director

The notes in the annex form an integral part of the annual accounts

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 1 – General information

Limes Funding S.A. (the “Company”) was incorporated in Luxembourg on 2 December 2015 and organised under the laws of the Grand Duchy of Luxembourg (the “Laws”) as a Société Anonyme for an unlimited period.

The Company is registered with the Trade and Companies Register of Luxembourg with the number B202302 and has its registered office established at 6, Rue Eugène Ruppert, in L-2453 Luxembourg.

On 29 April 2019, the Company changed the period of its financial year. Consequentially, the financial year ended 30 September 2020 is the first financial year beginning on October 1 and ending on September 30.

The Company has been established for the purpose of securitisation (within the meaning of the Law of 22 March 2004 on securitisation, (the “Securisation Law”)).

The corporate object of the Company is the issuance of 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 was established to issue Notes “Refinancing Instruments” to acquire trade receivables on a revolving basis.

The company is included in the consolidated accounts of Deutsche Sparkassen Leasing AG & Co. KG, which is registered in Fröllingstrasse 15-31, 61352 Bad Homburg v. d. Höhe. The consolidated accounts can be obtained at the registered office of Deutsche Leasing AG & Co. KG.

Compartments

The Board of Directors is entitled to create one or more compartments, each corresponding to a separate part of the Company's assets and liabilities.

The rights of holders of instruments issued as per compartment and the rights of creditors that relate to or have arisen in connection with the creation, the operation or the liquidation of a compartment are limited to the assets of that compartment.

The assets of each compartment are exclusively available to satisfy the rights of the holders of instruments issued in respect of that compartment and the rights of creditors that have arisen in connection with the creation, the operation or the liquidation of that compartment.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 1 – General information (continued)

Compartments (continued)

Notwithstanding the foregoing, if following the redemption or repayment in full of the instruments issued in respect of a compartment and the satisfaction in full and termination of all obligations of the Company to the creditors whose claims have arisen in connection with the creation, operation or liquidation of that compartment, there remain assets in such compartment, the Board of Directors may allocate such assets to the general estate of the Company.

The Board of Directors (or its delegate) shall establish and maintain separate accounting records for each of the compartments of the Company for the purpose of ascertaining the assets affected to each compartment, such accounting records to be conclusive evidence of the assets contained in each compartment in the absence of manifest error.

Claims which are not incurred in relation to the creation, operation or liquidation of a specific compartment may be paid out of the general estate of the Company or may be apportioned by the Board of Directors between the Company's compartments on a pro rata basis of the assets of those compartments or on such other basis as it may deem more appropriate.

The liquidation of a compartment may be decided by the Board of Directors subject to the authorisation of the shareholder.

As at 30 September 2020, the Company has two active compartments.

In accordance with the legal provisions in Title II of the Law of 19 December 2002, as amended, these annual accounts were presented on a non-consolidated basis for the approval of the sole shareholder during the Annual General Meeting.

Note 2 – Summary of significant accounting policies

2.1 Basis of preparation

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

In March 2020, the World Health Organisation declared an outbreak of a novel coronavirus (COVID-19) as a health pandemic which has led to global economic instability. Throughout the financial year, the Board has convened to discuss the impact which the pandemic will have on the business activity of Limes Funding S.A. Germany has shown signs to be withstanding the macroeconomic pressures which has subsequently meant that there have been no major disruptions to the two existing compartments, nor is it forecasted that there will be major impacts.

The preparation of the annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement 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.

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 2 – Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The books and records are maintained in Euro (“EUR”) and the annual accounts have been prepared in accordance with the valuation rules and accounting policies described below.

Presentation of the comparative financial data

The figures for the period that has ended on 30 September 2019 relating to the items “Other operating income”, “Income from other investments and loans forming part of the fixed assets/other income not included under a)”, “Other interest receivable and similar income/other interest and similar income” and “Interest payable and similar expenses/other interest and similar expenses” have been reclassified to ensure comparability with the figures for the financial year ending 30 September 2020.

2.2 Significant accounting policies

2.2.1 Financial assets

Financial assets (loans and claims) are valued in the accounts at nominal value including the expenses incidental thereto.

In case the Board of Directors deems that there is a durable depreciation in value of the financial assets, value adjustments are booked, 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 adjustments were made have ceased to apply.

2.2.2 Debtors

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

2.2.3 Cash at bank and in hand

Cash at bank and in hand may comprise, cash on hand, demand deposits and short term highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk and changes in value. In the balance sheet bank overdrafts are included in amounts owed to credit institutions.

2.2.4 Prepayments

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

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 2 – Summary of significant accounting policies (continued)

2.2 Significant accounting policies (continued)

2.2.5 Provisions

Other 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 the date on which they will arise.

Current tax provisions

Provisions for taxation corresponding to the tax liability estimated by the Company for the financial year are recorded under the caption “Creditors / Other creditors / Tax authorities”. Advance payments are shown in the assets of the balance sheet under the “Debtors / Other debtors” item.

2.2.6 Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is shown as an asset and is written off over the period of the debt based on a linear method.

2.2.7 Debenture loans

Debenture loans are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference is recorded in the profit and loss account.

2.2.8. Dilution, default and commingling reserve

The default reserve serves as a first loss position and covers the credit default risk. Credit default risk is the risk that a debtor does not pay a payment obligation when due for reasons of insolvency or other reasons related to creditworthiness.

The dilution discount serves for the purpose of covering dilutions of purchased Receivables. Dilution means any reduction of the nominal amount of a Receivable resulting from (i) any set-off by, or counterclaim of, the relevant debtor against his payment obligation in respect of such Receivable, (ii) any rebate, discount, bonus or other price reduction granted to the respective debtor or (iii) any other reduction of the nominal amount.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 2 – Summary of significant accounting policies (continued)

2.2 Significant accounting policies (continued)

The commingling reserve covers the risk of the Deutsche Sparkassen Leasing AG & Co. KG (“Receivables Seller” and “Servicer”) not transferring the collections received to date from the pool of Receivables in accordance with the signed agreement in case of insolvency. Per the signed agreement, any unused reserves is to be repaid to the Receivables Seller. Accordingly the dilution, default and commingling reserve are recorded under the caption “Creditors / Other creditors / Other Creditors / becoming due and payable after more than one year”.

2.2.9 Equalisation provision

Due to the limited recourse nature of the securities issued, losses during the year as a result from sales, default, lower market values or costs may cause a partial reduction on the notes issued. Such shortfalls will be borne by the note holders 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 recorded in the profit and loss account as “Equalisation provision” in the position “Other operating income”.

2.2.10 Income and expenses

Other operating income, interest income from financial assets, interest expense on notes in issuance, other external expenses and other operating expenses are recorded on an accrual basis.

2.2.11 Derivative financial instruments

The Company may enter into derivative financial instruments such as options, swaps, futures or foreign exchange contracts. These derivative financial instruments are initially recorded at cost. At each balance sheet date, unrealised losses are recognized in the profit and loss account whereas gains are accounted when realised.

2.2.12 Excess value to Seller

All available funds (“Excess value”) after obligations have been fulfilled as set out in the Pre-Enforcement priority of payments and Post-Enforcement Priority of payments (as defined in the Master Framework agreement) is to be paid to the Deutsche Leasing (“the Seller”).

All amounts paid to the Seller is recognised as an expense in “Other interest and similar expenses” and is recognised on an accrual basis.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment

Limes Funding S.A. – Capital Compartment
(denominated in EUR)

ASSETS	Notes	30/09/2020	30/09/2019
D. Current assets		31,000.00	31,000.00
IV. Cash at bank and in hand	2.2.3	31,000.00	31,000.00
TOTAL (ASSETS)		31,000.00	31,000.00
CAPITAL, RESERVES AND LIABILITIES			
A. Capital and reserves	6	31,000.00	31,000.00
I. Subscribed capital		31,000.00	31,000.00
VI. Profit or loss for the financial period / year		0.00	0.00
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		31,000.00	31,000.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment (continued)

Limes Funding S.A. – Capital Compartment
(denominated in EUR)

	Notes	01/10/2019 30/09/2020	01/01/2019 30/09/2019
4. Other operating income	2.2.9, 2.2.10,11	0.00	13.60
5. Raw materials and consumables and other external expenses		0.00	-13.60
b) Other external expenses	2.2.10,12	0.00	-13.60
16. Profit or loss after taxation		0.00	0.00
18. Profit or loss for the financial year		0.00	0.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment (continued)

Limes Funding S.A. - Compartment 1
(denominated in EUR)

ASSETS	Notes	30/09/2020	30/09/2019
C. Fixed assets		692,315,574.35	471,980,373.41
III. Financial assets	2.2.1, 4	692,315,574.35	471,980,373.41
6. Other loans		692,315,574.35	471,980,373.41
D. Current assets		100,043.08	47,911.01
II. Debtors	2.2.2	79,047.30	40,067.54
4. Other debtors	5	79,047.30	40,067.54
a) becoming due and payable within one year		79,047.30	40,067.54
IV. Cash at bank and cash in hand	2.2.3	20,995.78	7,843.47
TOTAL (ASSETS)		<u>692,415,617.43</u>	<u>472,028,284.42</u>
CAPITAL, RESERVES AND LIABILITIES			
C. Creditors	2.2.6	692,415,617.43	472,028,284.42
1. Debenture loans	2.2.7	612,082,033.25	434,244,097.82
b) Non convertible loans	8	612,082,033.25	434,244,097.82
i) becoming due and payable within one year	8.1	110,413.62	24,347.22
ii) becoming due and payable after more than one year	8.2	611,971,619.63	434,219,750.60
4. Trade creditors	9	21,964.48	21,583.75
a) becoming due and payable within one year		21,964.48	21,583.75
8. Other creditors		80,311,619.70	37,762,602.85
a) Tax authorities		3,013.08	4,173.00
c) Other creditors	10	80,308,606.62	37,758,429.85
ii) becoming due and payable after more than one year	2.2.8	80,308,606.62	37,758,429.85
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		<u>692,415,617.43</u>	<u>472,028,284.42</u>

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment (continued)

Limes Funding S.A. - Compartment 1
(denominated in EUR)

	Notes	01/10/2019 30/09/2020	01/01/2019 30/09/2019
4. Other operating income	2.2.9, 2.2.10, 11	36,677.15	2,242.11
5. Raw materials and consumables and other external expenses		-84,965.80	-82,528.66
a) Other external expenses	2.2,10,12	-84,965.80	-82,528.66
8. Other operating expenses	2.2.10,4	-70.00	-70.00
10. Income from other investments and loans forming part of the fixed assets	2.2.10, 13	1,021,114.75	1,391,263.14
b) other income not included under a)		1,021,114.75	1,391,263.14
11. Other interest receivable and similar income		0.00	0.00
b) other interest and similar income	2.2.10, 14	0.00	0.00
14. Interest payable and similar expenses		-968,271.92	1,306,091.59
b) other interest and similar expenses	2.2.10, 2.2.11, 15	-968,271.92	1,306,091.59
15. Tax on profit or loss	16	-2,086.50	-642.00
16. Profit or loss after taxation		2,397.68	4,173.00
17. Other taxes not shown under items 1 to 16	16	-2,397.68	-4,173.00
18. Profit or loss for the financial year		0.00	0.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment (continued)

Limes Funding S.A. - Compartment 2019-01
(denominated in EUR)

ASSETS	Notes	01/10/2019 30/09/2020	01/01/2019 30/09/2019
C. Fixed assets		441,682,537.19	689,717,639.44
III. Financial assets	2.2.1, 4	441,682,537.19	689,717,639.44
6. Other loans		441,682,537.19	689,717,639.44
D. Current assets		4,170,920.12	20,005,501.15
II. Debtors	2.2.2	420,920.03	744,206.73
4. Other debtors	5	420,920.03	744,206.73
a) becoming due and payable within one year		420,920.03	744,206.73
IV. Cash at bank and cash in hand	2.2.3	3,750,000.09	19,261,294.42
E. Prepayments	2.2.4	7,756.77	8,622.59
TOTAL (ASSETS)		445,861,214.08	709,731,763.18
CAPITAL, RESERVES AND LIABILITIES			
B. Provisions	2.2.5, 7	245,481.42	373,493.25
3. Other provisions		245,418.42	373,493.25
C. Creditors	2.2.6	445,598,289.53	709,358,269.93
1. Debenture loans	2.2.7	445,252,125.03	693,489,994.90
b) Non convertible loans	8	445,252,125.03	693,489,994.90
i) becoming due and payable within one year	8.1	24,795.86	22,355.46
ii) becoming due and payable after more than one year	8.2	445,227,329.17	693,467,639.44
4. Trade creditors	9	17,506.13	46,856.25
a) becoming due and payable within one year		17,506.13	46,856.25
8. Other creditors		346,164.50	15,821,418.78
a) Tax authorities		3,013.08	0.00
c) Other creditors	10	343,151.42	15,821,418.78
i) becoming due and payable within one year		343,151.42	310,124.46
ii) becoming due and payable after more than one year	2.2.8	0.00	15,511,294.32
TOTAL (CAPITAL, RESERVES AND LIABILITIES)		445,861,214.08	709,731,763.18

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 3 – Balance sheet and profit and loss account per compartment (continued)

Limes Funding S.A. - Compartment 2019-01
(denominated in EUR)

	Notes	01/10/2019 30/09/2020	01/01/2019 30/09/2019
4. Other operating income	2.2.9, 2.2.10, 11	929,537.09	19,449.04
5. Raw materials and consumables and other external expenses		-197,660.93	-68,547.15
b) Other external expenses	2.2.10, 12	-197,660.93	-68,547.15
8. Other operating expenses	2.2.10, 4	-6,302,202.13	-773,223.38
10. Income from other investments and loans forming part of the fixed assets		22,081,917.36	7,930,032.21
b) Other income not included under a)	2.2.10, 13	22,081,917.36	7,930,032.21
11. Other interest receivable and similar income		2,105,015.23	2,307,149.66
b) Other interest and similar income	2.2.10, 14	2,105,015.23	2,307,149.66
14. Interest payable and similar expenses		-18,613,593.54	-9,414,861.28
b) Other interest and similar expenses	2.2.10, 2.2.11, 15	-18,613,593.54	-9,414,861.28
15. Tax on profit or loss	16	-2,086.50	0.00
16. Profit or loss after taxation		926.58	0.00
17. Other taxes not shown under items 1 to 16	16	-926.58	0.00
18. Profit or loss for the financial year		0.00	0.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 4 – Financial assets

The Company entered into a securitization transaction under which the Receivables Seller sells to the Company receivables related to payment obligations on lease agreements (“Receivables”). The Compartments have financed the purchase of the Receivables through the issuance of notes (refer to note 8).

Financial assets are presented as follows:

	30/09/2020	30/09/2019
	EUR	EUR
Receivables purchased	1,133,998,111.54	1,161,698,012.85

Compartment 1:

Receivables Revolving Period Programme

On the initial cut-off date, and subsequently, on each offer date during the revolving period, the Receivables Seller may offer to sell additional Receivables to Compartment 1, respectively assigning all related claims and rights related to the Receivables. Compartment 1 shall be entitled to all collections received on the initial and additional Receivables purchased.

The purchase price is equal to the nominal value less a discount comprising of a default and dilution reserve as agreed in the terms and conditions of the purchase agreements. The Receivables Seller will receive any unused amount of the reserves on the due date of the respective transactions. Accordingly, Receivables purchased are accounted for at their purchase price while the reserves repayable are recognized as “Other creditors” (refer to note 10).

The movements for the period are as follows:

	30/09/2020	30/09/2019
	EUR	EUR
Receivables purchased		
Opening balance	471,980,373.41	1,056,777,974.92
Receivables purchased	532,378,483.46	446,857,990.97
Receivables collected	-312,043,282.52	-1,031,655,592.48
Net carrying value	692,315,574.35	471,980,373.41

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 4 – Financial assets (continued)

Compartment 2019-01:

Receivables:

On the initial cut-off date the Receivables Seller offered to sell Receivables to Compartment 2019-01, assigning all related claims and rights related to the Receivables. Compartment 2019-01 shall be entitled to all collections received. All available funds ("Excess value") after obligations has been fulfilled as set out in the Pre-Enforcement priority of payments and Post-Enforcement Priority of payments (as defined in the Master Framework agreement) is to be paid to the Deutsche Leasing ("the Seller").

The purchase price is equal to the nominal value less a discount comprising of a commingling reserve as agreed in the terms and conditions of the purchase agreements. The Receivables Seller will receive any unused / excess amount of the reserves on the due date of the respective transactions. Accordingly, Receivables purchased are accounted for at their purchase price while the reserves repayable are recognised as "Other creditors" (refer to note 10).

The purchased Receivables were acquired on 17 July 2019.

The movements for the period are as follows:

	30/09/2020	30/09/2019
	EUR	EUR
Receivables purchased		
Opening balance	689,717,639.44	749,999,999.58
Receivables collected	-241,732,970.12	-59,509,678.66
Default receivables ⁽¹⁾	-6,302,132.13	-772,681.48
Net carrying value	441,682,537.19	689,717,639.44

(1) Default of Receivables is recognised as an operating expense in the profit and loss account. Other operating expenses amount to EUR 6,302,202.13 of which EUR 6,302,132.13 are attributed to defaulted receivables.

Of the Defaults of Receivables recognised in the period under review, EUR 724,329.06 has been recovered and has been recognised as 'other operating income' (refer to note 11).

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 5 – Other debtors

Other debtors are presented as follows:

	Within one year	After more than one year	Total 30/09/2020	Total 30/09/2019
	EUR	EUR	EUR	EUR
Compartment 1:				
Accrued Funding income (Note 13)	78,547.30	0.00	78,547.30	36,036.54
Tax advance (VAT in 2020)	500.00	0.00	500.00	4,031.00
Compartment 2019-01:				
Accrued interest on portfolio of receivables	386,673.17	0.00	386,673.17	697,468.58
Accrued interest receivable	33,746.86	0.00	33,746.86	46,738.15
Tax advance (VAT in 2020)	500.00	0.00	500.00	0.00
Total	499,967.33	0.00	499,967.33	784,274.27

Note 6 – Capital and reserves

Subscribed capital

The authorised capital amounts to EUR 31,000.00.

As at 30 September 2020, the subscribed capital of the Company amounts to EUR 31,000.00 represented by 3,100 ordinary shares of a par value of EUR 10.00 each.

Legal reserve

The Company is required to allocate a minimum of 5% of its annual net income to a legal reserve, until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As the Company has not realised any profit, no legal reserve has been established as at 30 September 2020 (2019: nil).

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 6 – Capital and reserves (continued)

Own Shares

As at 30 September 2020, the Company does not hold any of its own shares.

Note 7 – Provisions

Compartment 2019-01 entered into an Interest Rate Swap (“IRS”) with DZ Bank to guarantee the notional amount per the signed agreement.

The IRS accrues an interest payable by Compartment 2019-01 and also accrues an interest receivable by Compartment 2019-01 from DZ Bank (refer to Note 10 for more information). Based on the signed swap agreement, the fair value of the IRS results in an obligation of EUR 254,418.42 for Compartment 2019-01 (refer to note 14) (2019: obligation of EUR 373,493.25).

Fair value was determined by using the discounted cashflow method.

Note 8 – Non Convertible loans

Note 8.1 - becoming due and payable within one year

Non Convertible loans becoming due and payable within one year are presented as follows:

	30/09/2020	30/09/2019
	EUR	EUR
Compartment 1	110,413.62	24,347.22
Compartment 2019-01	24,795.86	22,355.46
Total	135,209.48	46,702.68

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 8 – Non Convertible loans (continued)

Note 8.1 - becoming due and payable within one year (continued)

Compartment 1:

				30/09/2020	30/09/2019
	Drawing rate	Commitment fees	Administration fees	EUR	EUR
Interest and fees payable - Corelux Notes	Floating	0.605%	0.03%	30,450.35	5,183.75
Interest payable - DL Notes	EURIBOR + 0.43%	N/A	N/A	0.00	8,488.49
Interest and fees payable - OPL Notes	EURIBOR + 0.66%	N/A	0.04%	31,312.77	4,656.67
Interest and fees payable - Weinberg Notes	EURIBOR + 0.13%	0.44%	Sliding scale ⁽¹⁾	48,650.50	6,018.31
Total				110,413.62	24,347.22

- (1) Per the signed fee letter, the administration fee rate applicable to the Weinberg Notes are charged in accordance with a sliding scale as detailed below:

Note Principal amount:	Administration fee rate:
> 100m	0.04%
100m< & > 250m	0.03%
> 250m	0.02%

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 8 – Non Convertible loans (continued)

Note 8.1 - becoming due and payable within one year (continued)

Compartment 2019-01:

		30/09/2020	30/09/2019
	Drawing rate	EUR	EUR
Interest payable - Class A Notes	EURIBOR + 0.5%	6,034.75	5,939.48
Interest payable - Class B Notes	1%	17,511.11	15,322.24
Interest payable - Subordinated loan	1.5%	1,250.00	1,093.74
Total		24,795.86	22,355.46

Note 8.2 - becoming due and payable after more than one year

Non Convertible loans becoming due and payable after more than one year are presented as follows:

	30/09/2020	30/09/2019
	EUR	EUR
Compartment 1	611,971,619.63	434,219,750.60
Compartment 2019-01	445,227,329.17	693,467,639.44
Total	1,057,198,948.80	1,127,687,390.04

Compartment 1:

			30/09/2020	30/09/2019
	Maturity date	Currency	EUR	EUR
Corelux Notes	Unlimited	EUR	199,021,851.01	119,999,451.75
DL Notes	Unlimited	EUR	0.00	64,221,395.35
OPL Notes	Unlimited	EUR	199,021,851.01	119,999,451.75
Weinberg notes	Unlimited	EUR	213,963,265.70	129,999,451.75
Other notes (related to deduction of equalization provision)		EUR	- 35,348.09	0.00
Total			611,971,619.63	972,223,492.97

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 8 – Non Convertible loans (continued)

Note 8.2 - becoming due and payable after more than one year (continued)

Compartment 1 (continued):

The notes are issued on a revolving basis. The notes will cover at least the period until the maturity of purchased assets. As of 30 September 2020 the maturity of the longest lease contract is August 2026.

The Company entered into a Corelux note purchase agreement, OPL note purchase agreement, DL note purchase agreement and Weinberg note purchase agreement for the issuance of respectively Corelux notes, OPL notes, DL notes and Weinberg notes (the “Notes”). The Notes are floating rate promissory notes and are used to finance the purchase of Receivables under the Loan Receivables Revolving Period Programme (refer to note 4).

Compartment 2019-1:

			30/09/2020	30/09/2019
	Maturity date	Currency	EUR	EUR
Class A Notes	22/09/2029	EUR	362,882,537.20	610,917,639.44
Class B Notes	22/09/2029	EUR	78,800,000.00	78,800,000.00
Subordinated Loan - Deutsche Leasing	22/09/2029	EUR	3,750,000.00	3,750,000.00
Other notes (related to deduction of equalization provision)		EUR	-205,208.03	0.00
Total			445,227,329.17	693,467,639.44

Class A Floating Rate Asset Backed Notes (“Class A Notes”) are listed on the Luxembourg Stock exchange with an ISIN number of XS2004795568. They were listed on the exchange on date of the first issuance, 17 July 2019.

Class B Asset Backed Fixed rate Note (“Class B Notes”) have been issued to Deutsche Leasing for account of Compartment 2019-1 of Limes Funding S.A.

Limes Funding Compartment 2019-01 received a subordinated loan from Deutsche Leasing upon its incorporation to provide a liquidity reserve for the investors of the Class A Notes.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 9 – Trade creditors

Amounts due and payable for the amounts shown under “Trade creditors” are presented as follows:

	Within one year	After one year and within five years	After more than five years	Total 30/09/2020	Total 30/09/2019
	EUR	EUR	EUR	EUR	EUR
Compartment 1:					
Audit Fees	17,506.13	0.00	0.00	17,506.13	12,870.00
Administration and accounting fees	1,796.35	0.00	0.00	1,796.35	8,713.75
SFM Fees	2,662.00	0.00	0.00	2,662.00	0.00
Compartment 2019-01:					
Audit Fees	17,506.13	0.00	0.00	17,506.13	12,870.00
Administration and accounting fees	0.00	0.00	0.00	0.00	33,986.25
Total	39,470.61	0.00	0.00	39,470.61	68,440.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 10 – Other Creditors

Amounts due and payable for the amounts shown under “Other creditors” are presented as follows:

	Within one year	After one year and within five years	After more than 5 years	Total 30/09/2020	Total 30/09/2019
	EUR	EUR	EUR	EUR	EUR
Compartment 1					
Default reserve ⁽¹⁾	0.00	0.00	74,770,082.03	74,770,082.03	33,982,586.88
Dilution reserve ⁽¹⁾	0.00	0.00	5,538,524.59	5,538,524.59	3,775,842.97
Compartment 2019-1:					
Commingling reserve ⁽¹⁾	0.00	0.00	0.00	0.00	15,511,294.32
Accrued interest on the Swap obligation ⁽²⁾	42,609.68	0.00	0.00	42,609.68	53,111.54
Amount payable to Deutsche Leasing ⁽³⁾	300,541.74	0.00	0.00	300,541.74	257,012.92
Total	343,151.42	0.00	80,308,606.62	80,651,420.04	53,579,848.63

(1) The default, dilution & commingling reserves represent a reduction in the purchase price of the Receivables for the purpose of creating these reserves and which are repayable to the Receivables Seller as agreed in the terms and conditions of the purchase agreements. Any unused amount of the reserves are repayable to the Receivables Seller on the due date of the respective transactions. Accordingly, the discounts are accounted for as an amount payable, while the Receivables purchased are recognised at their purchase price in “Financial Assets” (refer to note 4).

(2) Per the signed Swap agreement with DZ Bank, interest payables and interest receivables, which are agreed on the notional amount, are netted for settlement.

Rate payer:	Interest rate:
Limes Funding S.A. Compartment 2019-01	-0.396%
DZ Bank	EURIBOR (Min. -0.5%)

(3) Per the signed Master Framework agreement, Excess value after obligations has been fulfilled as set out in the Pre-Enforcement priority of payments and Post-Enforcement Priority of payments (as defined in the Master Framework agreement) is to be paid to the the Seller.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 11 – Other operating income

Other operating income represents the recoveries from the portfolio of receivables in Compartment 2019-01 of EUR 724,392.06 (2019: EUR 19,449.94) as well as income from the equalization provision of EUR 241,885.18 (2019: EUR 2,193.00). No sundry income was recorded in the financial year 2020 (2019: EUR 49.11).

Certain amounts for the period that has ended on 30 September 2019 have been reclassified to ensure comparability with the figures for the financial year ending 30 September 2020 as disclosed in note 2.1.

Note 12 – Other external expenses

Other external expenses are presented as follows:

	Capital Compartment	Compartment 1	Compartment 2019-01	01/10/2019 - 30/09/2020	01/01/2019 - 30/09/2019
	EUR	EUR	EUR	EUR	EUR
Administration and accounting fees	0.00	-65,435.30	-63,865.57	-129,300.87	-104,023.32
Audit fees	0.00	-18,020.93	-18,020.93	-36,041.86	-26,396.81
Bank account charges	0.00	-1,142.90	-115,774.43	-116,917.33	-14,755.15
Sundry expenses	0.00	-366.67	0.00	-366.67	-5,914.13
Total	0.00	-84,965.80	-197,660.93	-282,626.73	-151,089.41

Note 13- Income from other investments and loans forming part of the fixed assets

Income from other investments and loans represents the interest income from the purchase of receivables of EUR 23,103,032.11 (2019: EUR 9,321,295.35).

	Compartment 1	Compartment 2019-01	01/10/2019 - 30/09/2020	01/01/2019 - 30/09/2019
	EUR	EUR	EUR	EUR
Funding income - Receivables Seller	1,021,114.75	0.00	1,021,114.75	1,391,263.14
Purchased Receivables - Interest Income	0.00	22,081,917.36	22,081,917.36	7,930,032.21
Total	1,021,114.75	22,081,917.36	23,103,032.11	9,321,295.35

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts

For the financial year ending 30 September 2020

Note 13- Income from other investments and loans forming part of the fixed assets (continued)

Funding income represents income received from the Receivable Seller. As per the terms and conditions of the Receivable Purchase Agreement, the Receivables Seller shall reimburse the Company for all costs payable or incurred by the Company in connection with the transaction and other administrative costs incurred which the Company is not able to fund or otherwise being compensated for.

Certain amounts for the period that has ended on 30 September 2019 have been reclassified to ensure comparability with the figures for the financial year ending 30 September 2020 as disclosed in note 2.1.

Note 14 – Other Interest and similar income

Other interest and similar income are presented as follows:

	Compartment 1	Compartment	01/10/2019 -	01/01/2019 -
	EUR	2019-01	30/09/2020	30/09/2019
		EUR	EUR	EUR
Swap – Interest income	0.00	1,976,940.40	1,976,940.40	535,181.66
Profit arising from value adjustment	0.00	128,074.83	128,074.83	0.00
Premium on Issuance on Class A notes	0.00	0.00	0.00	1,771,968.00
Total	0.00	2,105,015.23	2,105,015.23	2,307,149.66

The provision that is based on the negative Fair Value of the Interest Rate Swap entered into with DZ Bank amounted to EUR 373,493.25 as at 30 September 2019. Since the negative fair value of the IRS is EUR 245,418.423 as at 30 September 2020, the provision has been adjusted accordingly. The adjustment results in financial income amounting to EUR 128,074.83.

Certain amounts for the period that has ended on 30 September 2019 have been reclassified to ensure comparability with the figures for the financial year ending 30 September 2020 as disclosed in note 2.1.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 15 – Other interest and similar expenses

Other interest and similar expenses are presented as follows:

	Compartment 1	Compartment 2019-01	01/10/2019 - 30/09/2020	01/01/2019 - 30/09/2019
	EUR	EUR	EUR	EUR
Interest and commitment fees - Corelux Notes	-222,148.61	0.00	-222,148.61	-306,458.51
Interest expense - DL Notes	-88,623.19	0.00	-88,623.19	-455,502.14
Interest expense - OPL Notes	-163,513.52	0.00	-163,513.52	-177,799.08
Interest and commitment fees - Weinberg Notes	-311,081.16	0.00	311,081.16	-206,776.41
Administration fees - Corelux Notes	-53,221.78	0.00	-53,221.78	-65,834.13
Administration fees - OPL Notes	-70,962.44	0.00	-70,962.44	-52,788.88
Administration fees - Weinberg Notes	-58,721.22	0.00	-58,721.22	-40,918.84
Interest expense – Class A Notes	0.00	-180,807.39	-180,807.39	-132,527.80
Interest expense – Class B Notes	0.00	-801,133.36	-801,133.36	-164,166.66
Interest expense – Subordinated loan	0.00	-57,187.50	-57,187.50	-11,718.75
Upfront Fee - Deutsche Leasing	0.00	0.00	0.00	-1,771,968.00
Swap expense	0.00	-2,321,315.09	-2,321,315.09	-543,259.24
Swap net present obligation	0.00	0.00	0.00	-373,493.25
Excess value paid to the Seller	0.00	-15,253,150.20	-15,253,150.20	-6,417,727.58
Total	-968,271.92	-18,613,593.54	-19,581,865.46	-10,720,939.27

Certain amounts for the period that has ended on 30 September 2019 have been reclassified to ensure comparability with the figures for the financial year ending 30 September 2020 as disclosed in note 2.1.

Note 16 - Tax expenses

The Company is subject to all taxes applicable to commercial Companies in Luxembourg incorporated under the Law of 22 March 2004 on securitisation.

	Compartment 1	Compartment 2019-01	01/10/2019 - 30/09/2020	01/01/2019 - 30/09/2019
	EUR	EUR	EUR	EUR
Tax expenses for the financial period / year	-2,086.50	-2,086.50	-4,173.00	0.00
Tax expenses for the prior period / year	0.00	0.00	0.00	-642.00
Tax on profit or loss	-2,086.50	2,086.50	4,173.00	-642.00
Other tax expenses for the period / year	-2,397.68	-926.58	-3,324.26	-4,173.00
Other taxes not shown under items 1 to 16	-2,397.68	-926.58	-3,324.26	-4,173.00

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 17 - Related parties transactions

The nature of related party relationships are as follows:

Deutsche Leasing [Holding company / the Seller]:

	Compartment 1	Compartment 2019-01	30/09/2020	30/09/2019
	EUR	EUR	EUR	EUR
Related party receivable:	78,547.30	0.00	78,547.30	36,036.54
Accrued funding income	78,547.30	0.00	78,547.30	36,036.54
Related party payable:	80,308,606.62	82,869,302.85	163,177,909.47	200,323,036.89
Interest payable - DL Notes	0.00	0.00	0.00	8,488.49
Interest payable - Class B Notes	0.00	17,511.11	17,511.11	15,322.22
Interest payable - Subordinated loan	0.00	1,250.00	1,250.00	1,093.74
Default discount	74,770,082.03	0.00	74,770,082.03	33,982,586.88
Dilution reserve	5,538,524.59	0.00	5,538,524.59	3,775,842.97
Commingling reserve	0.00	0.00	0.00	15,511,294.32
Amount payable to Deutsche Leasing	0.00	300,541.74	300,541.74	257,012.92
DL Note	0.00	0.00	0.00	64,221,395.35
Class B Notes	0.00	78,800,000.00	78,800,000.00	78,800,000.00
Subordinated Loan	0.00	3,750,000	3,750,000	3,750,000

	Compartment 1	Compartment 2019-01	01/10/2019 - 30/09/2020	01/01/2019 - 30/09/2019
	EUR	EUR	EUR	EUR
Related party income:	1,021,114.75	0.00	1,021,114.75	1,391,312.25
Funding income - Receivables Seller	1,021,114.75	0.00	1,021,114.75	1,391,312.25
Related party expense:	-88,623.19	-16,111,471.06	-16,200,094.25	-8,820,534.88
Interest - DL Notes	-88,623.19	0.00	-88,623.19	-454,953.89
Interest expense – Class B Notes	0.00	-801,133.36	-801,133.36	-164,166.66
Interest expense – Subordinated loan	0.00	-57,187.50	-57,187.50	-11,718.75
Upfront Fee - Deutsche Leasing	0.00	0.00	0.00	-1,771,968.00
Excess value paid to the Seller	0.00	-15,253,150.20	-15,253,150.20	-6,417,727.58

All transactions with related parties have been conducted at arm's length.

Limes Funding S.A.
Société Anonyme

Notes to the Annual Accounts
For the financial year ending 30 September 2020

Note 18 – Off balance sheet financial commitments

Limes Funding has entered into an IRS agreement with DZ Bank to comply with the credit support obligation per the signed agreement for Compartment 2019-01 Class A notes. The notional amount of the swap as at 30 September 2020, is EUR 362,882,537.20 and the fair value is EUR 245,418.42 (2019: EUR 373,493.25).

With the exception of the above, the Company has no off balance sheet commitments as at 30 September 2020 (2019: nil).

Note 19 - Staff

The Company had no employee during the financial year ended 30 September 2020 (2019: nil).

Note 20 - Emoluments granted to members of the management and supervisory bodies and commitments in respect of retirement pensions for former members of these bodies

During the financial year, no emolument or obligation arising or entered into in respect of retirement pensions for former members of those bodies for the financial year was granted.

Note 21 - Advances and loans granted to the members of management and supervisory bodies

During the financial year from 1 October 2019 to 30 September 2020, no loan or advance was granted to members of the Board of Directors or other administrative bodies (2019: nil).

Note 22 – Subsequent events

The launch of two new compartments in the financial year 2020 has been postponed to Q2 in the financial year 2021.

No events occurred subsequent to 30 September 2020, that would have a material impact on these annual accounts.