

**VCL Multi-Compartment S.A.
Société Anonyme**

**AUDITED ANNUAL ACCOUNTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020**

Address:

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VCL Multi-Compartment S.A.

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VCL Multi-Compartment S.A.

DIRECTORS' REPORT

The Board of Directors (the "**Board**") of VCL Multi-Compartment S.A. (the "**Company**") herewith submits its report for the year ending 31 December 2020.

General

The Company is a securitisation company within the meaning of the Luxembourg Law of March 22, 2004 on securitisation (the "**Securitisation Law**") and has as its corporate purpose the securitisation of car lease receivables.

The Company may, in accordance with the terms of the securitisation Law, and in particular its article 5, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board of Directors creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding

Summary of activities

Compartment 2016-1

On 3 March 2016, the Company created a compartment named Compartment 2016-1 ("**C2016-1**"). The C2016-1 purchased a pool of monthly paid car lease receivables (the "**Lease Receivables**" or "**Permitted Assets**") whereby the underlying car lease contracts are mainly for the leasing of vehicles originated by Volkswagen Leasing GmbH ("**VWL**") via the Volkswagen group dealership network (which, inter alia, comprises of Volkswagen, Audi, SEAT, Skoda and Volkswagen Nutzfahrzeuge) throughout Germany and are entered into with both private and business customers.

On 19 November 2018, C2016-1 was cleaned-up and all the remaining Lease Receivables were repurchased and the notes issued fully repaid.

On 29 September 2020, C2016-1 was liquidated. The remaining open balances of C2016-1 were transferred to the General compartment.

Compartment 25

On 2 October 2017, the Company created a compartment named Compartment 25 ("**C25**"). The C25 purchased Lease Receivables originated from VWL.

Until April 2020, the Lease Receivables principal amount held by the C25 decreased by EUR 87,381,012.49 (2019: EUR 554,241,451.17) by way of payments collected from VWL, by EUR 69,914.97 (2019: EUR 999.79) of assets repurchased by VWL and by EUR 365,182.84 (2019: nil) of write-offs.

The purchase of the Lease Receivables was financed by the issue of Class A Asset Backed Floating Rate Notes (the "**Class A Notes**") and Class B Asset Backed Floating Rate Notes (the "**Class B Notes**" and collectively the "**Notes**") and a Subordinated Loan.

During the same period, C25 had EUR 83,599,200.00 redemption of Class A Notes (2019: EUR 510,953,700.00) and EUR 4,525,247.70 redemption of Class B Notes (2019: EUR 21,229,226.55). The Subordinated Loan of C25 was redeemed by EUR 5,992,713.87 (2019: EUR 41,190,033.95).

On 16 April 2020, C25 was cleaned-up and the remaining balance of Lease Receivables in the total amount of EUR 157,835,562.94 was repurchased by VWL and subsequently the remaining balance of Class A Notes (EUR 161,563,350.00), Class B Notes (EUR 8,745,525.75) were fully repaid.

On 29 September 2020, C25 was liquidated. The remaining open balances of C25 were transferred to the General compartment.

VCL Multi-Compartment S.A.

DIRECTORS' REPORT (CONTINUED)

Compartment 26

On 22 January 2018, the Company created a compartment named Compartment 26 ("C26"). The C26 purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables was financed by the issue of Notes and a Subordinated Loan.

Until October 2020, the Lease Receivables principal amount held by the C26 decreased by EUR 313,158,822.25 (2019: EUR 619,696,183.84) by way of payments collected from VWL, by EUR 676,675.56 (2019: EUR 4,661.44) of assets repurchased by VWL and by EUR 1,136,077.70 (2019: nil) of write-offs.

During the same period, C26 had EUR 291,121,800.00 redemption of Class A Notes (2019: EUR 598,641,300.00) and EUR 15,758,771.85 redemption of Class B Notes (2019: EUR 9,684,066.10). The Subordinated Loan of C26 increase by EUR nil (2019: 73,264.27) by capitalization of interest and C26 had EUR 22,231,977.13 redemption of Subordinated Loan (2019: EUR 22,720,196.30).

On 19 October 2020, C26 was cleaned-up and the remaining balance of Lease Receivables in the total amount of EUR 143,309,082.35 was repurchased by VWL and subsequently the remaining balance of Class A Notes (EUR 148,847,100.00), Class B Notes (EUR 8,057,162.05) were fully repaid.

Compartment 27

On 21 August 2018, the Company has created a compartment named Compartment 27 ("C27"). The C27 has purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables has been financed by the issue of Notes and a Subordinated Loan.

During 2020, the Lease Receivables principal amount held by the C27 decreased by EUR 328,597,740.43 (2019: EUR 379,504,302.89) by way of payments collected from VWL, by EUR 1,114,639.39 (2019: EUR 157,157.17) of assets repurchased by VWL and by EUR 963,091.69 (2019: nil) of write-offs.

The balance of Lease Receivables for C27 as at 31 December 2020 is EUR 183,313,419.72 (2019: EUR 513,988,891.23).

During 2020, C27 had EUR 304,878,150.00 redemption of Class A Notes (2019: EUR 380,702,790.00) and EUR 8,326,205.16 redemption of Class B Notes (2019: EUR nil).

During 2020, the Subordinated Loan of C27 increase by EUR 40,307.52 (2019: 172,051.00) by capitalization of interest and C27 had EUR 22,307,323.23 redemption of Subordinated Loan (2019: EUR 1,399,085.72).

Compartment 28

On 28 January 2019, the Company has created a compartment named Compartment 28 ("C28"). The C28 has purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables has been financed by the issue of Notes and a Subordinated Loan.

On 18 April 2019, C28 started its activities and purchased an initial assets portfolio of EUR 1,000,018,756.44 financed by EUR 941,000,000.00 Class A Notes, EUR 19,000,000.00 Class B Notes and EUR 33,018,756.44 Subordinated Loan.

During 2020, the Lease Receivables principal amount held by the C28 decreased by EUR 378,630,071.64 (2019: EUR 306,533,976.05) by way of payments collected from VWL, by EUR 2,991,498.62 (2019: EUR 295,522.69) of assets repurchased by VWL and by EUR 868,802.29 (2019: nil) of write-offs.

The balance of Lease Receivables for C28 as at 31 December 2020 is EUR 310,698,885.15 (2019: EUR 693,189,257.70).

VCL Multi-Compartment S.A.

DIRECTORS' REPORT (CONTINUED)

Compartment 28 (continued)

During 2020, C28 had EUR 368,622,070.40 redemption of Class A Notes (2019: EUR 274,204,953.40) and EUR 2,859,615.90 redemption of Class B Notes (2019: EUR nil).

During 2020, the Subordinated Loan of C28 increase by EUR 149,640.68 (2019: 65,264.48) by capitalization of interest and C28 had EUR 14,356,309.25 redemption of Subordinated Loan (2019: EUR 1,879,475.81).

Compartment 29

On 21 August 2019, the Company has created a compartment named Compartment 29 ("**C29**"). The C29 has purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables has been financed by the issue of Notes and a Subordinated Loan.

During 2020, the Lease Receivables principal amount held by the C29 decreased by EUR 397,926,606.63 (2019: EUR 67,231,921.99) by way of payments collected from VWL, by EUR 1,436,783.70 (2019: EUR nil) of assets repurchased by VWL and by EUR 456,940.03 (2019: nil) of write-offs.

The balance of Lease Receivables for C29 as at 31 December 2020 is EUR 532,955,864.16 (2019: EUR 932,776,194.52).

During 2020, C29 had EUR 399,994,822.20 redemption of Class A Notes (2019: EUR 33,506,092.90) and EUR nil redemption of Class B Notes (2019: EUR nil).

During 2020, the Subordinated Loan of C29 increase by EUR 105,270.17 (2019: nil) by capitalization of interest and C29 had EUR 1,540,807.84 redemption of Subordinated Loan (2019: EUR 387,786.75).

Compartment 30

On 21 January 2020, the Company has created a compartment named Compartment 30 ("**C30**"). The C30 has purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables has been financed by the issue of Notes and a Subordinated Loan.

On 19 March 2020, C30 started its activities and purchased an initial assets portfolio of EUR 1,000,005,518.95 financed by EUR 941,000,000.00 Class A Notes, EUR 19,000,000.00 Class B Notes and EUR 35,505,518.95 Subordinated Loan.

During 2020, the Lease Receivables principal amount held by the C30 decreased by EUR 338,644,748.48 by way of payments collected from VWL, by EUR nil of assets repurchased by VWL and by EUR 128,378.07 of write-offs.

The balance of Lease Receivables for C30 as at 31 December 2020 is EUR 661,232,392.40.

During 2020, C30 had EUR 304,651,008.40 redemption of Class A Notes and EUR nil redemption of Class B Notes.

During 2020, the Subordinated Loan of C30 increase by EUR 46,092.26 by capitalization of interest and C30 had EUR 1,932,581.87 redemption of Subordinated Loan.

VCL Multi-Compartment S.A.

DIRECTORS' REPORT (CONTINUED)

Compartment 31

On 19 August 2020, the Company has created a compartment named Compartment 31 ("C31"). The C31 has purchased Lease Receivables originated from VWL.

The purchase of the Lease Receivables has been financed by the issue of Notes and a Subordinated Loan.

On 20 November 2020, C31 started its activities and purchased an initial assets portfolio of EUR 1,063,833,473.16 financed by EUR 1,000,000,000.00 Class A Notes, EUR 24,100,000.00 Class B Notes and EUR 34,933,473.16

During 2020, the Lease Receivables principal amount held by the C31 decreased by EUR 78,427,734.61 by way of payments collected from VWL and by EUR nil of assets repurchased by VWL.

The balance of Lease Receivables for C31 as at 31 December 2020 is EUR 985,405,738.55.

During 2020, C31 had EUR 39,379,700.00 redemption of Class A Notes and EUR nil redemption of Class B Notes.

During 2020, the Subordinated Loan of C30 increase by EUR nil by capitalization of interest and C30 had EUR 489,040.09 redemption of Subordinated Loan.

Notes and Subordinated Loan

As at 31 December 2020, the balance of the Notes and Subordinated Loan are as follows:

Instrument	CCY	Compartment	Outstanding amount	Initial maturity
Class A Notes	EUR	C27	182,406,060.00	September 2024
Class B Notes	EUR	C27	9,873,794.84	September 2024
Subordinated Loan	EUR	C27	5,767,805.95	September 2024
Class A Notes	EUR	C28	298,172,976.20	January 2025
Class B Notes	EUR	C28	16,140,384.10	January 2025
Subordinated Loan	EUR	C28	16,997,876.54	January 2025
Class A Notes	EUR	C29	507,499,084.90	September 2025
Class B Notes	EUR	C29	19,000,000.00	September 2025
Subordinated Loan	EUR	C29	30,184,792.09	September 2025
Class A Notes	EUR	C30	636,348,991.60	January 2026
Class B Notes	EUR	C30	19,000,000.00	January 2026
Subordinated Loan	EUR	C30	33,619,029.34	January 2026
Class A Notes	EUR	C31	960,620,300.00	September 2026
Class B Notes	EUR	C31	24,100,000.00	September 2026
Subordinated Loan	EUR	C31	34,444,433.07	September 2026

All series of Notes are listed on the Luxembourg Stock Exchange. Class B Notes rank junior to Class A Notes.

The Notes are substantially backed by all of the assets of the Company consisting primarily of the Company's right, title and interest in the Lease Receivables and in the title ownership of the leased vehicles which have been transferred to the Company.

The Subordinated Loan have been granted to the Company by Volkswagen Financial Services AG for the purpose of credit enhancement and they rank junior to the Notes.

The Company has entered into swap agreements for each class of Notes to hedge the interest rate risk deriving from the scheduled periodic payments payable by the Lessees of the vehicles to the Company and the floating rate interest payments owed by the company under the Notes.

Both the Notes and the Subordinated Loan are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Lease Receivables and the amounts received or paid under the interest rate swap agreements less costs.

VCL Multi-Compartment S.A.

DIRECTORS' REPORT (CONTINUED)

Corporate Governance

The Board duly notes that, based on Article 52 of the law of 23 July 2016 concerning the audit profession (the “**Audit Law**”), the Company is classified as a public-interest entity and is required to establish an audit committee.

However, the Company's sole business is to act as issuer of asset-backed securities as defined in point (5) of Article 2 of Commission regulation (EC) N° 809/2004. Therefore, it is exempted from the audit committee obligation based on Article 52 (5) c).

The Company has concluded that the establishment of a dedicated audit committee or an administrative or supervisory body entrusted to carry out the function of an audit committee is not appropriate for the nature and extent of the Company's business which consists merely of an interest in assets to which the limited recourse Notes issued are linked. Furthermore, the Company operates in a strictly defined regulatory environment (e.g. Securitisation Law, CSSF supervision, listing on EU-regulated market) and is subject to respective governance mechanisms.

Corporate Governance - Internal control and risk management procedures

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

Voting rights

Each issued share holds one vote in a Meeting of Shareholders. No special voting rights exist, nor does the sole Shareholder have any special right of control.

Acquisition of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. During the year ended December 31, 2020 the Company has not purchased any of its own shares.

Research and development activities

The Company was neither involved nor participated in any kind of research or development activities in the year ended December 31, 2020.

Branches and participations of the Company

The Company does not have any branches or participations.

Board

The Company is managed by a Board comprising three members. The directors, whether shareholders or not, are appointed for a period not exceeding six years by the sole Shareholder, who may at any time remove them.

The Board is vested with the powers to perform all acts of administration and disposition in compliance with the corporate objects of the Company. The Company will be bound in any circumstances by the joint signatures of two members of the Board unless special decisions have been reached concerning the authorised signature in case of delegation of powers or proxies.

On 1st January 2020, Mrs Z.H. Cammans, Mrs Sheena E. Gill and Mrs Mussai-Ramassur were Directors of the Company.

VCL Multi-Compartment S.A.

DIRECTORS' REPORT (CONTINUED)

Related business risks

Credit risk:

The Company may be exposed to a credit risk with third parties with whom it trades and may also bear the risk of settlement default.

Counterparty risk:

Some of the assets and derivatives will expose the Company to the risk of Counterparty default.

Interest rate risk:

The Receivables bear interest at fixed rates while the Notes and the Subordinated Loan bears interest at floating rates based on 1-month EURIBOR. The Company will hedge afore-described interest rate risk related to the Notes and will use payments made by the swap counterparties to make payments on the Notes on each Payment date. The Subordinated loan is not covered by such swap transactions. The Board considers however that the Excess spread of the Structure would cover any movements in the 1-month EURIBOR.

The liquidity risk, market risk, currency risk and the price risk are not defined as the directors of the Company believe that these risks are not applicable for the Company or are not deemed as principal risks to the Company as a whole.

Subsequent events

Effective as of 13 January 2021, Mrs. Sheena E. Gill resigned from her position as director of the Company and was replaced by Mrs. Hélène Siciliano.

On 13 January 2021, the Company has created one compartment named Compartment 32 ("C32"). The C32 only started its activities on March 2021.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 31 December 2020.

Future outlook

No material changes in activities are contemplated for the year 2021.

Luxembourg, 07 July 2021



Mrs Z.H. Cammans
Director



Mrs M. Mussai-Ramassur
Director



Mrs H. Siciliano
Director

Independent auditor's report

To the Shareholders of
VCL Multi-Compartment S.A.
22-24, Boulevard Royal
L-2449 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of VCL Multi-Compartment S.A. (the "Company"), which comprise the balance sheet as at 31 December 2020, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 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 financial statements.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "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 as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" 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 financial statements, 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 financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Existence & Valuation of lease receivables

Risk identified

The purpose of the Company is purchasing portfolios of car lease receivables (the “Receivables”) of customers from Volkswagen Leasing GmbH (the “Originator” and “Asset Servicer”) against the issuance of listed notes. The Receivables are purchased from the Originator at a discounted value and are amortized over the term of the underlying lease contract. The selection process of the Receivables is conducted by the Asset Servicer. Hence, controls and processes implemented by the Asset Servicer are critical to ensure that Receivables balances exist and are accurate. The Receivables as at 31 December 2020 amounted to EUR 2,673,606,299.98 representing 91% of the total balance sheet and related disclosures are included in Notes 2.2.1 and 3 to the financial statements. Considering the materiality of the amount involved and the judgment required in assessing the recoverability, we identified existence and valuation of lease receivables as a key audit matter.

Our audit response

Our audit procedures over the Investments held as fixed assets included, among others:

- Obtaining the legal documentation in order to confirm the existence of a servicer agreement between the Company, the Originator and Asset Servicer;
- Obtaining a confirmation as at 31 December 2020 of the Receivables from the Originator;
- Understanding and evaluating controls and processes implemented at the Asset Servicer, including among others the IT system and controls in relation to receivables management;
- Performing a sample test on Receivables by obtaining supporting lease contracts reconciling them to the Originator source system;
- Obtaining all monthly reports from the Asset Servicer in charge of collecting, monitoring and reporting on the Receivables and we performed on a sample basis reconciliations of such monthly reports to the Asset Servicer IT system, to the accounting records of the Company, and to external bank statements;
- Recalculating, on a sample basis the amortization of lease receivables to verify outstanding principal and calculated interest income
- Reconciling reported write-offs by the Asset Servicer to the accounting records of the Company;
- Assessing the potential Covid-19 pandemic impact on the Receivables by inquiry of the Originator;
- Assessing the adequacy of the Company’s disclosures in respect of the Investments held as fixed assets in Notes 2.1, 2.2.1 and 3 to the financial statements.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the management report but does not include the financial statements and our report of the “réviseur d’entreprises agréé” thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements

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

In preparing the financial statements, 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 financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “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 EU Regulation N° 537/2014, the Law of 23 July 2016 and with the 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 financial statements.

As part of an audit in accordance with 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 financial statements, 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 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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 financial statements, including the disclosures, and whether the financial statements 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 communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements 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.

Other matter

The financial statements of the Company for the year ended 31 December 2019 were audited by another auditor who expressed an unmodified opinion on those financial statements on 31 July 2020.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the Board of Directors on 16 December 2020 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is one year.

The management report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) 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 financial statements and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in EU Regulation N° 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Oliver Cloess
Jul 7, 2021

Oliver Cloess

Luxembourg, 7 July 2021

BALANCE SHEET
Financial year from 01 01/01 /2020 **to** 02 31/12/2020 (in 03 EUR)

VCL Multi-Compartment S.A.

22-24 Boulevard Royal

L-2449 Luxembourg

ASSETS

	Reference(s)	Current year	Previous year
A. Subscribed capital unpaid	1101	101	102
I. Subscribed capital not called	1103	103	104
II. Subscribed capital called but unpaid	1105	105	106
B. Formation expenses	1107	107	108
C. Fixed assets	1109	109	110
I. Intangible assets	1111		112
1. Costs of development	1113		114
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115		116
a) acquired for valuable consideration and need not be shown under C.I.3	1117		118
b) created by the undertaking itself	1119		120
3. Goodwill, to the extent that it was acquired for valuable consideration	1121		122
4. Payments on account and intangible assets under development	1123		124
II. Tangible assets	1125		126
1. Land and buildings	1127		128
2. Plant and machinery	1129		130
		2,673,606,299.98	2,843,886,674.55

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	131	132
4. Payments on account and tangible assets in the course of construction	1133	133	134
III. Financial assets	3	2,673,606,299.98	2,843,886,674.55
1. Shares in affiliated undertakings	1135	135	136
2. Loans to affiliated undertakings	1137	137	138
3. Participating interests	1139	139	140
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1141	141	142
5. Investments held as fixed assets	1143	143	144
6. Other loans	1145	145	146
	1147	147	148
D. Current assets		280,452,501.00	322,984,499.45
I. Stocks			
1. Raw materials and consumables	1151	151	152
2. Work in progress	1153	153	154
3. Finished goods and goods for resale	1155	155	156
4. Payments on account	1157	157	158
II. Debtors		173,061,910.25	188,746,443.01
1. Trade debtors	1159	159	160
a) becoming due and payable within one year	1161	161	162
b) becoming due and payable after more than one year	1163	163	164
2. Amounts owed by affiliated undertakings	1165	165	166
a) becoming due and payable within one year	1167	167	168
b) becoming due and payable after more than one year	1169	169	170
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1171	171	172
a) becoming due and payable within one year	1173	173	174
b) becoming due and payable after more than one year	1175	175	176
4. Other debtors	1177	177	178
a) becoming due and payable within one year	1179	179	180
b) becoming due and payable after more than one year	1181	181	182
	1183	183	184
a) becoming due and payable within one year	1185	185	186
b) becoming due and payable after more than one year	1187	187	188

	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 _____	190 _____
1. Shares in affiliated undertakings	1191 _____	191 _____	192 _____
2. Own shares	1209 _____	209 _____	210 _____
3. Other investments	1195 _____	195 _____	196 _____
IV. Cash at bank and in hand	1197 _____ 5	197 _____ 107,390,590.75	198 _____ 134,238,056.44
E. Prepayments	1199 _____	199 _____	200 _____
TOTAL (ASSETS)		201 _____ 2,954,058,800.98	202 _____ 3,166,871,174.00

CAPITAL, RESERVES AND LIABILITIES
--

	Reference(s)	Current year	Previous year
A. Capital and reserves			
I. Subscribed capital	1301 <u>6</u>	301 <u>31,000.00</u>	302 <u>31,000.00</u>
II. Share premium account	1303	303 <u>31,000.00</u>	304 <u>31,000.00</u>
III. Revaluation reserve	1305	305	306
IV. Reserves	1307	307	308
1. Legal reserve	1309	309	310
2. Reserve for own shares	1311	311	312
3. Reserves provided for by the articles of association	1313	313	314
4. Other reserves, including the fair value reserve	1315	315	316
a) other available reserves	1429	429	430
b) other non available reserves	1431	431	432
V. Profit or loss brought forward	1433	433	434
VI. Profit or loss for the financial year	1319	319	320
VII. Interim dividends	1321	321 <u>0.00</u>	322 <u>0.00</u>
VIII. Capital investment subsidies	1323	323	324
	1325	325	326
B. Provisions	1331 <u>8</u>	331 <u>97,218.72</u>	332 <u>94,622.10</u>
1. Provisions for pensions and similar obligations	1333	333	334
2. Provisions for taxation	1335	335	336
3. Other provisions	1337	337 <u>97,218.72</u>	338 <u>94,622.10</u>
C. Creditors	1435	435 <u>2,940,297,179.75</u>	436 <u>3,157,210,840.50</u>
1. Debenture loans	1437	437 <u>2,673,226,274.04</u>	438 <u>2,840,039,536.97</u>
a) Convertible loans	1439	439	440
i) becoming due and payable within one year	1441	441	442
ii) becoming due and payable after more than one year	1443	443	444
b) Non convertible loans	1445 <u>9</u>	445 <u>2,673,226,274.04</u>	446 <u>2,840,039,536.97</u>
i) becoming due and payable within one year	1447	447 <u>155,798,925.60</u>	448 <u>168,944,670.12</u>
ii) becoming due and payable after more than one year	1449	449 <u>2,517,427,348.44</u>	450 <u>2,671,094,866.85</u>
2. Amounts owed to credit institutions	1355	355 <u>2,484.00</u>	356 <u>0.00</u>
a) becoming due and payable within one year	1357	357 <u>2,484.00</u>	358 <u>0.00</u>
b) becoming due and payable after more than one year	1359	359	360

	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	361	362
a) becoming due and payable within one year	1363	363	364
b) becoming due and payable after more than one year	1365	365	366
4. Trade creditors	1367	367	368
a) becoming due and payable within one year	1369	369	370
b) becoming due and payable after more than one year	1371	371	372
5. Bills of exchange payable	1373	373	374
a) becoming due and payable within one year	1375	375	376
b) becoming due and payable after more than one year	1377	377	378
6. Amounts owed to affiliated undertakings	1379	379	380
a) becoming due and payable within one year	1381	381	382
b) becoming due and payable after more than one year	1383	383	384
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
a) becoming due and payable within one year	1387	387	388
b) becoming due and payable after more than one year	1389	389	390
8. Other creditors	1451	451	452
a) Tax authorities	1393	393	394
b) Social security authorities	1395	395	396
c) Other creditors	1397	397	398
i) becoming due and payable within one year	1399	399	400
ii) becoming due and payable after more than one year	1401	401	402
D. Deferred income	1403	403	404
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	405	406	

PROFIT AND LOSS ACCOUNT

Financial year from ⁰¹ 01/01 /2020 to ⁰² 31/12/2020 (in ⁰³ EUR)

VCL Multi-Compartment S.A.

22-24 Boulevard Royal

L-2449 Luxembourg

	Reference(s)	Current year	Previous year
1. Net turnover	1701	701	702
2. Variation in stocks of finished goods and in work in progress	1703	703	704
3. Work performed by the undertaking for its own purposes and capitalised	1705	705	706
4. Other operating income	1713	713	714
		12	16,817.27
			9,934.53
5. Raw materials and consumables and other external expenses	1671	671	672
a) Raw materials and consumables	1601	601	602
b) Other external expenses	1603	603	604
		13	-28,600,290.09
			-29,910,790.88
6. Staff costs	1605	605	606
a) Wages and salaries	1607	607	608
b) Social security costs	1609	609	610
i) relating to pensions	1653	653	654
ii) other social security costs	1655	655	656
c) Other staff costs	1613	613	614
7. Value adjustments	1657	657	658
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	659	660
b) in respect of current assets	1661	661	662
8. Other operating expenses	1621	621	622
		14	-126,467,930.05
			-131,566,570.95
9. Income from participating interests	1715	715	716
a) derived from affiliated undertakings	1717	717	718
b) other income from participating interests	1719	719	720

	Reference(s)	Current year	Previous year
10. Income from other investments and loans forming part of the fixed assets			
	1721 <u>15</u>	721 <u>157,062,881.34</u>	722 <u>162,161,092.36</u>
a) derived from affiliated undertakings	1723 _____	723 _____	724 _____
b) other income not included under a)	1725 _____	725 <u>157,062,881.34</u>	726 <u>162,161,092.36</u>
11. Other interest receivable and similar income			
	1727 <u>16</u>	727 <u>7,678,579.76</u>	728 <u>4,683,747.94</u>
a) derived from affiliated undertakings	1729 _____	729 _____	730 _____
b) other interest and similar income	1731 _____	731 <u>7,678,579.76</u>	732 <u>4,683,747.94</u>
12. Share of profit or loss of undertakings accounted for under the equity method			
	1663 _____	663 _____	664 _____
13. Value adjustments in respect of financial assets and of investments held as current assets			
	1665 <u>3</u>	665 <u>-3,918,472.62</u>	666 <u>0.00</u>
14. Interest payable and similar expenses			
	1627 <u>17</u>	627 <u>-5,767,992.90</u>	628 <u>-5,371,257.24</u>
a) concerning affiliated undertakings	1629 _____	629 <u>-707,823.70</u>	630 <u>-769,001.94</u>
b) other interest and similar expenses	1631 _____	631 <u>-5,060,169.20</u>	632 <u>-4,602,255.30</u>
15. Tax on profit or loss			
	1635 _____	635 <u>1,936.95</u>	636 <u>-2,111.76</u>
16. Profit or loss after taxation			
	1667 _____	667 <u>5,529.66</u>	668 <u>4,044.00</u>
17. Other taxes not shown under items 1 to 16			
	1637 _____	637 <u>-5,529.66</u>	638 <u>-4,044.00</u>
18. Profit or loss for the financial year			
	1669 _____	669 <u>0.00</u>	670 <u>0.00</u>

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS

Note 1 - General information

The Company is a Luxembourg public limited liability company incorporated in Luxembourg on 16 September 2009 for an unlimited period of time under the legal form of "Société Anonyme" having its corporate office at 22-24, Boulevard Royal, L-2449 Luxembourg, Grand-Duchy of Luxembourg. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 148.436.

The accounting year of the Company begins on the 1st of January and terminates on the 31st of December.

The purpose of the Company is the securitisation, within the meaning of the Securitisation Law, of the Permitted Assets. The Company may enter into any agreement and perform any action necessary or useful for the purposes of securitising Permitted Assets, including, without limitation, disposing of its assets in accordance with the relevant agreements.

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

The Company may, in accordance with the terms of the Securitisation Law, and in particular its article 5, create one or more compartments. Each compartment shall, unless otherwise provided for in the resolution of the Board creating such compartment, correspond to a distinct part of the assets and liabilities in respect of the corresponding funding.

The Company is included in the consolidated accounts of Volkswagen AG, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at Berliner Ring 2, 38440 Wolfsburg, Germany and the consolidated accounts are available at the same address.

In addition, the Company is included in the consolidated accounts of Volkswagen Financial Services AG, forming the smallest body of undertakings included in the body of undertakings referred to in the above-mentioned paragraph of which the Company forms a part as a subsidiary undertaking. The registered office of that company is located at Gifhorner Str. 57, 38112 Braunschweig, Germany and the consolidated accounts are available at the same address.

Capitalised terms not defined within these audited annual accounts are defined in the respective Transaction Documents of each compartment of the Company.

Note 2 - Summary of significant accounting policies

2.1 Basis of preparation

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

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board 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 believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and results fairly.

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

Comparative figures of captions "Amounts owed by affiliated undertakings", "Other debtors", "Non convertible loans", "Amounts owed to affiliated undertakings", "Income from other investments and loans forming part of the fixed assets", "Other interest receivable and similar income", "Other external expenses" and "Other interest and similar expenses" as at 31 December 2019 have been modified to enable comparability with the figures presented as at 31 December 2020.

In order to better present the financial statements for the year, the Company has changed its methodology for the recognition of revenue and write-off during the year. As a result, the Interest income has increased but a value adjustment to reflect the losses arising from write-off in the same amount has also been recognised. The aforementioned change in approach towards revenue and write-off recognition impacted the captions "Income from other investments and loans forming part of the fixed assets" and "Value adjustments in respect of financial assets and of investments held as current assets" and is presented as follow:

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 2 - Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

FS Caption	2020	2019 corrected	2019 as per Annual Accounts
Income from other investments and loans forming part of the fixed assets	157,062,881.34	165,321,083.42	162,161,092.36
Value adjustments in respect of financial assets and of investments held as current assets	(3,918,472.62)	(3,159,991.06)	-

The annual accounts are stated in EUR, the functional and presentation currency of the Company.

2.2 Significant accounting policies

The main valuation rules applied by the Company are the following:

2.2.1 Financial assets

Permitted Assets included in financial assets are recorded at their discounted nominal value (acquisition price). In case of durable depreciation in value according to the opinion of the Board, value adjustments are made in respect of fixed assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made, have ceased to apply.

2.2.2 Debtors

Debtors are recorded at their nominal value. They are subject to value adjustments where their recovery is either uncertain or compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

2.2.3 Provisions

Provisions are intended to cover charges which at the balance sheet date are either likely to incurred or certain to be incurred but uncertain as to their amount or the date on which they will arise.

2.2.4 Debenture loans

Notes issued are stated at par value less any repayments made to their principal.

2.2.5 Creditors

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

2.2.6 Deferred income

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

2.2.7 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

2.2.8 Equalisation provision / Overcollateralisation charges

Losses during the year as a result from sales, defaults, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will be borne by the holders of the Subordinated Loans in inverse order of the priority of payments when there is

Consequently, a decrease in value will be made and deducted from the amount repayable on the Subordinated Loans / Overcollateralisation liability and booked in the profit and loss account as "Other operating income".

Similarly, in case of profit made during the period, the Equalisation provision/ Overcollateralisation charges booked in the profit and loss as "Other operating expenses" will accordingly increase the Subordinated Loans / Overcollateralisation liability.

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 2 - Summary of significant accounting policies (continued)

2.2.9 Foreign currency translation

Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. Cash, short-term debtors and creditors are translated on the basis of the exchange rates effective at balance sheet date. The exchange gains and losses are thus recorded in the profit and loss account. Other assets and liabilities are translated separately at the lower or the higher of the value converted at the historical exchange rate or the value determined on the basis of the exchange rates effective at balance sheet date. Solely the unrealised exchange losses are recorded in the profit and loss account. The exchange gains and losses are recorded in the profit and loss account at the moment of realisation.

Where there is an economic link between an asset and liability, these are valued in total according to the method described above and the net unrealised losses are recorded in the profit and loss account whereas the net unrealised exchange gains are not recognised.

2.2.10 Derivative financial instruments

The Company may enter into derivative financial instruments such as swaps in order to reduce its exposure coming from the floating rate of the Notes against the fixed rate of the Permitted Assets. In case of hedging on asset or liability which is not recorded at fair value, unrealised gains or losses are deferred until the realised gains or losses on the hedged item are realised. The interests linked to derivatives instruments are recorded on accrual basis at the closing date. Commitments relating to swap transactions are recorded in the off-balance sheet accounts.

Note 3 - Financial assets

Investments held as fixed assets	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Permitted Assets</u>		
Opening balance	2,843,886,674.55	3,015,827,078.87
Acquisitions for the year	2,063,838,992.11	2,000,026,872.95
Disposals for the year	(301,144,645.29)	(115,922,194.22)
Reimbursements for the year	(1,929,056,248.77)	(2,056,045,083.05)
Write-offs for the year	(3,918,472.62)	-
Closing balance	<u>2,673,606,299.98</u>	<u>2,843,886,674.55</u>

Interest income for the year ended 31 December 2020 amounted to EUR 157,062,881.34 (EUR 162,161,092.36 in 2019) (see note 15).

Acquisition of the Permitted Assets was financed by the issue of Class A Notes and Class B Notes and through receipt of a Subordinated Loan.

As at 31 December 2020, no value adjustment is recorded in the annual accounts in respect of financial assets given the absence of durable depreciation.

Note 4 - Amounts owed by affiliated undertakings

The amounts owed by affiliated undertakings becoming due and payable within one year mainly consist of the receivable due from VWL for the December 2020 collection of the Permitted Assets, which is due in January 2021.

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Receivable from VWL	173,061,808.58	188,701,423.05
Overcollateralisation receivable	-	44,986.98
Amounts owed by affiliated undertakings - becoming due and payable within one year	<u>173,061,808.58</u>	<u>188,746,410.03</u>

VCL Multi-Compartment S.A.**NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)****Note 5 - Cash at bank and in hand**

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Disbursement account	151,435.88	71,505.87
Cash collateral account	107,136,652.34	134,138,321.74
Capital account	102,502.53	28,228.83
Total cash at bank and in hand	<u>107,390,590.75</u>	<u>134,238,056.44</u>

Note 6 - Subscribed capital

As of 31 December 2020, the subscribed capital amounts to EUR 31,000.00 and is divided into 3,100 shares fully paid-up with a par value of EUR 10.00 each. The authorised capital amounts to EUR 31,000.00.

Note 7 - Legal reserve

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

Note 8 - Provisions

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Other provisions</u>		
Audit fees	96,138.72	93,541.50
Tax advisory fees	1,080.00	1,080.60
Total other provisions	<u>97,218.72</u>	<u>94,622.10</u>

Note 9 - Non convertible loans

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Interest on Class A Notes	58,402.32	44,694.07
Interest on Class B Notes	6,280.08	3,521.85
Class A Notes	153,185,626.60	165,246,405.40
Class B Notes	2,548,616.60	3,650,048.80
Total becoming due and payable within one year	<u>155,798,925.60</u>	<u>168,944,670.12</u>
<u>Becoming due and payable after more than one year</u>		
Class A Notes	2,431,861,786.10	2,581,458,208.30
Class B Notes	85,565,562.34	89,636,658.55
Total becoming due and payable after more than one year	<u>2,517,427,348.44</u>	<u>2,671,094,866.85</u>
Total non convertible loans	<u>2,673,226,274.04</u>	<u>2,840,039,536.97</u>

Payments on the Class A Notes and Class B Notes are made monthly in arrears on the 21st of each month.

The Notes are substantially backed by all of the assets of the Company consisting primarily of the Company's right, title and interest in the Lease Receivables and in the title ownership of the leased vehicles which have been transferred to the Company.

All series of Notes are listed on the Luxembourg Stock Exchange. Class B Notes rank junior to Class A Notes.

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 10 - Amounts owed to affiliated undertakings

	2020	2019
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Overcollateralisation payable	117,471.02	23,169.44
Servicer fees	2,361,152.12	2,515,446.92
Accrued interest Subordinated Loan	19,463.19	19,072.10
Subordinated Loan	4,324,891.97	5,857,455.19
Other amounts payable	10,556,187.43	11,257,017.13
Total becoming due and payable within one year	17,379,165.73	19,672,160.78
<u>Becoming due and payable after more than one year</u>		
Subordinated Loan	116,689,045.02	113,226,932.34
Overcollateralisation payable	77,399,087.96	115,990,205.83
VWL Risk Reserve	55,243,000.00	67,740,000.00
Total becoming due and payable after more than one year	249,331,132.98	296,957,138.17
Total amounts owed to affiliated undertakings	266,710,298.71	316,629,298.95

Overcollateralisation payable represents an excess of the Permitted Assets' nominal value over the nominal value of the Notes and the Subordinated Loan and equalisation provision.

The VWL Risk Reserve includes the German Trade Tax Risk Reserve and is paid to the Cash Collateral Account. German Trade Tax Risk Reserve is required as security to cover any potential German trade tax risk. At 31 December 2020, these reserves are implemented in C27, C28, C29, C30 and C31.

Note 11 - Other creditors

	2020	2019
	EUR	EUR
<u>Becoming due and payable within one year</u>		
Swap on Class A Notes	65,067.29	69,272.39
Swap on Class B Notes	3,821.05	4,090.80
Other creditors	231,006.83	381,624.51
Total other creditors - becoming due and payable within one year	299,895.17	454,987.70

Note 12 - Other operating income

	2020	2019
	EUR	EUR
Equalisation provision	16,817.27	9,934.53
Total other operating income	16,817.27	9,934.53

Note 13 - Other external expenses

	2020	2019
	EUR	EUR
Servicer fees	27,795,982.32	29,117,792.38
Rating agency fees	350,285.00	137,497.19
Bank charges	160,140.10	260,363.00
Audit fees	96,138.72	110,286.00
Maintenance fees	82,774.93	60,510.95
Listing fees	45,702.50	82,468.25
Trustee services	33,569.56	54,699.06
Other external charges	31,670.28	85,475.97
Legal fees	2,808.00	-
Tax advisory fees	1,218.68	1,698.08
Total other external expenses	28,600,290.09	29,910,790.88

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 14 - Other operating expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
Overcollateralisation charges	126,467,930.05	131,566,570.95
Total other operating expenses	<u>126,467,930.05</u>	<u>131,566,570.95</u>

Note 15 - Income from other investments and loans forming part of the fixed assets

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Other income not included under a)</u>		
Interest income from Permitted Assets	157,062,881.34	162,161,092.36
Total income from other investments and loans forming part of the fixed assets - other income not included under a)	<u>157,062,881.34</u>	<u>162,161,092.36</u>

Note 16 - Other interest receivable and similar income

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Other income</u>		
Net interest income Class B Notes swap	710.87	4,043.69
Amortisation note issue premium	7,677,868.89	4,679,704.25
Total other interest receivable and similar income - other income	<u>7,678,579.76</u>	<u>4,683,747.94</u>

Note 17 - Interest payable and similar expenses

	<u>2020</u>	<u>2019</u>
	EUR	EUR
<u>Concerning affiliated undertakings</u>		
Interest expense on Subordinated Loan	707,823.70	769,001.94
Total concerning affiliated undertakings	<u>707,823.70</u>	<u>769,001.94</u>
<u>Other interest and similar expenses</u>		
Interest charges on Class A Notes	2,258,765.94	603,929.37
Interest charges on Class B Notes	158,774.30	118,482.36
Interest expense Class A Notes swap	1,853,208.07	3,114,940.64
Interest expense Class B Notes swap	129,458.25	151,196.34
Negative bank interest	659,962.64	613,706.59
Total other interest and similar expenses	<u>5,060,169.20</u>	<u>4,602,255.30</u>
Total interest payable and similar expenses	<u>5,767,992.90</u>	<u>5,371,257.24</u>

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 18 - Balance sheet as at 31 December 2020 per compartment

ASSETS	Compartment 22		Compartment 23		C2016-1		Compartment 24		C25	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
A. Fixed assets										
Financial assets	-	-	-	-	-	-	-	-	-	245,651,673.24
Investments held as fixed assets	-	-	-	-	-	-	-	-	-	245,651,673.24
B. Current assets	-	9,297.16	-	26,473.73	-	44,919.98	-	35,493.48	-	71,793,510.23
Debtors										
Amounts owed by affiliated undertakings										
- becoming due and payable within one year	-	9,222.83	-	25,241.87	-	-	-	10,522.28	-	34,981,720.72
Other debtors										
- becoming due and payable within one year	-	-	-	-	-	-	-	-	-	-
- becoming due and payable within one year from another compartment	-	-	-	-	-	-	-	-	-	11,660.99
Cash at bank and in hand	-	74.33	-	1,231.86	-	44,919.98	-	24,971.20	-	36,800,128.52
TOTAL (ASSETS)	-	9,297.16	-	26,473.73	-	44,919.98	-	35,493.48	-	317,445,183.47
CAPITAL, RESERVES AND LIABILITIES										
A. Capital and reserves	-	-	-	-	-	-	-	-	-	-
Subscribed capital	-	-	-	-	-	-	-	-	-	-
B. Provisions	-	-	-	0.60	-	-	-	15,770.25	-	15,770.25
Other provisions	-	-	-	0.60	-	-	-	15,770.25	-	15,770.25
C. Creditors	-	9,297.16	-	26,473.13	-	44,919.98	-	19,723.23	-	317,429,413.22
Debenture loans										
Non convertible loans										
- becoming due and payable within one year	-	-	-	-	-	-	-	-	-	31,205,524.95
- becoming due and payable after more than one year	-	-	-	-	-	-	-	-	-	227,227,798.50
Amounts owed to credit institutions										
- becoming due and payable within one year	-	-	-	-	-	-	-	-	-	-
Amounts owed to affiliated undertakings										
- becoming due and payable within one year	-	-	-	-	-	23,169.44	-	-	-	3,603,167.07
- becoming due and payable after more than one year	-	-	-	-	-	-	-	-	-	55,181,392.90
Other creditors										
Tax authorities	-	8,697.16	-	11,682.38	-	6,959.79	-	4,782.49	-	20,576.01
Other creditors										
- becoming due and payable within one year	-	-	-	14,790.75	-	-	-	7,545.37	-	190,953.79
- becoming due and payable within one year against another compartment	-	600.00	-	-	-	14,790.75	-	7,395.37	-	-
D. Deferred income	-	-	-	-	-	-	-	-	-	-
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	-	9,297.16	-	26,473.73	-	44,919.98	-	35,493.48	-	317,445,183.47

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 18 - Balance sheet as at 31 December 2020 per compartment (continued)

ASSETS	C26		C27		C28		C29	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
A. Fixed assets								
Financial assets	-	458,280,657.86	183,313,419.72	513,988,891.23	310,698,885.15	693,189,257.70	532,955,864.16	932,776,194.52
Investments held as fixed assets	-	458,280,657.86	183,313,419.72	513,988,891.23	310,698,885.15	693,189,257.70	532,955,864.16	932,776,194.52
B. Current assets	150,000.00	79,006,434.44	45,611,558.60	53,274,158.34	51,672,372.10	57,867,559.25	56,718,248.38	60,924,875.75
Debtors								
Amounts owed by affiliated undertakings								
- becoming due and payable within one year	-	45,398,990.23	25,471,520.58	33,126,701.42	30,672,336.94	36,867,496.11	35,718,173.48	38,326,514.57
Other debtors								
- becoming due and payable within one year	-	-	-	-	-	-	-	32.98
- becoming due and payable within one year from another compartment	-	7,395.37	-	7,395.38	-	-	-	-
Cash at bank and in hand	150,000.00	33,600,048.84	20,140,038.02	20,140,061.54	21,000,035.16	21,000,063.14	21,000,074.90	22,598,328.20
TOTAL (ASSETS)	150,000.00	537,287,092.30	228,924,978.32	567,263,049.57	362,371,257.25	751,056,816.95	589,674,112.54	993,701,070.27
CAPITAL, RESERVES AND LIABILITIES								
A. Capital and reserves	-	-	-	-	-	-	-	-
Subscribed capital	-	-	-	-	-	-	-	-
B. Provisions	16,203.12	15,770.25	16,203.12	15,770.25	16,203.12	15,770.25	16,203.12	15,770.25
Other provisions	16,203.12	15,770.25	16,203.12	15,770.25	16,203.12	15,770.25	16,203.12	15,770.25
C. Creditors	133,796.88	535,715,496.26	228,691,305.82	566,312,748.71	361,680,599.84	749,431,553.49	586,585,469.74	988,250,438.23
Debenture loans								
Non convertible loans								
- becoming due and payable within one year	-	39,875,223.85	22,715,235.47	30,582,852.85	26,917,225.86	33,460,825.55	33,045,875.60	33,820,242.92
- becoming due and payable after more than one year	-	423,909,610.05	169,564,915.04	474,902,390.00	287,396,469.80	652,335,156.80	493,464,903.50	892,719,911.50
Amounts owed to credit institutions								
- becoming due and payable within one year	-	-	-	-	-	-	-	-
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	6,316.59	5,438,928.33	2,672,869.53	2,468,499.85	3,701,983.13	3,356,225.28	2,563,229.15	4,782,170.81
- becoming due and payable after more than one year	-	66,416,349.01	33,658,258.83	58,255,211.66	43,623,222.33	60,205,739.06	57,441,600.96	56,898,445.54
Other creditors								
Tax authorities	12,011.19	13,668.33	13,860.78	12,719.49	11,421.38	3,739.06	9,340.91	3,628.96
Other creditors								
- becoming due and payable within one year	41,456.93	54,716.69	66,166.17	91,074.86	30,277.34	69,867.74	60,519.62	26,038.50
- becoming due and payable within one year against another compartment	74,012.17	7,000.00	-	-	-	-	-	-
D. Deferred income	-	1,555,825.79	217,469.38	934,530.61	674,454.29	1,609,493.21	3,072,439.68	5,434,861.79
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	150,000.00	537,287,092.30	228,924,978.32	567,263,049.57	362,371,257.25	751,056,816.95	589,674,112.54	993,701,070.27

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 18 - Balance sheet as at 31 December 2020 per compartment (continued)

ASSETS	C30		C31		General compartment		Total compartment	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
A. Fixed assets								
Financial assets	661,232,392.40	-	985,405,738.55	-	-	-	2,673,606,299.98	2,843,886,674.55
Investments held as fixed assets	661,232,392.40	-	985,405,738.55	-	-	-	2,673,606,299.98	2,843,886,674.55
B. Current assets	58,283,927.36	-	67,912,660.17	-	177,746.56	31,563.21	280,526,513.17	323,014,285.57
Debtors								
Amounts owed by affiliated undertakings								
- becoming due and payable within one year	37,283,919.34	-	43,915,858.24	-	-	-	173,061,808.58	188,746,410.03
Other debtors								
- becoming due and payable within one year	-	-	101.67	-	-	-	101.67	32.98
- becoming due and payable within one year from another compartment	-	-	-	-	74,012.17	3,334.38	74,012.17	29,786.12
Cash at bank and in hand	21,000,008.02	-	23,996,700.26	-	103,734.39	28,228.83	107,390,590.75	134,238,056.44
TOTAL (ASSETS)	719,516,319.76	-	1,053,318,398.72	-	177,746.56	31,563.21	2,954,132,813.15	3,166,900,960.12
CAPITAL, RESERVES AND LIABILITIES								
A. Capital and reserves	-	-	-	-	31,000.00	31,000.00	31,000.00	31,000.00
Subscribed capital	-	-	-	-	31,000.00	31,000.00	31,000.00	31,000.00
B. Provisions	16,203.12	-	16,203.12	-	-	-	97,218.72	94,622.10
Other provisions	16,203.12	-	16,203.12	-	-	-	97,218.72	94,622.10
C. Creditors	715,556,609.39	-	1,047,576,663.69	-	146,746.56	563.21	2,940,371,191.92	3,157,240,626.62
Debtenture loans								
Non convertible loans								
- becoming due and payable within one year	34,004,238.48	-	39,116,350.19	-	-	-	155,798,925.60	168,944,670.12
- becoming due and payable after more than one year	621,358,660.10	-	945,642,400.00	-	-	-	2,517,427,348.44	2,671,094,866.85
Amounts owed to credit institutions								
- becoming due and payable within one year	-	-	-	-	2,484.00	-	2,484.00	-
Amounts owed to affiliated undertakings								
- becoming due and payable within one year	3,179,411.29	-	5,144,201.61	-	111,154.43	-	17,379,165.73	19,672,160.78
- becoming due and payable after more than one year	56,974,134.30	-	57,633,916.56	-	-	-	249,331,132.98	296,957,138.17
Other creditors								
Tax authorities	2,431.00	-	1,963.50	-	7,199.07	563.21	58,227.83	87,016.88
Other creditors								
- becoming due and payable within one year	37,734.22	-	37,831.83	-	25,909.06	-	299,895.17	454,987.70
- becoming due and payable within one year against another compartment	-	-	-	-	-	-	74,012.17	29,786.12
D. Deferred income	3,943,507.25	-	5,725,531.91	-	-	-	13,633,402.51	9,534,711.40
TOTAL (CAPITAL, RESERVES AND LIABILITIES)	719,516,319.76	-	1,053,318,398.72	-	177,746.56	31,563.21	2,954,132,813.15	3,166,900,960.12

The captions "Other debtors - becoming due and payable within one year from another compartment" and "Other creditors - becoming due and payable within one year against another compartment" state amounts receivable or payable between compartments of the Company and are eliminated in the eCDF balance sheet previously display.

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 19 - Profit and loss account for the year ended 31 December 2020 per compartment

	Compartment 22		Compartment 23		C2016-1		Compartment 24		C25	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Other operating income	-	2,678.52	-	6,076.84	-	1,179.17	-	-	-	-
Other external expenses	-	(2,678.52)	-	(6,076.84)	5,231.32	(1,179.17)	-	(845,428.23)	(684,806.58)	(5,596,986.96)
Other operating expenses	-	-	-	-	(5,231.32)	-	-	(2,976,351.95)	(1,919,353.80)	(21,972,992.00)
Income from other investments and loans forming part of the fixed assets - other income not included under a)	-	-	-	-	-	-	-	4,088,604.70	3,055,817.52	28,370,635.79
Other interest receivable and similar income - other income	-	-	-	-	-	-	-	4,043.69	-	-
Value adjustments in respect of financial assets and of investments held as current assets	-	-	-	-	-	-	-	-	(365,182.84)	-
Interest payable and similar expenses - concerning affiliated undertakings - other interest and similar expenses	-	-	-	-	-	-	-	(16,877.65) (250,867.80)	(3,775.61) (81,848.09)	(146,979.18) (652,666.65)
Tax on profit or loss	-	-	-	-	-	-	-	(2,111.76)	-	-
Other taxes	-	-	-	-	-	-	-	(1,011.00)	(850.60)	(1,011.00)
Profit or loss for the financial year	-	-	-	-	-	-	-	-	-	-

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 19 - Profit and loss account for the year ended 31 December 2020 per compartment (continued)

	C26		C27		C28		C29	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Other operating income	-	-	-	-	-	-	-	-
Other external expenses	(2,431,840.27)	(7,923,095.31)	(3,700,904.67)	(7,295,857.32)	(5,242,672.40)	(6,547,531.33)	(7,601,380.51)	(1,691,957.20)
Other operating expenses	(10,286,380.50)	(36,309,071.49)	(15,084,945.48)	(32,011,525.59)	(22,860,697.87)	(30,646,799.33)	(34,798,484.45)	(7,649,830.59)
Income from other investments and loans forming part of the fixed assets								
- other income not included under a)	12,874,097.65	42,741,131.56	19,990,364.06	40,302,568.80	28,911,280.42	37,348,286.61	42,344,737.70	9,309,864.90
Other interest receivable and similar income								
- other income	1,555,825.79	3,057,507.21	717,061.23	715,102.04	935,038.92	648,906.79	2,362,422.11	258,188.21
Value adjustments in respect of financial assets and of investments held as current assets	(1,136,077.70)	-	(963,091.69)	-	(868,802.29)	-	(456,940.03)	-
Interest payable and similar expenses								
- concerning affiliated undertakings	(17,411.85)	(123,078.72)	(155,391.40)	(271,452.49)	(227,587.69)	(192,240.20)	(162,341.61)	(18,373.70)
- other interest and similar expenses	(559,044.14)	(1,442,382.25)	(801,986.12)	(1,437,824.44)	(645,453.16)	(610,622.54)	(1,686,907.28)	(207,891.62)
Tax on profit or loss	1,936.95	-	-	-	-	-	-	-
Other taxes	(1,105.93)	(1,011.00)	(1,105.93)	(1,011.00)	(1,105.93)	-	(1,105.93)	-
Profit or loss for the financial year	-	-	-	-	-	-	-	-

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 19 - Profit and loss account for the year ended 31 December 2020 per compartment (continued)

	C30		C31		General compartment		Total compartment	
	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR	2020 EUR	2019 EUR
Other operating income	-	-	-	-	16,817.27	-	16,817.27	9,934.53
Other external expenses	(7,138,123.69)	-	(1,796,371.39)	-	(9,421.90)	-	(28,600,290.09)	(29,910,790.88)
Other operating expenses	(33,372,908.48)	-	(8,132,532.78)	-	(7,395.37)	-	(126,467,930.05)	(131,566,570.95)
Income from other investments and loans forming part of the fixed assets								
- other income not included under a)	40,008,778.25	-	9,877,805.74	-	-	-	157,062,881.34	162,161,092.36
Other interest receivable and similar income								
- other income	1,853,052.75	-	255,178.96	-	-	-	7,678,579.76	4,683,747.94
Value adjustments in respect of financial assets and of investments held as current assets	(128,378.07)	-	-	-	-	-	(3,918,472.62)	-
Interest payable and similar expenses								
- concerning affiliated undertakings	(117,187.94)	-	(24,127.60)	-	-	-	(707,823.70)	(769,001.94)
- other interest and similar expenses	(1,104,977.48)	-	(179,952.93)	-	-	-	(5,060,169.20)	(4,602,255.30)
Tax on profit or loss	-	-	-	-	-	-	1,936.95	(2,111.76)
Other taxes	(255.34)	-	-	-	-	-	(5,529.66)	(4,044.00)
Profit or loss for the financial year	-	-	-	-	-	-	-	-

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

Note 20 - Tax on profit or loss

The Company is subject to the tax regulations applicable to securitisation companies in Luxembourg.

Note 21 - Staff

The Company did not employ any staff during the year under review (2019: nil).

Note 22 - Emoluments granted to the Members of the Board

No emoluments have been granted to any member of the Board, nor have any obligations arisen or been entered into by the Company in respect of retirement pensions for former members of the Board.

Note 23 - Loans or advances granted to the Members of the Board

No loans or advances have been granted to any member of the Board.

Note 24 - Off balance sheet commitments

As from 21 November 2018, the C27 entered into Class A and Class B Swap Agreements with ING Bank N.V.. Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 21st day of each month. The termination date of the Swap contracts is 21 August 2024.

As from 18 April 2019, the C28 entered into Class A and Class B Swap Agreements with Skandinaviska Enskilda Banken AB ("SEB"). Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 21st day of each month. The termination date of the Swap contracts is 21 January 2025.

As from 20 November 2019, the C29 entered into Class A and Class B Swap Agreements with DZ Bank AG ("DZ Bank"). Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 21st day of each month. The termination date of the Swap contracts is 21 June 2025.

As from 19 March 2020, the C30 entered into Class A and Class B Swap Agreements with DZ Bank. Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 21st day of each month. The termination date of the Swap contracts is 21 January 2026.

As from 4 November 2020, the C31 entered into Class A and Class B Swap Agreements with ING Bank N.V.. Each swap agreement hedges the Company's interest rate risk derived from floating interest rate on the Notes issued (see also note 9). Settlement of the Swaps is performed on the 21st day of each month. The termination date of the Swap contracts is 21 September 2026.

The swaps can be detailed as follows:

	<u>Curr</u>	<u>Nominal amount</u>	<u>Fair value</u>
C27 - Class A Notes swap - ING Bank N.V.	EUR	182,406,060.00	(149,345.22)
C28 - Class A Notes swap - SEB	EUR	298,172,976.20	(133,874.18)
C29 - Class A Notes swap - DZ Bank	EUR	507,499,084.90	(858,279.00)
C30 - Class A Notes swap - DZ Bank	EUR	636,348,991.60	(592,590.56)
C31 - Class A Notes swap - ING Bank N.V.	EUR	960,620,300.00	219,338.94
	EUR	<u>2,585,047,412.70</u>	<u>(1,514,750.02)</u>
C27 - Class B Notes swap - ING Bank N.V.	EUR	9,873,794.84	(14,896.65)
C28 - Class B Notes swap - SEB	EUR	16,140,384.10	(20,675.93)
C29 - Class B Notes swap - DZ Bank	EUR	19,000,000.00	(42,159.24)
C30 - Class B Notes swap - DZ Bank	EUR	19,000,000.00	(32,485.16)
C30 - Class A Notes swap - ING Bank N.V.	EUR	24,100,000.00	16,185.09
	EUR	<u>88,114,178.94</u>	<u>(94,031.89)</u>
Total	EUR	<u>2,673,161,591.64</u>	<u>(1,608,781.91)</u>

VCL Multi-Compartment S.A.

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED)

The interest rate received for each swap consists of 1 month Euribor plus a spread.

As at 31 December 2020, the swaps have a total nominal value of EUR 2,673,161,591.64 (EUR 2,581,557,997.60 in 2019) .

The total interest income on swaps amounted to EUR 710.87 (EUR 4,043.69 in 2019) (see note 16).

The total interest expense on swaps amounted to EUR 1,982,666.32 (EUR 3,266,136.98 in 2019) (see note 17).

Note 25 - Subsequent events

Effective as of 13 January 2021, Mrs. Sheena E. Gill resigned from her position as director of the Company and was replaced by Mrs. H el ene Siciliano.

On 13 January 2021, the Company has created one compartment named C32. The C32 only started its activities on March 2021.

No other event has occurred subsequent to the year-end which would have a material impact on the annual accounts as at 31 December 2020.

Luxembourg, 07 July 2021



Mrs Z.H. Cammans
Director



Mrs M. Mussai-Ramassur
Director



Mrs H. Siciliano
Director