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## Rating Action

EthiFinance Ratings ("the Agency") downgrades the rating of the Bonds issued by AQUA 2020, FT from "BBB" to "BBB-".

## Executive Summary

AQUA 2020, FT (the "Issuer" or the "Fund"), is a special purpose vehicle established in November 2020 under the Spanish legislation, opened both by the assets and the liabilities (through the successive issuance of securities). The objective of the Fund is to obtain financing and liquidity through the issuance of Bonds. The collateral is composed of Credit Rights originated and assigned to the Fund by CREALSA INVESTMENT SPAIN, S.A. (hereinafter "CREALSA") or entities of the same group.

The downgrade of the rating is due to the fact that the Assignor has not been able to assign sufficient Credit Rights to the Fund, in order to fully utilize the resources available for the purchase of credit rights, resulting in a negative carry for the operation. It should be noted that in the initial rating, the quantitative analysis considered a higher Bond issuance, full utilization of the purchase account that did not result in a negative carry, and a stress scenario in which higher losses were withstood.

Class	Final Maturity Date	Underlying	Nominal Balance of the Credit Rights	Bank Accounts Balance <sup>1</sup>	Bonds Balance
AQUA 2020, FT	13/05/2027	Credit Rights	5.631.738€ (30/11/2023)	6.544.682€ (30/11/2023)	11.800.000€ (30/11/2023)

Source: The Deed of Incorporation of the Fund and the monthly report provided by the Management Company.

1. Before Payment Date (04/12/2023)

## Rating Fundamentals

- **In the last monthly report provided by the Management Company at the end of November 2023 and considering the accounts after the payment date, the Fund had an over-collateralization of 2.5%, but on December 12, after additional purchases of Credit Rights, the Fund had an over-collateralization of 3.5%, but still resulting in a lower level than the initially expected 5%. The lower level of over-collateralization was caused by a low discount applied to the Credit Rights and by the outflow of resources through the intermediation margin, a situation that was corrected after the novation of the deed and is not expected to occur again.**
- **A deficit occurred because some resources left the Fund, as they were considered available resources, and then were distributed to the Assignor as an intermediation margin, a situation that has been amended through changes in the deed. The Assignor has transferred to the Fund a total of 690.000€ as the Fund exhibited a deficit between its assets and liabilities. This money is now in the Fund's Purchase Account and therefore during the Assignment Period can only be used for the purchase of Credit Rights. For the avoidance of doubt, the transferred amount by the Assignor is not considered as any financial support to the transaction, but rather a corrective measure for the deficit produced.**
- **The performance of the Credit Rights since the inception of the Fund has shown a better performance than initially considered. The default rate of all the Credit Rights since inception has been 2.8%, but**

it is important to mention that after defaults the recoveries are 76.92%. Since we already have a historical performance of the Fund, the Monte Carlo simulation was performed considering this information, contrary to last year where we simulated a portfolio with worse probabilities of default.

- **Of the total face value of all the Credit Rights that have been assigned to the Fund 19,0% has been sold with a discount of 0,0%.** Until the 30 of November 2023 the Fund has been assigned 8427 Credit Rights with a total face value of 62,53 million euros, for 1124 of them, with a total face value of 11,87 million euros, the Fund paid a Purchase Price equal to their Face Value. The insurance policies covering these Credit Rights insured 95% of their Face Value, exposing the Fund to the remaining 5%. These Credit Rights comply with the eligibility criteria and the required discount percentage as specified in the Deed but represent a source of unnecessary risk for the Fund. This situation has been amended because of the change in the deed where a minimum discount of 5% will be required.
- **Indemnity payments under the Insurance Policy contracted with CESCE, will be paid directly into the Fund's Collection Account.** This ensures that the collection of indemnity payments related to this insurance policy is directly paid to the Funds account, mitigating the commingling risk.
- **The Assignor's 2022 audited financial report has a qualified opinion.** The Management Company has deemed that the qualified opinion does not affect the Credit Rights and, therefore, has decided not to terminate the Assignment Period.
- **As of 12 September 2023, the Debtors have to be notified of (i) the assignment of the Credit Rights to the Fund and (ii) that all payments have to be made to the Fund's Collection Account.** With these changes, the Fund will directly receive in its Collection Account all payments related to the Credit Rights and, therefore, there will not be any commingling risk, other than the one that could arise from an operational mistake.
- **The Assignor has signed Pledge Agreements on the two Bank Accounts where it could receive payments of Credit Rights.** In the case the payment of a Credit Right is received in one of these two bank accounts, due to an operational mistake (as the Debtors have been notified that payment must be made into the Fund's Collection Account), the signed pledge agreements mitigate the risk that this money is commingled with the funds of the Assignor.
- **The Reserve Fund required amount is, as of 12 September 2023, 2% of the Bond's outstanding balance.** This increase benefits the Fund as it would have a bigger buffer to absorb possible shortfalls. As of the last payment date (04 November 2023), the Reserve Fund is fully funded.

## Sensitivity analysis

### Factors that could (individually or collectively) impact the rating

- **Positive factors (↑).**

An increase in the over-collateralization of the Fund, in addition to a stress scenario that withstands a higher default rate and that does not has negative carry. Also, a higher percentage discount on the transfer price

would strengthen the credit quality of the transaction. Furthermore, a longer origination track record, which shows a good diversification and performance of the portfolio, would have a positive impact on the creditworthiness of the transaction.

● **Negative factors (↓).**

A drop in the level of stress that withstands the Fund. Also, a continued imbalance between the Fund's receivables and liabilities, generating higher interest expense due to cash tied up in the treasury account.

## Description of the Transaction

Constituted in November 2020, the Fund was structured by EBN Banco de Negocios and is managed by EBN Titulización, S.A.U., SGFT (hereinafter, the "Management Company") with the issuance of a single tranche of Bonds. The Assignors will periodically assign new Credit Rights to the Fund during the Assignment Period, which will end on 13 May 2026 or on the date cause for early termination of the Assignment Period takes place. Once the Assignment Period has ended, the Amortization Period of the Bonds will begin. The Bonds will be amortized using a pass-through amortization method.

Currently, the FT has credit insurance provided by CESCE (the "Insurance Company"). The Insurance Policy does not consider a Limit of Indemnity (LOI) for the Fund's Credit Rights portfolio as a whole, but instead, a risk limit is established by the Insurer for each Debtor. One of the General Eligibility Criteria of the transaction establishes that at least 75% of the Fund's Credit Rights portfolio must be insured, and the remaining 25%, even if the Debtor is a private company, can remain uninsured (Credit Rights from public companies do not have to be insured). The Credit Rights that are insured by a different insurance policy, other than the one contracted by the Fund, must be insured by an insurance company with a credit rating of at least "A-".

The FT has a credit enhancement provided by: (i) the Insurance Policy, which minimizes the exposure of the Fund to the debtor's credit risk; (ii) a Liquidity Fund of 2.00% of the outstanding nominal balance of the Bonds, as a payment safeguard for the Fund's creditors; and (iii) the spread between the interest rate of the Credit Rights and the interest rate of the issued Bonds, that seek to ensure that the Fund has enough revenue to cover its expenses.

<b>Description</b>	
<b>Issuer</b>	AQUA 2020, Fondo de Titulización
<b>Purpose</b>	Funding and Liquidity
<b>Fund Type</b>	Open by the assets and liabilities
<b>Asset Class</b>	Credit Rights arising from assignments of receivables between CREALSA or the Assignors and their clients for the advance of collections from their respective debtors.
<b>Issue Date</b>	13/11/2020
<b>Maturity Date</b>	13/05/2027
<b>Legal Maturity Date</b>	13/11/2027
<b>Assignment Period</b>	It would terminate on the 13th of May 2026 or in the event of a cause for termination of the Assignment Period set forth in the Deed.
<b>Additional Credit Rights Purchase Date</b>	Any business day during the Assignment Period
<b>Additional Bond Issue Date</b>	The Tuesday and Thursday of each week
<b>Bonds Amortization Schedule</b>	It will last 12 months starting at the end of the Assignment Period or will start on the date of early termination of the Fund, whichever comes first. Will end 13/05/2027.
<b>Clean-Up Call</b>	10% of the Nominal Outstanding Balance of the Bonds, once the Assignment Period has finished
<b>Interest Rate</b>	1 month EURIBOR + 4,0%
<b>Payment Date</b>	3rd day of the month
<b>Amortization Method</b>	Pass-Through
<b>Interest and Principal Payment Frequency</b>	Monthly

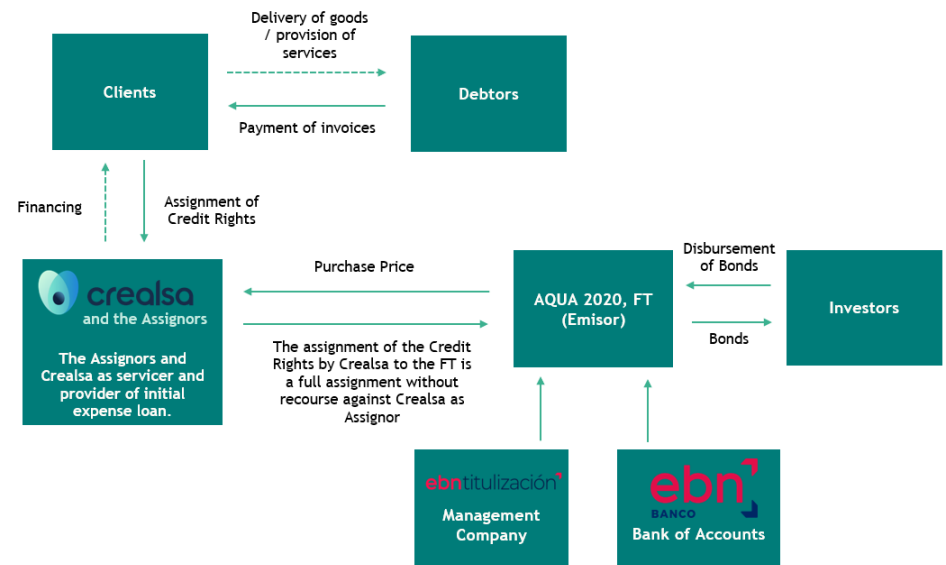
Source: EBN Titulización, S.A.U., S.G.F.T.

## Participants

<b>Participants</b>	
<b>Assignor and servicer of the Credit Rights</b>	Crealsa Investments Spain, S.A. o los Cedentes
<b>Management Company</b>	EBN Titulización, S.A.U., S.G.F.T.
<b>Bank of Accounts</b>	EBN Banco, S.A.
<b>Underwriting and Structuring Entity</b>	EBN Banco, S.A.
<b>Insurers</b>	Compañía Española de Seguros de Crédito a la Exportación, S.A. (CESCE)
<b>Lawyers</b>	J&A Garrigues, S.L.P.

Source: The Deed of Incorporation of the Fund.

## Operation Diagram



## Description of the Assignor

CREALSA was incorporated in 2009 under the name of Créditos Alternativos S.A., later, in 2014, it acquired the companies Eleven Cube Comunicación S.L.U. and Consultoría Financiera del Levante, S.L. In May 2020, the founding shareholders of CREALSA signed an investment agreement with IMAN CAPITAL PARTNERS LTD, through which IMAN acquired a majority stake in the company.

CREALSA provides discount lines and collection management services to its customers, who hold Credit Rights, against their respective Debtors, as a result from their commercial activities. CREALSA offers its customers the service of discounting commercial paper like promissory notes, checks, direct debit payments and invoices, held by their clients and then assigned or endorsed to CREALSA. The Assignors will be CREALSA or other entities of the Group.

## Description of the Insurance Company

Compañía Española de Seguros de Crédito a la Exportación, S.A. (“CESCE” or the “Insurance Company”) has a credit rating, issued by EthiFinance Ratings, of A- with a stable outlook. This credit rating was ratified by the Agency in November, 2022.

The credit rating is based on its outstanding profitability and efficiency that is above the one from its main peers, as well as a strong capitalization that exceeds regulatory requirements and the lack of financial leverage. Furthermore, there is a strong synergy between the company’s two business lines, insurance and information, and a balanced distribution of the profits of the two business lines. Additionally, the group investment portfolio shows has conservative investment policy as it prioritizes assets with low credit risk.

Moreover, the credit rating is limited by a low geographical diversification, in comparison to its peers, and the complex macroeconomic environment, which could negatively impact the financial profile of the company.

## Description of the Underlying Assets

Credit Rights originate from assignments of credit instruments by the Assignors’ Clients to the Assignors, which in turn assigns them to the Fund in exchange for an advance, at a discount, on the collections of said instruments face value. The Credit Rights arise from the business relations between the Assignors’ Clients and their respective clients and are a consequence of goods delivered or services rendered under their commercial

relationship. The Credit Rights may come from different credit instruments such as invoices, direct debit payments, checks payable to order and not payable to order, bills of exchange, and promissory notes. Additionally, there has to be an assignment contract signed between the Client and the Assignor, in order for the Assignor to be able to assign the Credit Rights to the Fund.

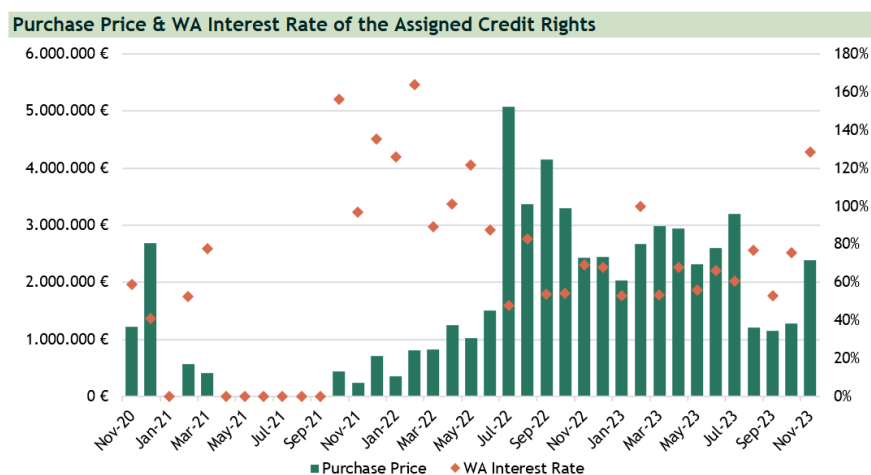
## 1. Collateral Characteristics

### 1.1 Collateral Description

According to the data provided by the Assignor the Fund's portfolio, at the end of November 2023, the portfolio was comprised of 703 Credit Rights, with a total outstanding balance of 5.752.121€. Of the total outstanding balance, 93% is from performing Credit Rights, 2% is from Credit Rights in arrears and 5% is from defaulted Credit Rights. The outstanding amount has to be decreased by 120.383€ as this amount corresponds to the outstanding balance of defaulted Credit Rights that have been in arrears for more than 360 days, therefore the total outstanding balance is of 5.631.738€.

In October 2022, the Fund's performing Credit Rights portfolio outstanding balance reached 10,5MM€, its maximum balance up to date. From October 2022 to November 2023 the Fund's performing Credit Rights portfolio has decreased by 45.2%, to 5,8MM€. This was caused by a drastic reduction of the Credit Rights assigned to the Fund during August. The average monthly assignment of Credit Rights, by Purchase Price, from December 2022 to November 2023 is 2,47MM€.

Regarding the WA Interest Rate of the assigned Credit Rights, as can be seen in the following graph, the variability has been significantly reduced in the past 12 months. The average of the monthly WA Interest Rate for the past 12 months (from December 2022 to November 2023) is 71,5%, with a maximum monthly WA Interest Rate of 128% and a minimum of 53%. In comparison, before December 2022, from December 2021 to November 2022, the average monthly WA Interest Rate was 94%, with a difference of 22.8pp between the month with the highest WA Interest Rate and the one with the lowest.



Source: Prepared by EthiFinance Ratings with data from CREALSA

Until 30 November 2023, the Assignor has assigned Credit Rights from the following four types of credit instruments: (i) promissory notes to order; (ii) promissory notes not to order; (iii) invoices; and (iv) direct debit. Due to the specific nature of credit instruments, Credit Rights have shown to have different characteristics depending on the credit instrument they originate from.

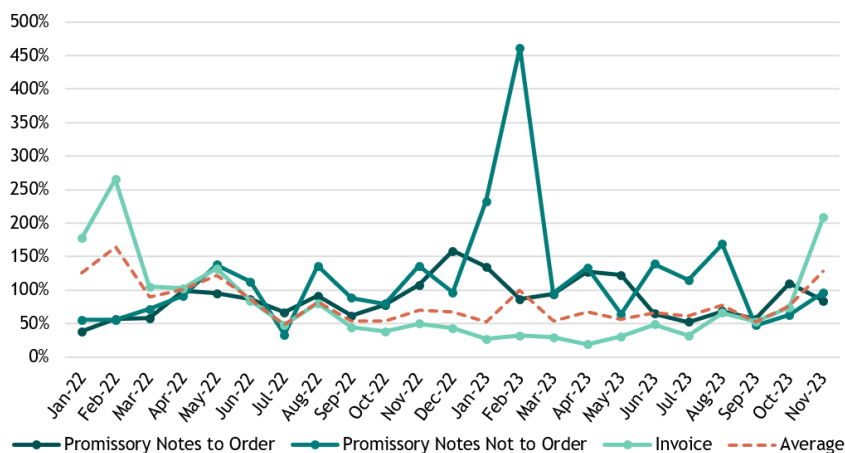
The assignment of Credit Rights coming from direct debit has been sporadic and does not represent a significant amount of the assigned Credit Rights (only 0,32% of all assigned Credit Rights), therefore, they may or may not be shown in the following graphs as they may distort them if included.

The following graph shows the weighted average interest rate of the Credit Rights assigned to the Fund each month as a whole and by credit instrument. As can be seen, the WA interest rate of the assigned Credit Rights has shown a lower variability in the past 12 months. This has been driven by a lower variability of the WA interest rate of the assigned promissory notes to order during the past 12



months, which have had a standard deviation of 32,5% during this time period. In comparison, the standard deviation during the last 12 months of the invoices has been 48,9% and the one of the promissory notes not to order has been 107,9%. The average WA interest rate of the assigned Credit Rights since December 2022 has been 71,5%, 96,6% for the promissory notes to order, 142,6% for the promissory notes not to order, 55,3% for the invoices and 506,0% for direct debit.

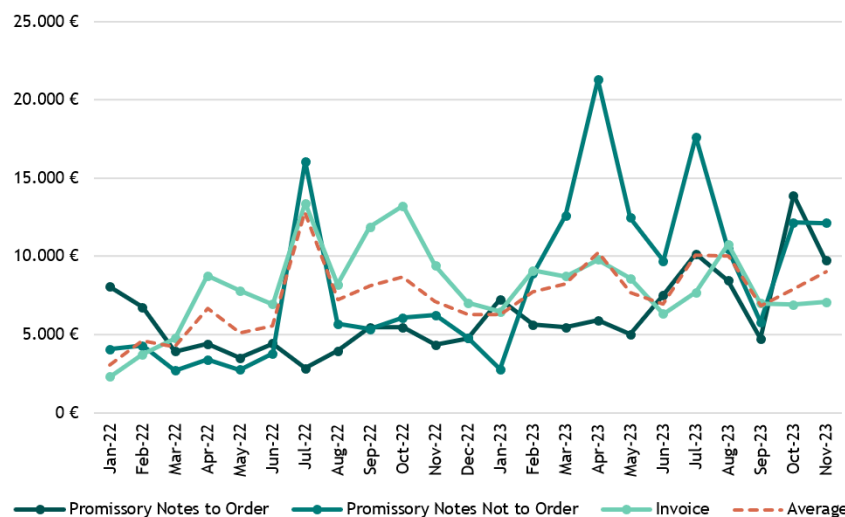
**Average Interest Rate of the assigned Credit Right by credit instrument**



Source: Prepared by EthiFinance Ratings with data from CREALSA

Since November 2022 the average Face Value of the Credit Rights assigned each month has been 8.103,8€. In this case, the assigned invoices are the ones that have been driving the average Face Value up, as their 12-month average is 10.892,1€, while in the case of promissory notes not to order and invoices the 12-month average Face Value is below 8.000€ in both cases. It is also worth noting the ascending trend in the average Face Value of the Credit Rights assigned since January 2022.

**Average Face Value of the assigned Credit Right by credit instrument**

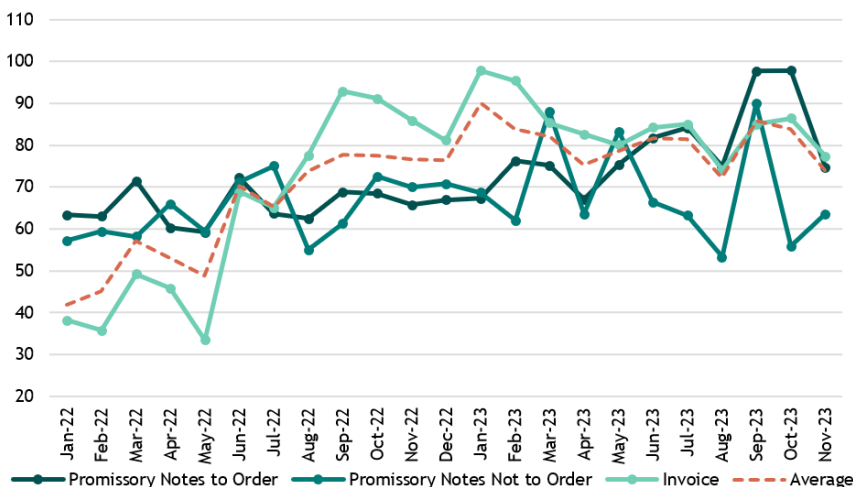


Source: Prepared by EthiFinance Ratings with data from CREALSA

There has been a significant increase the average days to maturity (from the Assignment Date to their Maturity Date) of the Credit Rights, reaching its highest value of 90 days in January 2023. The credit instrument responsible for the upturn is the invoice, that went from having an average of 38 days in January 2022 to its latest 12-month average of 85 days.



Average Days to Maturity of the assigned Credit Right by credit instrument



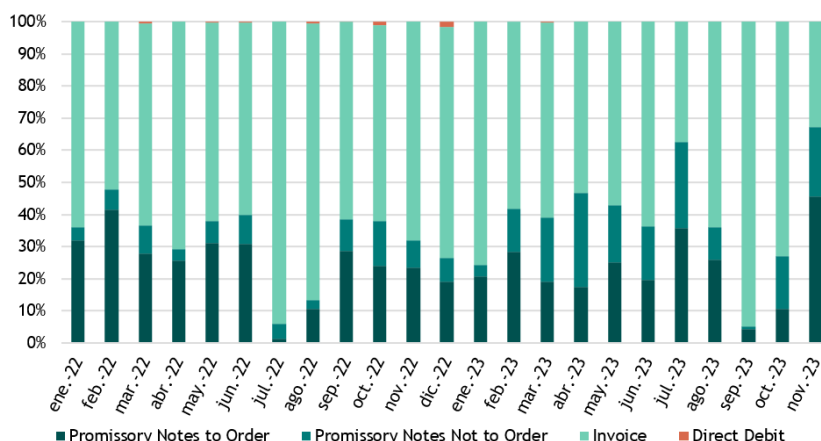
Source: Prepared by EthiFinance Ratings with data from CREALSA

### 1.2 Distribution of the Underlying Assets

The following distributions have been calculated using the Face Value of the assigned Credit Rights, instead of the Purchase Price, as the Face Value is believed to be independent to certain characteristics of the Credit Right, such as the creditworthiness of its debtor, that might influence the amount discounted.

Of the four credit instruments from which the Credit Rights originate, there is no clear pattern in the assignment of any of them to the Fund. Nevertheless, as seen in the graph below, the Face Value of the invoices represents a significant amount of the Face Value of the Credit Rights assigned every month, usually invoices are followed by promissory notes to order, which are followed by promissory notes not to order, which are sometimes followed by direct debt. In the past 12 months, from December 2022 to November 2023, the monthly average weight of the total assigned Face Value of invoices is 61,9%, for promissory notes to order is 22,7%, for promissory notes not to order is 15,3% and for direct debt is 0,2%.

Distribution the assigned Credit Right by credit instrument

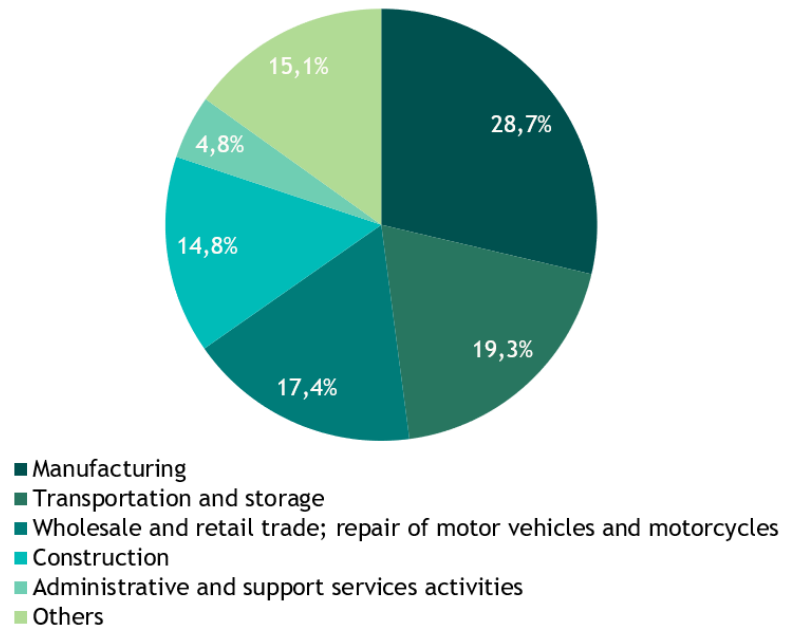


Source: Prepared by EthiFinance Ratings with data from CREALSA

Of the 21 sections established in the CNAE classification system the Debtors of all the Credits Rights ever assigned to the Fund only belong to 19 of them. Of the total Face Value of all assigned Credit Rights 84,9% is concentrated in 5 CNAE sections and, therefore, 15,1% is distributed in the remaining 14 CNAE sections. In some cases, the 12-month average weight of the Debtor's CNAE section of monthly assigned Credit Rights has shown a bigger concentration in some CNAE sections than the historic distribution. For example, in the case of Manufacturing

the 12-month monthly average is 31,7% and in the case of Transportation and storage is 24,4%. The concentration in the 5 top CNAE sections, according to the 12-month monthly average has shown a slight deviation from its historical average of 1,5pp.

#### Distribution by Debtor's CNAE Section



Source: Prepared by EthiFinance Ratings with data from CREALSA

Regarding the distribution by debtor's region, Madrid has been the region with the most Credit Rights assigned, followed by Andalusia, Valencia and Catalonia.

## 2. Quantitative Analysis

### 2.1 Monte Carlo Analysis

The Monte Carlo Analysis is used to determine the loss distribution of the Fund's credit right portfolio. The Monte Carlo model uses the recovery rate, and the inter-industry and inter-industry correlations determined in EthiFinance Ratings Methodology. Additionally, the model uses information relative to the Fund's credit right portfolio as, for example, the credit rights' par value, its tenor, and its hazard rate. In this case, because of the short-term nature of the assets, a credit right portfolio is based on the portfolio's and credit rights' eligibility criteria.

Compared to the last Rating Report, this year the portfolio used in the model is more lenient. This is a consequence that now, we have historical information related to the performance of the Credit Rights assigned to the Fund, contrary to the last year, we also have a more mature Fund, with an extensive assignment history which allows a deeper analysis.

The outputs obtained from the analysis are (i) the average PD of the pool of assets, which in this case is 2,85%, which is equal to the default percentage that the Fund has had historically, and (ii) the default rate which must be withstood by the transaction for each rating level. The second output is later compared with the one obtained from the Cash Flow Analysis to determine the rating according to the Quantitative Analysis.

## 2.2 Cash Flow Analysis

In the following table, you can see the over-collateralization of the dates mentioned in the first part of this report.

	04/12/2023	12/12/2023
<b>Credit Rights*</b>	5.631.738	6.312.308
<b>Purchase Account</b>	6.224.904	5.560.306
<b>Treasury Account</b>	-	104.550
<b>Reserve Account</b>	236.000	236.000
<b>Credit Rights + Accounts</b>	12.092.642	12.213.163
<b>Liabilities</b>	11.800.000	11.800.000
<b>Over-collateralizatoin</b>	2,5%	3,5%

Source: The Deed of Incorporation of the Fund.

\*Credit Rights not considering the defaulted credit rights with arrears greater than one year, that sum 122.038€.

The following table shows a summary of the model's cash inflows and outflows. It is worth noting that the model simulates a full-turbo amortization scenario, which means that the Fund immediately enters into the Amortization Period and, therefore, uses all its available resources to amortize the Bonds as fast as possible. It should be noted that the expected collection section includes all credit rights that are not in arrears, while the remaining receivables are considered delinquent but some of them are expected to be recovered in the coming periods due to organic recoveries and the use of insurance.

<b>Turbo Amortization Cash Flow Scenario</b>	
<b>Expected Collection</b>	<b>6.001.706</b>
Principal	5.410.538
Interest	591.168
<b>Defaulted Credit Rights</b>	<b>358.302</b>
Principal	338.380
Interest	19.922
<b>Net Collection</b>	<b>5.643.404</b>
Recoveries	458.273
<b>Total Collection</b>	<b>6.101.677</b>
Treasury Account	137.658
Purchase Account	5.560.306
Liquidity Fund	236.000
<b>Cash Outflows</b>	<b>12.035.641</b>
Taxes and expenses	48.020
Interest paid to the Bonds	187.606
Bond Amortization	11.800.000
Servicer's fees paid	15
Financial Intermediation Margin	0
<b>Final Balance</b>	<b>0</b>

## 3. Qualitative Analysis

### 3.1 Risk Matrix

#### ● Macroeconomic Risk

The current economic scenario, which has persistent high inflation and rising interest rates, could negatively impact the creditworthiness of the Debtors, and, therefore, their ability to pay their Credit Rights. This would negatively impact the Fund as it would have to absorb the losses not covered by the Insurance Policy.

#### ● Interest Rate Spread Risk

Given the rising interest rates and the fact that the Credit Rights accrue a fixed interest rate while the Bond accrue a variable interest rate (composed of the 1M EURIBOR plus a risk premium), the spread between the interest rate accrued by the Credit Rights and the Bonds may decrease, as the Assignor is partially unable to pass the increase in financing cost to its clients. This would directly impact the Fund's ability to meet its financial obligations.

#### ● Commingling Risk

As of 12 September 2023, the Debtors have to be notified of the assignment of the Credit Right to the Fund and that all payments must be made into the Fund's Collection Account. Additionally, the Insurance Company has been notified that any indemnity payment must be made to the Fund's Collection Account. Furthermore, the Assignor has signed Pledge Agreements on the two bank accounts where it could accidentally receive payments of the Credit Rights. Therefore, the commingling risk is mitigated as the funds are directly received in the Fund's Collection Account or a pledged bank account.

#### ● Legal Risk

The legal risk is mitigated by the existence of a Legal Opinion issued by an independent firm, where it is confirmed that the assignment is valid and effective.

## 4. Structure of the Operation

At the beginning of 2023, the Deed was novated. This section will outline the main change made in the Deed.

### Section (iii) of the Assignment Period

The day on which the Management Company becomes aware that the latest financial statements of the Assignor contain qualified opinions (as soon as they become aware of such circumstance), unless it is the opinion of the Management Company that such qualified opinions do not affect the Credit Rights. In this case, the termination of the Assignment Period shall be postponed until the Management Company decides on this matter within four (4) months of becoming aware of the situation.

### Notice of the Assignment of Credit Rights

As of September 12, 2023, the Assignors must notify the Debtors of the Credit Rights that as of said date and depending on the characteristics of such Credit Right, the assignment of their Credit Rights from the Assignor to the Fund, in accordance with article 347 of the Commercial Code, so that upon receipt of such notification the Debtors will be released from their obligation by payment to the Collection Account.

### Section (v) of the Additional Commitments of the Assignor

As of September 12, 2023, the Assignor will ensure that all proceeds from the assigned Credit Rights are received in the Fund's Collection Account.

The responsibility for transferring the funds that continue to be received in the Assignor's Account at CaixaBank will be that of the Management Company, except for those funds that are received in the new account of the Assignor on which the new Pledge Agreement has been entered into on September 12, 2023, which will be the responsibility of the Assignor.

### Insurance Policy

In order for the Fund to be entitled to receive the full amount of the indemnity corresponding to each Credit Right, the Assignor commits to notify the Insurer reliably of the assignment of the aforementioned Credit Right to the Fund and,

therefore, of the assignment of the corresponding indemnity right deriving from the Insurance Policy, at the time when there is a default of payment by the corresponding Debtor and the Insurer is notified of the loss, in accordance with the deadlines indicated in the Insurance Policy and simultaneously with the notification of the aforementioned claim. The Assignor commits to notify the Management Company of any changes agreed thereon with the Insurer, as well as any change in the Insurance Policy. In this regard, it is expressly stated for the record that in order for the Management Company to be able to verify in the information provided by the Assignor that all the changes to the aforementioned insured Credit Rights have been reflected, the Insurer undertakes to provide the Management Company, every two months, with a list of those Credit Rights that are recorded as insured.

The indemnities to be paid, if any, by the Insurer to the Fund shall be paid into the Collection Account. The intervening notary in the novation of the Deed was instructed to notify the Insurer, by registered mail with acknowledgment of receipt, of said Collection Account into which the indemnities to be paid, if any, by the Insurer to the Fund shall be paid.

#### Collection of the Credit Rights

As of September 12, 2023, the Administrator shall ensure that the Debtors execute the payment of the Credit Rights in the Collection Account.

Consequently, the Assignor's Account Bank shall transfer to the Collection Account any amounts corresponding to the Fund received in the corresponding Assignor's Accounts, the Management Company is responsible for transferring these funds, except in the case of the new Assignor's Account on which the new Pledge Agreement has been executed on September 12, 2023, which shall be the responsibility of the Assignor.

#### Bank Account Pledge

##### 6.7 Pledge of the balances of the Assignor's Account(s)

On 20 July 2022, the Administrator and the Management Company, in the name and on behalf of the Fund, entered into a Pledge Agreement on the credit rights deriving from the Assignor's Account at CaixaBank (for these purposes, the "Bank of the Assignor's Account"), in guarantee of the obligations assumed by the Assignor the Deed of Incorporation, which was novated on 12 September 2023 in order to modify the operation of the Assignor's Account.

In accordance of the novation of said Pledge Agreements, as from the novation date, the Assignor shall not be able to dispose of the Balance of the Assignor's Account, which shall be deemed permanently blocked and unavailable.

Accordingly:

- (a) The Assignor's Account shall be operated exclusively in accordance with the instructions of the Fund (represented by the Management Company) and the Assignor shall not be entitled to dispose of the Balance of the Assignor's Account or to issue instructions on the Assignor's Account;
- (b) The Assignor's Account Bank shall, whenever operationally and legally possible, suspend, upon receiving of the novation notice, all pending instructions initiated or given by the Assignor on the Assignor's Account (including pursuant to an Account Bank Contract or similar contract), except for any instructions for payments to the Collection Account;
- (c) In accordance with the instructions of the Management Company, in the name and on behalf of the Fund, the Assignor's Account Bank shall transfer the balance of the Assignor's Account to the Collection Account each Business Day before 10:00 a.m.

Furthermore, on September 12, 2023, the Administrator and the Management Company, in the name and on behalf of the Fund, have entered into a new Pledge Agreement on the credit rights owned by the Fund arising from the new Assignor's Account at CaixaBank, as security for the obligations assumed by the Assignor in the Deed of Incorporation.

According to this new Pledge Agreement, in relation to the new Assignor's Account, upon receiving by the Assignor's Account Bank of a Cash Sweep Notice (as defined in the Pledge Agreement), and unless the Assignor and the relevant Assignor's Account Bank have subsequently received a Notice of Cancellation (as defined in the Pledge Agreement):

- (i) the Assignor's Account shall be operated exclusively in accordance with the instructions of the Management Company, in the name and on behalf of the Fund, and the Assignor shall cease to be entitled to dispose of the balance of such Assignor's Account and to issue instructions on such Assignor's Account;
- (ii) the Bank of the Assignor's Account shall, whenever operationally and legally possible, suspend all pending instructions initiated or given by the Assignor on the relevant Assignor's Account, except for instructions for payments to the Collection Account; and
- (iii) in accordance with the instructions of the Management Company, in the name and on behalf of the Fund, the Bank of the Assignor's Account shall transfer the balance to the Collection Account.

The Management Company shall issue a Blocking Instruction in the events contemplated in the relevant Pledge Agreement and, in any case, when it receives notification of any of the events referred to in the third paragraph of Stipulation 5.6 of the Deed of Incorporation.

#### Liquidity Fund

From the Payment Date of October 2023 (inclusive), the Liquidity Fund Required Amount will be an amount equal to 2% of the Outstanding Nominal Balance of the Bonds, including the Bonds issued on the corresponding Issue Date. This new Liquidity Fund Required Amount will be provided in accordance with the Order of Priority of Payments.

However, at the discretion of the Manager and provided that the Assignor's annual accounts are not qualified or, if there are qualifications in the aforementioned annual accounts and at the discretion of the Manager, such qualifications do not affect the Credit Rights and in all cases the Assignor is in a situation of net worth balance, the Required Amount of the Liquidity Fund will be allocated in accordance with the Order of Priority of Payments in force from time to time, the Required Amount of the Liquidity Fund may be reduced again to an amount equal to 1% of the initial Outstanding Nominal Balance of the Bonds, including the Bonds issued on the corresponding Issue Date.

## 5. Analysis of the Assignor

CREALSA was established in 2009 to grant financing mainly to SMEs and freelancers, through an online platform. CREALSA focuses its business framework on the discount on credit instruments. In 2022, CREALSA became a neobank, which finances SMEs and freelancers in Spain with the capacity to provide financial services such as opening accounts with Spanish IBAN and a prepaid card, among others.

CREALSA's 2022 audited financial report has a qualified opinion. The qualified opinion noted by the Auditor is due to the amount reported in the balance sheet as deferred tax assets as the Auditor believes that it is not probable that CREALSA will have future fiscal gains that would allow them to use the deferred tax assets. Other than this, the Auditors believe that the financial statements show, in all

significant aspects, a reliable picture of the owner's equity and the financial situation of the company.

The company has experienced a 26.0% revenue growth during 2022, unfortunately, the company was not able to convert its revenue growth into income growth, on the contrary, the company's income has decreased by 1474.4%. The main drivers of the steep decrease in the net income are:

- A sharp increase in personnel costs, going from 1,55MM€ in 2021 to 3,47MM€ in 2022.
- The overall discount, as a percentage of the face value, applied to the credit instrument purchased was 0,66pp lower than in 2021. In 2021 the discount applied was 4,51% and in 2022 was 3,85%.
- CREALSA experienced an increase of 68,7% (or 440.834,0€) on its financial costs. Financial costs in 2021 amounted to 0,64MM€ and during 2022 they amounted to 1,08MM€.
- The company has registered on its P&L a provision for credit losses of 2.984.805,1€, which has heavily impacted the company financial statements.

Main financial figures				
	2020	2021	2022	22 vs 21
<b>Revenue</b>	56.419.425 €	72.871.878 €	91.823.115 €	26,0%
<b>EBITDA</b>	244.272 €	546.192 €	-5.769.885 €	-1156,4%
<b>Gross Profit</b>	-505.062 €	-21.338 €	-5.111.349 €	-24053,7%
<b>Financial Income</b>	-357.734 €	-457.986 €	-970.330 €	-311,9%
<b>Net Income</b>	-663.002 €	-329.151 €	-4.523.978 €	-1474,4%
<b>Owner's Equity (OE)</b>	7.415.806 €	7.088.306 €	2.527.752 €	-64,3%
<b>Total Assets</b>	24.614.414 €	28.569.001 €	33.134.516 €	16,0%
<b>OE / Total Assets</b>	30,1%	24,8%	7,6%	-17,2pp
<b>Total Debt</b>	17.198.609 €	21.480.695 €	30.606.764 €	42,5%
<b>Cash and Cash Equivalents</b>	2.339.183 €	1.403.502 €	800.127 €	-43,0%

Source: CREALSA's audited financial statements



## Regulatory information

### Sources of information

The credit rating assigned in this report has been made solicited by the originator of the assets, taking part in the process. The credit rating is based in:

- Public information from public access sources.
- Information provided by the originator of assets assigned or that shall be assigned to the securitization fund.

From the time of the assignment of the credit rating, all information provided by the originator of the assets, by the servicer of the assets (other than the originator) or by a third participant in the transaction, shall be reviewed and analyzed with the aim to assess the following issues:

6. The performance of the credit quality of the assets comprising the collateral of the Fund.
7. The level of credit enhancement.
8. The evolution of the quantitative triggers of the Fund.
9. The evolution of the qualitative triggers (counterparty risks).

The information has been thoroughly reviewed to ensure that it is valid, coherent and consistent and it is considered as satisfactory. Nevertheless, EthiFinance Ratings assumes no responsibility for the accuracy of the information provided and the conclusions drawn from it.

### Additional information

- The rating was carried out in accordance with Regulation (EC) N° 1060/2009 of the European Parliament and the Council of 16 September 2009, on credit rating agencies, and in accordance with the Trade Receivables Methodology that can be consulted on <https://www.ethifinance.com/en/ratings/methodologies> and according to the Structured Finance Rating scale available at <https://www.ethifinance.com/en/ratings/ratingScale>.
- EthiFinance Ratings publishes data on the historical default rates of the rating categories, which are located in the central statistics repository CEREP, of the European Securities and Markets Authority (ESMA).
- In accordance with Article 6 (2), in conjunction with Annex I, section B (4) of the Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009, it is reported that during the last 12 months EthiFinance Ratings has provided ancillary services to related third parties of the rated entity, but not to the rated entity. However, according to our Conflict of Interest Policy, it does not involve a conflict of interest, since the aggregate sale does not exceed 5% of net turnover.
- The issued credit rating has been notified to the rated entity, and it has been modified as the result of the review made during the appeal process.

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