

## Independent auditor's report

To: the shareholder of Douro Finance B.V.

### Report on the audit of the financial statements 2022 included in the annual report

#### Our opinion

We have audited the financial statements 2022 of Douro Finance B.V. based in Amsterdam, the Netherlands.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Douro Finance B.V. as at 31 December 2022 and of its result and its cash flows for 2022 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

- The statement of financial position as at 31 December 2022
- The following statements for 2022: the statement of comprehensive income, changes in equity and cash flows
- The notes comprising a summary of the significant accounting policies and other explanatory information

#### Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the Our responsibilities for the audit of the financial statements section of our report.

We are independent of Douro Finance B.V. (the Company) in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

#### Our understanding of the business

Douro Finance B.V. is incorporated to raise finance through, inter alia, the issuance of Bonds, Notes and other debt instruments, the entering into loan agreements, derivatives and other instruments evidencing indebtedness. The principal activity of the Company is the issue of Notes in series pursuant to a €5,000,000,000 Secured Limited Recourse Note Programme for the issue of Notes and the making of Alternative Investments arranged by Banco Bilbao Vizcaya Argentaria, S.A. (BBVA). The attributes of the debt securities issued are mirrored in the investment securities and derivatives held for risk management purposes.

Stichting Douro Finance is the sole shareholder of the Company. The Company has its tax residency in the Netherlands.

The Company has no employees and relies on the human resources, systems as well as the policies, processes and procedures of the director (Vistra Capital Markets (Netherlands) N.V.) and BBVA. References to executives or (staff) functions in this section concern the executives or functions from the director.

We paid specific attention in our audit to a number of areas driven by the activities of the Company and our risk assessment.

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

#### Materiality

Materiality	€16.7 million.
Benchmark applied	0.75% of total assets as at 31 December 2022.
Explanation	We determined materiality based on our understanding of the Company's business and our perception of the financial information needs of users of the financial statements. We considered that total assets reflects the source of income and repayments to the holders of the debt securities issued by the Company.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the board of directors that misstatements in excess of €0.8 million, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

#### Teaming and use of specialists

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a finance company. We used the work performed by the EY Global member firm in Spain under our instruction and supervision, and included specialists in the areas of income taxes and valuation of financial instruments.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the Company and its environment and the components of the system of internal control, including the risk assessment process and the board of directors' process for responding to the risks of fraud and monitoring the system of internal control as well as the outcomes.

We refer to section Principal Risks and Uncertainties of the director's report for board of directors' risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

As in all of our audits, we addressed the risks related to management override of controls. For these risks we have performed procedures among others to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in the section Use of estimates and judgements in note 2 (b) to the financial statements. We have also performed procedures to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties. We particularly evaluated whether transactions with related parties were accounted for at arm's length and in accordance with contractual agreements.

These risks did however not require significant auditor's attention during our audit.

We did not identify a risk of fraud in revenue recognition.

We considered available information and made enquiries of relevant executives, the auditor of the group and the Company's board of directors.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the board of directors, reading minutes, and performing substantive tests of details of classes of transactions, account balances or disclosures.

We also inspected correspondence with regulatory authorities, enquired with the auditor of the group and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our audit response related to going concern

As disclosed in the section Going concern in note 2 (a) to the financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the board of directors made a specific assessment of the Company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the board of directors exercising professional judgment and maintaining professional skepticism. We considered whether the board of directors' going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the Company's ability to continue as a going concern including considerations relating to the financial position of the group in cooperation with the group auditor. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a Company to cease to continue as a going concern.

Our 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. We have communicated the key audit matter to the board of directors. The key audit matter is not a comprehensive reflection of all matters discussed.

Estimation uncertainty in respect to the valuation of Level 2 and Level 3 investment securities, derivatives held for risk management purposes and debt securities issued

Risk	<p>Investment securities, derivatives held for risk management purposes and debt securities issued are measured at fair value through profit and loss as disclosed in note 5, 6 and 10 to the financial statements. The Company presents fair value changes, including foreign exchange gains and losses and/or interest income and expense as well as fair value changes from changes in the credit risk on investment securities, derivatives held for risk management purposes, on the face of the statement of comprehensive income. The credit risk, concentration risk, liquidity risk and market risks, inter alia due to the derivative attributes, where the return is linked to equity, credit and interest-rate related attributes, as well as other risks are disclosed in note 20 to the financial statements.</p> <p>As investment securities, derivatives held for risk management purposes and debt securities (including embedded derivatives) issued represent the most significant portion of the Company's assets/liabilities and given the inherent complexity of the fair value estimate, we have identified the valuation of the level 2 and level 3 investment securities, derivatives held for risk management purposes and debt securities issued as a key audit matter and significant risk.</p>
Our audit approach	<p>Our audit procedures included, amongst others, evaluating the appropriateness of the Company's accounting policy relating to the valuation of the investment securities, derivatives held for risk management purposes and debt securities issued in accordance with IFRS 13 "Fair Value Measurement" as well as current and emerging industry practices and whether these have been applied consistently.</p> <p>We have obtained an understanding of the valuation process, evaluated the design and tested operating effectiveness of internal controls. This includes those controls within the model validation process and the independent price verification process that address the risk of material misstatements relating to management's assessment of the significant inputs and estimates included in the fair value measurement, specifically related to credit risk. It also included testing of model performance and suitability controls in the current market conditions.</p> <p>Furthermore, we evaluated valuation methodologies and tested the most significant valuation input by comparing the input to independently sourced market data. We also performed substantive procedures on a sample basis to determine that any derivative attributes were identified and correctly recognized based on the underlying documentation. We performed independent testing on fair values with the support of our own valuation specialists.</p> <p>Finally, we evaluated the related disclosures in the financial statements in accordance with IFRS 13 "Fair Value Measurement" and IFRS 7 "Financial Instruments: Disclosures".</p>
Key observations	<p>Based on our procedures performed, we have no material findings on the valuation of the investment securities, derivatives held for risk management purposes and debt securities issued and agree with the board of directors' assessment of the measurement and disclosures in accordance with EU-IFRS.</p>

## Report on other information included in the annual report

The annual report contains other information in addition to the financial statements and our auditor's report thereon.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code for the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

The board of directors is responsible for the preparation of the other information, including the management report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information required by Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Engagement

We were engaged by the board of directors as auditor of Douro Finance B.V. on 2 June 2023, as of the audit for the year 2022.

### No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

## Description of responsibilities regarding the financial statements

### Responsibilities of the board of directors for the financial statements

The board of directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the board of directors is responsible for such internal control as the board of directors determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the board of directors is responsible for assessing the Company's ability to continue as a going concern. Based on the financial reporting framework mentioned, board of directors should prepare the financial statements using the going concern basis of accounting unless the shareholder either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The board of directors should disclose events and circumstances that may cast significant doubt on the Company's ability to continue as a going concern in the financial statements.

## Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The 'Information in support of our opinion' section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining 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
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

### Communication

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee of the parent in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor's report.

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

From the matters communicated with the board of directors, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 22 September 2023

Ernst & Young Accountants LLP

signed by P. Sira