

Red & Black Auto Italy S.r.l.

Financial statements as at 31 December 2023

Independent auditor's report
in accordance with article 14 of Legislative Decree n. 39,
dated 27 January 2010, and article 10 of EU Regulation
n. 537/2014

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in accordance with article 14 of Legislative Decree n. 39,
dated 27 January 2010, and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Sole Quotaholder of
Red & Black Auto Italy S.r.l.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Red & Black Auto Italy S.r.l. (the Company), which comprise the statement of financial position as at 31 December 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued to implement article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

We draw attention to Part A – Accounting policies, A.1 General Part, Section 2 – General principles for the preparation of financial statements of the explanatory notes to the financial statements where the Sole Director states that the Company performs solely securitisation transactions according to Law n. 130 of 30 April 1999 and has recorded the acquired receivables, the notes issued and the other transactions performed within the scope of the securitisation transactions in the notes to the financial statements consistently with the provisions of Law n. 130 of 30 April 1999 according to which the receivables involved in each securitisation transaction are, to all effects, separated from the net assets of the Company and from those related to other transactions. Our opinion is not qualified in respect of this matter.

Key Audit Matters

There are no key audit matters to be reported.

Sole Director's and sole statutory auditor's responsibility for the Financial Statements

The Sole Director is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005 and, within the terms provided by the law, for such internal control as he 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 Sole Director 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 he either intends to liquidate the Company or to cease operations or has no realistic alternative but to do so.

The sole statutory auditor ("Sindaco Unico") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives 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 an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; have designed and performed audit procedures responsive to those risks, and obtained 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;
- we have obtained 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;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Sole Director;
- we have concluded on the appropriateness of the Sole Director's 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 auditor's report 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 our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated 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 have communicated with those charged with governance, identified at an appropriate level as required by ISA Italia 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 have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The Sole Quotaholder of Red & Black Auto Italy S.r.l., in the general meeting held on 2 March 2022, engaged us to perform the audits of the financial statements of each year ending 31 December 2021 to 31 December 2029.

We declare that we have not provided prohibited non-audit services, referred to article 5, par. 1, of EU Regulation n. 537/2014, and that we remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the sole statutory auditor (Sindaco Unico) in its capacity as audit committee, prepared in accordance with article 11 of EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Sole Director of Red & Black Auto Italy S.r.l. is responsible for the preparation of the Report on Operation and of the Report on Corporate Governance and Ownership Structure of Red & Black Auto Italy S.r.l. as at 31 December 2023 including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Red & Black Auto Italy S.r.l. as at 31 December 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operation and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements Red & Black Auto Italy S.r.l. as at 31 December 2021 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated 27 January 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Milan, 12 April 2024

EY S.p.A.
Mauro Iacobucci, Auditor

This report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

RED & BLACK AUTO ITALY S.R.L.
SOLE-QUOTAHOLDER COMPANY
FINANCIAL STATEMENTS
AT 31.12.2023

SOLE-QUOTAHOLDER

Registered Office: via V. Alfieri no. 1 – 31015 Conegliano (TV)

Treviso Register of Companies no. 05254340267

Fiscal Code and VAT no. 05254340267

Quota Capital: Euro 10,000.00 fully paid-up

Registered under no. 35838.2 on the List of Securitisation Companies kept by the Bank of Italy

GOVERNING BODY

SOLE DIRECTOR

BLADE MANAGEMENT S.R.L.

DESIGNATED NATURAL PERSON PIERLUIGI BASSO

SUPERVISORY BODIES

SOLE STATUTORY AUDITOR

STEFANO MARCHESI

INDEPENDENT AUDITORS

EY S.P.A.

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SOLE DIRECTOR'S REPORT ON OPERATIONS

1. The business

The Company was established on 21 July 2021 pursuant to Law no. 130 of 30 April 1999 which contains provisions governing the implementation of securitisation transactions in Italy.

Legislative Decree no. 141 of 2010, as amended, provides that the securitisation SPVs must be established as joint stock companies.

Pursuant to the Bank of Italy's Order of 7 June 2017 (in force from 30 June 2017), which was fully replaced by the Bank of Italy's Order of 12 December 2023, the Company is registered on the List of Securitisation Companies kept by the Bank of Italy.

In compliance with the Articles of Association and the law cited above, the sole purpose of the Company is to implement one or more receivables securitisation transactions through the performance, on the part of the Company or by any other company established pursuant to Law no. 130/1999, of the activities described in Articles 1 (one), 7 (seven) and 7.1 (seven point one), paragraphs 1, 2 and 3, of Law no. 130 of 30 April 1999, to be financed through recourse to the issue (on the part of the Company or by any other company established pursuant to Law no. 130/1999) of securities referred to in Article 1, paragraph 1, letter b), of Law no. 130/1999, or even through borrowing from parties authorized to do so. The receivables relating to each securitisation transaction, the related receipts or sums however received in satisfaction of the assigned receivables, the financial assets purchased or subscribed with them, as well as all any other provision of the aforementioned law, will constitute assets which are separate for all purposes both from the Company's assets and from those relating to any other transaction, in relation to which no actions may be taken by any creditors other than the holders of the securities issued to finance the purchase of the abovementioned receivables, or, in the case of borrowing, by the creditors of the payments due by the company under such borrowings as part of the related securitisation transaction.

Within the limits permitted by Law no. 130/1999, the Company may carry out any additional transactions to be entered into in order to ensure the successful completion of the securitisation transactions effected by it or which are in any case instrumental to the achievement of its corporate purpose, as well as transactions of re-investment in other financial assets of funds provided for in the aforementioned law, which are not immediately used to satisfy the rights arising from the abovementioned securities.

In the context of the above purpose, the Company completed two securitisation transactions, the first one during 2021 and the second one during 2023.

More specifically, on 26 October 2021 the Company acquired from Fidelity S.p.A., pursuant to and for the purposes of the combined provisions of article 1 and article 4 of the Securitisation Law and Law no. 52 of 21 February 1991, through an assignment without recourse (*pro soluto*), a portfolio of performing receivables, arising from consumer credit agreements and personal loans granted by Fidelity to natural person debtors for the purchase of cars.

The Company financed the purchase of receivables through the issue of 5 Classes of “Asset Backed Securities” (A, B, C, D and J), which took place on 5 November 2021, with limited recourse on the purchased receivables.

Classes A, B, C and D notes are rated and listed on the Luxembourg Stock Exchange.

Within the second transaction, on 12 October 2023 the Company acquired from Fidelity S.p.A., pursuant to and for the purposes of the combined provisions of article 1 and article 4 of the Securitisation Law and Law no. 52 of 21 February 1991, through an assignment without recourse (*pro soluto*), a portfolio of performing receivables, arising from consumer credit agreements and personal loans granted by Fidelity to natural person debtors for the purchase of cars.

The Company financed the purchase of receivables through the issue of 7 Classes of “Asset Backed Securities” (A1, A2, B, C, D, E and J), which took place on 17 October 2023, with limited recourse on the purchased receivables.

Classes A1 and A2, B, C, D and E notes are rated and listed on the Luxembourg Stock Exchange.

By virtue of the principle of segregation of securitised assets, the financial and economic position of the securitisation transaction is described in part D, section 1, letter F, of the Notes to the Financial Statements in compliance with the provisions contained in specific Orders issued by the Bank of Italy. The Financial Statements at 31 December 2023 recognised a break-even result following the charge-back of net operational costs to the segregated assets.

2. Performance of the relevant market in 2023

Global economy weakened further at the end of the year. Manufacturing output continued to stagnate and the performance of services lost steam. In the United States, some signs of slowing activity emerged after the strong expansion of consumption in the third quarter; in China, the continuing crisis in the property sector was holding back growth, which remained well below the pre-pandemic period. Stagnation in the Eurozone continued throughout 2023. Persistent weakness in the manufacturing and construction cycles was gradually spreading to the services sector as well.

Inflation showed a gradual and significant slowdown: it fell to 2.9% in October 2023 (9.2% in December 2022), reflecting the sharp slowdown in energy prices.

The European Central Bank left official interest rates unchanged, believing that their current levels, if maintained for a sufficiently long period, would provide a substantial contribution to the return of inflation to the 2% target in the medium term.

In Italy, GDP increased marginally in the third quarter; according to the Bank of Italy's models, growth remained almost flat in the final months of 2023 as well, held back by monetary tightening, still high energy prices and weak foreign demand.

Preliminary information available signals a reduction in both the deficit and debt-to-GDP ratios for 2023 compared to the previous year. In December, the tax manoeuvre for the subsequent three years was approved, which in official assessments increased net borrowing in 2024 by 0.7% of GDP in comparison with the framework under current legislation. The EU Council approved the proposed comprehensive reform of the NRRP.

Conditions in Italian financial markets became significantly more relaxed from the end of the year, benefiting from improved investor confidence, largely driven by expectations of a less restrictive monetary policy stance on the part of major central banks. Yield spread between Italian 10-year government bonds and corresponding German bonds fell markedly.

Based on initial ABI (Italian Banking Association) estimates, total loans to persons resident in Italy (private sector and Public Authorities, net of repos with central counterparties) stood at Euro 1,669.6 billion in December 2023, with an annual change of -3.9%.

Loans to persons resident in Italy in the private sector were 3.2% lower in December 2023 than a year earlier.

Loans to households and non-financial companies totalled Euro 1,196 billion, again in December 2023, with an annual change of -2.2%, as calculated by including loans not recognized in banks' financial statements since they were securitized and net of changes in outstanding amounts not related to transactions (e.g., changes due to exchange rate fluctuations, value adjustments or reclassifications).

Loans to persons resident in Italy in the private sector were Euro 1,428 billion in the same month, down by 3.2% from a year earlier.

3. Significant events of the Financial Year

With reference to the Company, no significant events are reported which occurred during the year.

With reference to segregated assets pertaining to the first transaction, it should be noted that the transaction had a regular performance during the financial year, and no irregularities emerged with respect to the provisions laid down in the contract documentation. Specifically, with reference to the payments attributable to the securities, it should be noted that the latter were made in accordance with the payment priority order prepared by the Calculation Agent.

The Company proceeded with the regular payment of interest accrued on Classes A, B, C, D and J Notes and the partial repayment of capital on Class A Notes for an amount equal to Euro 241,794,817, on Class B Notes for an amount of Euro 4,411,325, on Class C Notes for an amount of Euro 5,587,679, and Class D Notes for an amount of Euro 6,175,855. Furthermore, the Company paid an amount equal to Euro 24,750,866, on account of additional remuneration, on Class J notes.

With reference to segregated assets pertaining to the second transaction, it should be noted that the transaction had a regular performance from the date of inception to the end of the year, and no irregularities emerged with respect to the provisions laid down in the contract documentation. Specifically, with reference to the payments attributable to the securities, it should be noted that the latter were made in accordance with the payment priority order prepared by the Calculation Agent.

The Company proceeded with the regular payment of interest accrued on Classes A1, A2, B, C, D, E and J Notes, and the partial repayment of capital on Class A1 Notes for an amount of Euro 22,170,130, and Class A2 Notes for an amount of Euro 7,665,205. Furthermore, the Company paid an amount equal to Euro 943,138 on account of additional remuneration, on Class J notes.

Classes A, B, C, D and E notes are rated and listed on the Luxembourg Stock Exchange.

More specifically, the rating agency DBRS Ratings GmbH assigned the AAA (sf) rating to Class A1 Notes, the AA (sf) rating to Class B Notes, the A (sf) rating to Class C Notes, the BBB (sf) rating to Class D Notes, and the BB (sf) rating to Class E Notes ; the rating agency Fitch Ratings Ireland Limited assigned the AA (sf) rating to Class A1 Notes, the A+ (sf) rating to Class B Notes, the BBB+ (sf) rating to Class C Notes, the BBB- (sf) rating to Class D Notes, and the BB+ (sf) rating to Class E Notes.

The transaction qualifies as "simple, transparent and standardised" ("STS") under Article 18 of Regulation (EU) 2402/2017.

4. Information on the Company's position, performance and operating result

With reference to the corporate assets, it is deemed that, given the business conducted by the Company, there is no additional information with respect to that illustrated in the Notes to the Financial Statements.

Specifically, as regards performance indicators, it is deemed that they are not significant in relation to the corporate assets, while, as regards the performance of the segregated assets, reference is made to Part D, letter F, of the Notes to the Financial Statements.

5. Significant events after the end of the Financial Year

It is informed that no corporate events occurred which were such as to have a significant impact on the financial position and results of operations reported herein (IAS 10) during the period from 31 December 2023 to the date of approval of these financial statements.

With regard to the first transaction, it should be noted that, on the Payment Date falling on 29 January 2024, the Company proceeded, in accordance with the applicable priority order of payments, with the partial repayment of Class A Notes for an amount of Euro 15,001,568, of Class B notes for an amount of Euro 534,732, of Class C Notes for an amount of Euro 677,327, and of Class D Notes for an amount of Euro 748,624.

Finally, it should be noted that in a memo dated 18 March 2024, the Moody's Rating Agency published a notice confirming and upgrading the ratings assigned to the Company's Notes.

Specifically, Moody's confirmed the Aa3 (sf) rating to Class A Notes and upgraded the rating to A1 (sf) for Class B Notes, A3 (sf) for Class C Notes, and Baa3 (sf) for Class D Notes.

With regard to the second transaction, it should be noted that, on the Payment Date falling on 29 January 2024, the Company proceeded, in accordance with the applicable priority order of payments, with the partial repayment of Class A1 Notes for an amount of Euro 10,966,215, and of Class A2 Notes for an amount of Euro 3,791,511.

6. Outlook

The operations will be aimed at the regular performance of the transaction in place.

7. The going concern principle

While preparing the Financial Statements, an assessment was made as to the existence of the requirements relating to the Company's ability to operate as a going concern within a time span of at least twelve months after the relevant date of the Financial Statements. To express this assessment, account was taken of all the information available and of the specific business conducted by the Company, whose sole purpose, in compliance with Law no. 130 of 30 April 1999, is the implementation of one or more securitisation transactions.

Accordingly, these Financial Statements were prepared on a going concern basis, as no events had occurred or conditions had been fulfilled which could raise doubt on the Company's ability to continue to operate as a going concern.

8. Report on corporate governance and ownership structures

The sole purpose of the Company is to implement one or more receivables securitisation transactions through the performance, on the part of the Company or by any other company established pursuant to Law no. 130/1999, of the activities described in Articles 1 (one), 7 (seven) and 7.1 (seven point one), paragraphs 1, 2 and 3, of Law no. 130 of 30 April 1999, to be financed through recourse to the issue (on the part of the Company or by any other company established pursuant to Law no. 130/1999) of securities referred to in Article 1, paragraph 1, letter b), of Law no. 130/1999, or even through borrowing from parties authorized to do so. The receivables relating to each securitisation transaction, the related receipts or sums however received in satisfaction of the assigned receivables, the financial assets purchased or subscribed with them, as well as all any other provision of the aforementioned law, will constitute assets which are separate for all purposes both from the Company's assets and from those relating to any other transaction, in relation to which no actions may be taken by any creditors other than the holders of the securities issued to finance the purchase of the abovementioned receivables, or, in the case of borrowing, by the creditors of the payments due by the company under such borrowings as part of the related securitisation transaction. Within the limits permitted by Law no. 130/1999, the Company may carry out any additional transactions to be entered into in order to ensure the successful completion of the securitisation transactions effected by it or which are in any case instrumental to the achievement of its corporate purpose, as well as transactions of re-investment in other financial assets of funds provided for in the aforementioned law, which are not immediately used to satisfy the rights arising from the abovementioned securities.

In the context of the above purpose, the Company started a securitisation transaction in 2021, through the purchase of monetary performing loans assigned by Fidelity and the issue of asset-backed securities listed on the Luxembourg Stock Exchange (Classes A, B, C and D Notes). It should be noted that, during 2023, operations were also started on the second securitisation segment through the purchase of "performing" loans assigned by Fidelity and the issue of asset-backed securities listed on the Luxembourg Stock Exchange (Classes A1, A2, B, C and D Notes are listed on the Luxembourg Stock Exchange).

Accordingly, pursuant to Article 123-*bis* of Legislative Decree no. 58 of 24 February 1998, the report on operations of companies issuing securities admitted to trading on regulated markets must contain a specific section, named "Report on corporate governance and ownership structures"; this report shall, pursuant to paragraph 2, letter b), of the same article, include information concerning "the main features of any existing risk management and internal control systems in relation to the financial reporting process, including consolidated reports, where applicable".

The Company has no employees. In order to achieve its corporate purpose and, accordingly, also as regards the activities connected with any existing risk management and internal control systems in relation to the financial reporting process, the Company makes use of agents appointed for this purpose. The contract documentation of the securitisation transaction regulates the appointment of each Company' agent, and specifies the activities that it is required to carry out. This information is also contained in Part D, paragraph F.3, of the Notes to the Financial Statements.

The agents carrying out the transaction are appointed from among those persons who perform the activity delegated to them by the Company on a professional basis. This task must be carried out by the agents in accordance with the applicable regulations, so as to allow the Company to duly discharge the obligations arising from the documents of the transaction and from law.

The main roles played by these agents are the following:

- (i) the Servicer which is responsible, *inter alia*, for managing the purchased receivables ;
- (ii) the Corporate Servicer, which is responsible for the administrative and accounting management of the Company; and
- (iii) the Cash Manager, the Calculation Agent and the Paying Agent, which perform cash management, calculation and payment services .

Specifically, it should be noted that the Servicer is the “entity appointed to collect assigned receivables and to perform cash and payment services” as required by article 2, paragraph 3, letter (c), of Law no. 130/1999. Pursuant to article 2, paragraph 6, of Law no. 130/1999, the role of Servicer may be carried out by banks or by intermediaries that are registered in the single register of financial intermediaries pursuant to article 106 of Legislative Decree no. 385 of 1 September 1993, who shall check for compliance of the transactions with the law and the prospectus.

Also pursuant to the Bank of Italy's Order of 23 August 2000, the Servicer will perform both operational and “guarantee” duties as to the correct implementation of the securitisation transactions in the interests of the noteholders and, in general, of the market.

Finally, with reference to financial disclosures, it should be noted that they are prepared by the Corporate Servicer by using mainly the data provided by the entity responsible for the management of purchased receivables.

In its capacity as issuer of securities admitted to trading on regulated markets of the European Union, the Company is subject to the formalities envisaged in Directive 2004/109/EC (Transparency Directive). The Company initially indicated Luxembourg as the origin member State.

It should be noted that, according to Directive 2013/50/EU – amending the Transparency Directive -, issuers are required to use a single electronic reporting format known as ESEF (European Single Electronic Format) to prepare their annual financial reports as from financial periods commencing on 1 January 2020.

The Company has established that it is not required to publish its reports in the format provided for by the Directive because:

- the Member State of election is Luxembourg;
- it issued debt securities during 2021 with a nominal value per unit of at least Euro 100,000;
- it issued debt securities during 2023 with a nominal value per unit of at least Euro 100,000.

9. Other information

A) Own quotas

The Company does not hold either own quotas or quotas in the parent company, whether directly or through trust companies.

B) Research and development activities

Given the special nature of the Company, no specific research and development activities were carried out.

C) Relations with related parties

With reference to the corporate assets, no transactions were effected with related parties.

With reference to the securitisation transaction, reference is made to paragraph F.3 of these Notes to the Financial Statements, reporting the complete list of the entities involved.

D) Direction and Coordination Activity

The Company is not subject to any direction and coordination activity on the part of parent companies pursuant to article 2497-*bis* of the Italian Civil Code .

E) Information on risks and the related hedging policies

The information reported below makes reference to the corporate management; as regards segregated assets, reference is made to part D, paragraph F.3, of the Notes to the Financial Statements.

Liquidity risk

The Company believes that it has sufficient liquid assets to meet its own financial commitments.

Interest rate risk

The Company has no financial assets and liabilities which expose it to significant interest rate risks.

Exchange risk

The Company is active at a domestic level only and, accordingly, it is not exposed to exchange risks.

Credit risk

The Company mainly reports receivables from segregated assets as a result of the charge-back of operating costs. Given the collection forecasts on receivables from segregated assets and the priority in which these receipts will be applied to the payment of the abovementioned receivables, it is believed that no risks exist in relation to the possibility of them being recovered.

F) Security Policy Document

Pursuant to Circular Letter 8/E of 6 February 2003, any income arising from the management of segregated assets, in the implementation of securitisation transactions, is not comprised in the available assets of the Company, and, accordingly, the Company's tax liability is excluded. This treatment confirms the provisions laid down in the Bank of Italy's Order of 29 March 2000, according to which the Company's income statement is not affected by the income and charges concerning the management of the securitisation transaction.

The funds (if any) that should become available to the Company once all of the creditors of the segregated assets are satisfied will be taxed only at the end of the securitisation transaction.

Furthermore, it should be noted that the segregated assets include receivables for withholding taxes applied to interest income accrued on current accounts. Pursuant to Resolution no. 222/E of 5 December 2003, Resolution no. 77/E of 4 August 2010, these withholdings may be deducted in the financial year in which the securitisation transaction is concluded.

G) Sub-offices

The Company has no sub-offices.

H) Employees

The Company has no employees.

Allocation of the Result for the Year

Dear Quotaholder,

the Financial Statements show a break-even result; therefore, there is no allocation of profits to be made.

Conegliano, 28 March 2024

Red & Black Auto Italy S.r.l.

Sole-Quotaholder Company

The Sole Director

Blade Management S.r.l.

(Designated Natural Person)

Pierluigi Basso

Financial Statements

Balance Sheet

	Assets	31/12/2023	31/12/2022
10.	Cash and cash equivalents	50,779	30,017
100.	Tax assets	411	396
	<i>a) current</i>	<i>411</i>	<i>396</i>
120.	Other assets	6,463	6,944
	TOTAL ASSETS	57,653	37,357

	Liabilities and equity	31/12/2023	31/12/2022
60.	Tax liabilities	604	0
	<i>a) current</i>	<i>604</i>	<i>0</i>
80.	Other liabilities	47,049	27,357
110.	Quota capital	10,000	10,000
170.	Profit (loss) for the year	0	0
	TOTAL LIABILITIES AND EQUITY	57,653	37,357

Income Statement

	Items	31/12/2023	31/12/2022
10.	Interest earned and similar income	1,048	56
30.	INTEREST MARGIN	1,048	56
50.	Commissions expense	(308)	(310)
60.	NET COMMISSIONS	(308)	(310)
120.	OPERATING INCOME	(740)	(254)
150.	NET PROFIT (LOSS) FROM FINANCIAL OPERATIONS	(740)	(254)
160.	Administrative expenses:	(98,626)	(68,482)
	<i>a) personnel costs</i>	<i>(8,232)</i>	<i>(7,054)</i>
	<i>b) other administrative expenses</i>	<i>(90,394)</i>	<i>(61,428)</i>
200.	Other operating income and charges	97,886	69,132
210.	OPERATING COSTS	740	650
260.	PROFIT (LOSS) BEFORE TAX FROM CURRENT OPERATIONS	0	396
270.	Income tax from current operations for the year	0	(396)
300.	PROFIT (LOSS) FOR THE YEAR	0	0

STATEMENT OF COMPREHENSIVE INCOME

	Items	31/12/2023	31/12/2022
10.	Profit (Loss) for the year	0	0
	Other comprehensive income, net of tax without transfer to P&L		
20.	Equity instruments designated at fair value through comprehensive income		
30.	Financial liabilities designated at fair value through profit or loss (changes in credit rating)		
40.	Hedging of equity instruments designated at fair value through comprehensive income		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined-benefit plans		
80.	Non-current assets held for sale and disposal group of assets		
90.	Portion of valuation reserves of equity-accounted investments		
	Other comprehensive income, net of tax with transfer to P&L		
100.	Hedging of foreign investments		
110.	Foreign exchange differences		
120.	Cash flow hedge		
130.	Hedging instruments (items not designated)		
140.	Financial assets (other than equity instruments) measured at fair value through comprehensive income		
150.	Non-current assets held for sale and disposal groups of assets		
160.	Portion of valuation reserves of equity-accounted investments		
170.	Total other comprehensive income, net of tax		
180.	Comprehensive income (Item 10+170)	0	0

STATEMENT OF CHANGES IN EQUITY

	Equity at 31/12/2022	Changes in opening balances	Equity at 01/01/2023	Allocation of result from previous financial year		Changes for the Year						Comprehensive Income FY 2023	Equity at 31/12/2023
				Reserves	Dividends and other Allocations	Changes in reserves	Equity transactions						
							Issue of New Quotas	Purchase of Own Quotas	Distribution of extra-Dividends	Change in Equity instruments	Other changes		
Quota Capital	10,000		10,000										10,000
Issue premium													
Reserves													
a) Retained earnings													
b) Others													
Valuation reserves													
Equity instruments													
Own Quotas													
Profit (Loss) for the year	0		0	-								-	0
EQUITY	10,000		10,000	-								-	10,000

	Equity at 31/12/2021	Changes in opening balances	Equity at 01/01/2022	Allocation of result from previous financial year		Changes for the Year						Comprehensive Income FY 2022	Equity at 31/12/2022
				Reserves	Dividends and other Allocations	Changes in reserves	Equity transactions						
							Issue of New Quotas	Purchase of Own Quotas	Distribution of extra-Dividends	Change in Equity instruments	Other changes		
Quota Capital	10,000		10,000										10,000
Issue premium													
Reserves													
a) Retained earnings													
b) Others													
Valuation reserves													
Equity instruments													
Own Quotas													
Profit (Loss) for the year	0		0	-								-	0
EQUITY	10,000		10,000	-								-	10,000

Cash Flow Statement (Indirect method)

		31/12/2023	31/12/2022
A	OPERATING ACTIVITIES		
1	OPERATIONS	0	0
	operating result (+/-)	0	0
	capital gains/losses on financial assets held for trading and other financial assets/liabilities at fair value through profit or loss (-/+)	0	0
	capital gains/losses on hedging assets (-/+)	0	0
	net value adjustments for credit risk (+/-)	0	0
	net value adjustments to property, plant and equipment and intangible assets (+/-)	0	0
	net provisions for risks and charges and other costs/revenues (+/-)	0	0
	unpaid taxes and duties and tax credits (+)	0	0
	net value adjustments to discontinued operations, net of tax effect (+/-)	0	0
	other adjustments (+/-)	0	0
2	CASH FLOW GENERATED FROM/USED BY FINANCIAL ASSETS	466	(2,436)
	financial assets held for trading	0	0
	financial assets designated at fair value	0	0
	other financial assets mandatorily measured at fair value	0	0
	financial assets measured at fair value through comprehensive income	0	0
	financial assets measured at amortised cost	0	0
	other assets	466	(2,436)
3	CASH FLOW GENERATED FROM/USED BY FINANCIAL LIABILITIES	20,296	3,458
	financial liabilities measured at amortised cost	0	0
	financial liabilities held for trading	0	0
	financial liabilities designated at fair value	0	0
	other liabilities	20,296	3,458
	<i>Net Cash Flow generated from/used by operating activities</i>	20,762	1,022
B	INVESTING ACTIVITIES		
1	CASH FLOW GENERATED FROM:	0	0
	sales of equity investments	0	0
	dividends collected on equity investments	0	0
	sales of property, plant and equipment	0	0
	sales of intangible assets	0	0
	sales of business units	0	0
2	CASH FLOW USED BY:	0	0
	purchases of equity investments	0	0
	purchases of property, plant and equipment	0	0
	purchases of intangible assets	0	0
	purchases of business units	0	0
	<i>Net Cash Flow generated from/used by investing activities</i>	0	0
C	BORROWING ACTIVITIES		
	issues/purchases of own quotas	0	0
	issues/purchases of equity instruments	0	0
	distribution of dividends and other purposes	0	0
	<i>Net Cash Flow generated from/used by borrowing activities</i>	0	0

D	NET CASH FLOW GENERATED/USED IN THE YEAR	20,762	1,022
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KEY

(+) generated

(-) used

RECONCILIATION	31/12/2023	31/12/2022
(E) Cash and cash equivalents at the beginning of the Year	30,017	28,995
(D) Net cash flow generated/used in the Year	20,762	1,022
(F) Cash and cash equivalents: foreign exchange effect	0	0
(G) Cash and cash equivalents at the end of the Year (E+/-D+/-F)	50,779	30,017

NOTES TO THE FINANCIAL STATEMENTS

AT 31 DECEMBER 2023

PREAMBLE

The Company, which was established pursuant to Law no. 130/1999, operates exclusively in the sector of receivables securitisation and its sole purpose is the purchase of both existing and future monetary receivables for valuable consideration financed through recourse to the issue of securities: the purchase of the initial portfolio of receivables was financed through the issue of asset-backed securities.

Form and content of the Notes to the Financial Statements

These Notes to the Financial Statements are divided into the following four parties:

- Part A – Accounting Policies;
- Part B – Information on the balance sheet;
- Part C – Information on the income statement;
- Part D – Other information.

Each part in the Notes to the Financial Statements is composed of sections illustrating each individual aspect of the business management. The sections contain information of both a qualitative and quantitative nature.

Quantitative information generally includes items and tables.

The tables have been prepared complying with the formats envisaged in the current provisions.

The Financial Statements have been subject to statutory audit by the independent auditors EY S.p.A..

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

Section 1 – Statement of compliance with international accounting standards

The Company adopted the IAS/IFRS international accounting standards for the preparation of the Financial Statements at 31 December 2023.

IAS/IFRS means any and all International Accounting Standards (“IAS”), any and all International Financial Reporting Standards (“IFRS”), any and all interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) - previously named Standing Interpretations Committee (“SIC”) - endorsed by the European Commission and transposed by Legislative Decree no. 38/2005 into the Italian legal system. Furthermore, the provisions in the “Framework for the preparation and presentation of Financial Statements” have been complied with, specifically in relation to the principle concerning the prevalence of substance over form, as well as to the importance and significance of information.

As regards the disclosures required by IFRS 8, “Operating Segments”, it should be noted that any breakdown would not be significant given the nature of the Company; therefore, they are omitted from these notes to the financial statements.

In compliance with Article 2 of Legislative Decree no. 38/2005, the Company prepares the annual accounts according to the international accounting standards in its capacity as issuer of financial instruments admitted to trading in regulated markets of the European Union.

The Financial Statements have been prepared by using the formats envisaged by the 8th updated version of the “Instructions for the preparation of the financial statements of the IFRS Intermediaries other than bank intermediaries” of 17 November 2022; however, the Order of 9 December 2016 deleted, from its scope of regulation, any reference to securitisation SPVs as they are entities that can no longer be described as non-bank financial intermediaries following the Reform of Title V that was completed under Legislative Decree no. 141/2010 and subsequent amending decrees, the accounting effects of which were provided for in Legislative Decree no. 136/2015.

As a result of the fact that IAS 1 does not require strict compliance with the structure of schedules and pending the enactment of new rules aimed at replacing those previously in force and at regulating, pursuant to Article 9 of Legislative Decree no. 38/2005, the preparation of financial statements of securitisation SPVs, these financial statements were drawn up, with regard to corporate management operations, by using the abovementioned schedules. As regards segregated assets, reference was made to the Bank of Italy’s Order of 15 December 2015 (3rd updated version), given that the subsequent orders referred to above did not provide any information on the disclosures to be provided for

securitisation transactions.

These schedules were regarded as the most suitable option in order to provide information on the Company's financial position, results of operations and cash flows which is useful for the users in making decisions of an economic nature and which, at the same time, appears to be important, reliable, comparable and comprehensible.

This decision is also based on the compliance with the general principle of continuity in the description of management events in order to make the financial statements more understandable.

Section 2 – General principles for the preparation of financial statements

These Financial Statements are made up - in accordance with IAS 1 - of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of changes in equity, the Cash Flow Statement and the Notes to the Financial Statements, and are also accompanied by the Directors' Report on the Company's operations, financial position, profitability and cash flows.

In accordance with Article 5 of Legislative Decree no. 38/2005, the Financial Statements have been prepared using the Euro as the money of account, without decimal fractions.

The Financial Statements have been prepared with the intent of giving a true and fair representation of the financial position, profitability and cash flows for the Financial Year.

The Financial Statements have been prepared on a going concern basis (IAS 1 Revised paragraph 25 - reference is made to point 7 of the Report on Operations as to the considerations made by the Company for establishing the existence of the requirements behind the going concern concept), according to the matching principle (IAS 1 Revised paragraphs 27 and 28) and in compliance with a consistent presentation and classification of the items in the Financial Statements (IAS 1 Revised paragraph 45). The assets and liabilities, income and costs have not been set off against each other save where required or permitted by a standard or an interpretation (IAS 1 Revised paragraph 32).

Below are the accounting standards that became applicable from 1 January 2023 and already endorsed by the European Commission:

- IFRS 17 "Insurance Contracts", published by the IASB in May 2017 and subject to subsequent amendments published on 25 June 2020 and 9 December 2021, was endorsed by Regulation (EU) 2021/2036 of 19 November 2021 - and most recently amended by Regulation (EU) 2022/1491 of 8 September 2022, which introduced some limited amendments for the preparation of comparative information for first-time adoption of IFRS 17 and IFRS 9;
- Regulation (EU) 2022/1491 of 8 September 2022, as noted above, endorsed the amendment to IFRS 17 "Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative

Information", published by the IASB on 9 December 2021;

- Regulation (EU) 2022/357 of 2 March 2022 endorsed the amendment to IAS 1 "Disclosure of Accounting Policies (Amendments to IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2 "Making Materiality Judgements") and the amendment to IAS 8 "Definition of Accounting Estimates (Amendments to IAS 8)", both of which were published by the IASB on 12 February 2021;
- Regulation (EU) 2022/1392 of 11 August 2022 endorsed the amendment to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction" (Amendments to IAS 12), published by the IASB on 7 May 2021, which specifies how companies should account for deferred tax on transactions such as leases and decommissioning obligations;
- Regulation (EU) 2023/2468 of 8 November 2023 endorsed the amendment to IAS 12 "Income taxes: International Tax Reform - Pillar Two Model Rules" (Amendments to IAS 12), published by the IASB on 23 May 2023.

It should be noted that the abovementioned amendments had no impact on the Company's financial position and results of operations at 31 December **Errore. L'origine riferimento non è stata trovata..**

The standards or amendments which became applicable after 31 December 2023 are stated below:

- Regulation (EU) 2023/2579 of 20 November 2023 endorsed the amendment to IFRS16 "Leases: Lease Liability in Sale and Leaseback" (Amendment to IFRS 16), issued by the IASB on 22 September 2022;
- Regulation (EU) 2023/2822 of 19 December 2023 endorsed the amendments to IAS 1 presented by the IASB on 23 January 2020, "Classification of Liabilities as Current or Non-Current " and on 31 October 2022, "Non-current Liabilities with Covenants", with the aim of clarifying how an entity should determine, in the statement of financial position, debt and other liabilities with uncertain settlement date.

International accounting standards IAS/IFRS and related interpretations SIC/IFRIC published by the IASB and still waiting for endorsement on the part of the European Commission:

- On 25 May 2023 the IASB published the amendment to IAS 7 "Statement of Cash Flows" and to IFRS 7 "Financial Instruments: Disclosures: Supplier Finance Arrangements";
- On 15 August 2023 the IASB published the amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability".

On the basis of the analyses carried out, the first-time adoption of the abovementioned standards will have no substantial impact on the current amounts of the Company's financial position and results of operations.

Where necessary, the data relating to the Financial Statements of the previous financial year have been subject to consistent reclassifications in order to make them comparable with the data in these Financial Statements.

Each account in the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity and the Cash Flow Statement, also reports the amount relating to the previous financial year for comparative purposes.

Securitisation transactions

Based on the information reported in Section 1 of Part A.1 of these Notes to the Financial Statements, the Company continues to apply the Bank of Italy's Instructions dated 15 December 2015 to prepare these Financial Statements, with reference to segregated assets, given that the subsequent orders did not report any information to be provided for securitisation transactions.

Consequently, the purchased financial assets, the securities issued and any other transaction completed within the scope of the securitisation transaction are represented and described in specific statements and sections of the Notes to the Financial Statements and do not form part of the Financial Statements schedules.

This approach is also in line with Law no. 130 of 30 April 1999, according to which "the receivables relating to each transaction will constitute assets which are separate for all purposes both from the company's assets and from those relating to any other transaction".

These values concerning the securitisation transaction have not been affected, in general, by the application of the IAS/IFRS standards, since in no way do these standards deal with the disclosures relating to segregated assets.

For completeness of information, it should be noted that, under the international accounting standards, the accounting treatment of financial assets and/or groups of financial assets and financial liabilities arising in the context of securitisation transactions is still being examined on the part of the bodies responsible for interpreting the statutory accounting standards.

On 4 September 2015 Legislative Decree no. 139/2015 was published, which became effective for the financial statements of financial years beginning from 1 January 2016 and pursuant to which important amendments were applied to the accounting policies concerning some financial statement items of companies required to comply with the accounting rules laid down in the Italian Civil Code and in the Italian GAAPs.

Specifically, these amendments include the measurement, at amortised cost, of receivables and liabilities that arose during 2016, as well as the fair value measurement of derivatives outstanding as at the date of first-time adoption of the decree.

It should be noted that, while pending the enactment of an express regulatory clarification concerning the applicability of these amendments to the segregated assets of securitisation SPV, the Company has decided to keep the accounting policies concerning the items of the offering circular unchanged, in accordance with the principle of continuity, as detailed in the paragraph on “Information relating to the Summary Statement” of Part D – Other Information”, to which reference should be made.

In this regard, it should be remembered that any and all information must be provided, even if not expressly required, in order to give a full representation of the situation, while any information must be omitted which might decrease, by its nature or the excess content, the clarity and immediacy of the disclosures in the document.

Section 3 – Events after the reporting date

For more information, reference should be made to the paragraph “5. Significant events after the end of the Financial Year” of the Sole Director’s Report on Operations.

Section 4 – Other aspects

Risks, uncertainties and impacts of ongoing conflicts

In the context of the crisis due to the effects of the Russia-Ukraine conflict and the recent conflict in Israel-Palestine, both of which are still ongoing, with reference to both ordinary operations and securitisation transactions, no elements are noted, which should be reported in terms of the measurement and control of risks arising from the crisis context described above, after taking due account of the nature of the items stated in the Company's balance sheet, the structure of the securitisation transactions and the activities carried out by each operator involved in the transactions.

A.2 – PART RELATING TO THE MAIN ITEMS IN THE FINANCIAL STATEMENTS

Below are reported the accounting standards adopted for the preparation of these Financial Statements.

ASSETS

Section 1 – Cash and cash equivalents

Cash and cash equivalents

This item includes legal tender, including foreign banknotes and divisional coins, as well as any and all receivables "at sight" in the technical forms of current accounts and deposits with banks and with the Bank, with the exception of the mandatory reserve.

Cash amounts are accounted for at nominal value.

Section 10 – Tax assets and liabilities

Both current and deferred income taxes are calculated in compliance with current tax legislation.

Income taxes are recognised in the income statement, except for those relating to items charged or credited directly to equity.

Provision for income taxes is calculated on the basis of a prudential forecast of current, prepaid and deferred taxes. In particular, prepaid and deferred taxes are calculated on the basis of temporary differences between an asset or liability's book value and its value recognised for tax purposes. Deferred tax assets are recognised in the accounts to the extent that it is still probable that they will be recovered. Such probability is assessed on the basis of the Company's ability to generate positive taxable income on a continuous basis in the future financial years.

Prepaid and deferred taxes are accounted for in the balance sheet as pre-closing balances and without any offsetting, entering the former under "Tax Assets" and the latter under "Tax Liabilities".

Section 12 – Other assets

This item includes receivables which are not attributable to any other items under Balance Sheet Assets. These items are entered at their nominal value, or if lower, at their realisable value.

Section 8 - Other liabilities

This item includes payables which are not attributable to any other items under Balance Sheet Liabilities: in particular, payables to suppliers and to the segregated assets.

These items are entered at their nominal value, which represents the value of discharge.

INCOME STATEMENT

Recognition of Costs and Revenues

Costs and revenues are accounted for according to the matching principle.

In consideration of the exclusive nature of the management activity carried out by the Company, operating charges incurred are charged to the segregated assets, limited to the amount necessary to ensure the Company's economic and equity stability, as also provided for by contract.

This amount is classified under other operating income and charges.

A.3 – INFORMATION ON THE TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

In relation to the disclosures required by IFRS 7, it should be noted that no reclassifications of financial assets were made between different portfolios.

A.4 – INFORMATION ON THE FAIR VALUE

Qualitative information

In May 2011 the International Accounting Standards Board (IASB) published IFRS 13 “Fair Value Measurement” aimed at increasing consistency and comparability in fair value measurements, which was transposed into Regulation (EU) no. 1255 of 11 December 2012, applicable as from 1 January 2013.

IFRS13 provides for fair value measurements of financial instruments to be classified on the basis of a 3-level fair value hierarchy (paragraphs 76-90), which reflects the significance of the inputs used in measurements. The standard envisages the following fair value levels:

- Level 1 of fair value: inputs to measure the instrument are quoted prices in active markets for identical instruments that the entity can access at the measurement date;
- Level 2 of fair value: inputs to measure the instrument are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3 of fair value: inputs to measure the instrument are unobservable inputs.

As required by the regulation, the approach hierarchy adopted to measure the fair value of all financial instruments (shares, UCIs, bonds, bond issues and derivatives) gives the highest priority to quoted prices in active markets for assets and liabilities to be measured, and, in their absence, to the measurement of assets and liabilities based on significant quotations, or by making reference to identical assets and liabilities. Finally, the hierarchy gives the lowest priority to measurement

techniques based on unobservable inputs, which are therefore more discretionary.

PART B – INFORMATION ON THE BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents – Item 10 Breakdown of item 10 “Cash and cash equivalents”

Items	31/12/2023	31/12/2022
Current accounts	50,779	30,017

This item consists of the credit balance in current accounts held with Banca Finanziaria Internazionale S.p.A. and Bank of New York S.p.A..

Section 10 – Tax assets and Tax liabilities - Item 100 of assets and item 60 of liabilities

10.1 “Tax assets: current and deferred”: breakdown

Items	31/12/2023	31/12/2022
Current tax assets	411	396

Current tax assets include the recognition of accrued IRES (Corporate Income) tax paid during the year.

10.2 “Tax liabilities: current and deferred”: breakdown

Items	31/12/2023	31/12/2022
Current tax liabilities	604	0

Current tax liabilities include accrued VAT payables to the Tax office to be paid by means of the Form F24 in January.

Section 12 – Other assets (Item 120)

12.1 Breakdown of item 120 “Other assets”

120 – OTHER ASSETS	31/12/2023	31/12/2022
Accrued income for administrative services	576	3,310
Prepaid expenses for services paid in advance	5,614	3,620
Withholding tax on current account interest 26%	273	14

TOTAL OTHER ASSETS	6,463	6,944
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As expressly required by the IAS/IFRS accounting standards, this item includes accrued income and prepaid expenses which are not attributable to any other Balance Sheet item.

“Accrued income for administrative services” relates to revenues which are common to two financial years, as determined according to the matching principle and on an accruals basis in the application of the principle of correlation between costs and revenues of the financial year; in particular, it includes the accrual of the corporate servicer Fee, the fee received in the corporate management on a periodical basis from the securitisation segregated assets for the administrative and corporate management service of the SPV company still accruing at 31 December 2023, pursuant to the Administrative Services Agreement.

“Prepaid expenses for services paid in advance” relate to costs which are common to two financial years, as determined on an accruals basis in the application of the matching principle between costs and revenues of the financial year; in particular, they have been allocated to correctly report corporate management costs for Stichting according to the matching principle.

Finally, “Withholding tax on current account interest 26%” relates to deductions made on interest income accrued on current accounts in recurring operations.

LIABILITIES

Section 8 – Other Liabilities - Item 80

8.1 Other Liabilities: breakdown

80 – OTHER LIABILITIES	31/12/2023	31/12/2022
Accrued expenses for administrative services	576	3,310
Suppliers on account of invoices to be received	31,224	15,874
Payables to suppliers	6,512	1,718
Advances from securitised operations	8,737	6,455
TOTAL OTHER LIABILITIES	47,049	23,357

As expressly required by the IAS/IFRS accounting standards, this item includes accrued expenses and deferred income which are not attributable to any other item under Balance Sheet.

“Accrued expenses for administrative services” relate to costs which are common to two Financial Years, as determined on an accruals basis in the application of the principle of correlation between costs and revenues of the Financial Year; in particular they include the accrued portion of the cost for the administrative and corporate management of the SPV company, as calculated as per contract on an annual basis, accruing at 31 December 2023, for which the supplier will issue the invoice in the next

Financial Year.

“Suppliers on account of invoices to be received” relate to invoices for provisions of services relating to 2023 but not yet received at the reporting date of the Financial Statements.

“Payables to suppliers” relate to invoices received but not yet paid at 31 December 2023.

Finally, “Advances from securitised operations” relate to the amounts that the corporate management received from each set of segregated assets for the payment of their operating expenses.

Section 11 - Equity - Item 110

11.1 “Quota Capital”: breakdown

The fully subscribed and paid-up Quota Capital is made up as follows:

Types	31/12/2023
1. Quota capital	10,000
1.1 Ordinary quotas /Equity investments	No. 1
1.2 Other quotas (to be specified)	

The fully subscribed and paid-up Quota Capital is made up as follows:

Quotaholders	Investment Percentage	Investment Face Value
Stichting Egeo	100%	10,000

For more details on the changes that occurred in Equity, reference is made to the related statement.

PART C – INFORMATION ON THE INCOME STATEMENT

Section 1 - Interest - Item 10

1.1 Interest earned and similar income: breakdown

Items/Actuarial forms	Debt securities	Loans	Other transactions	31/12/2023	31/12/2022
1. Financial assets measured at fair value through profit or loss	-	-	-	-	-
1.1 Financial assets held for trading					
1.2 Financial assets designated at fair value					
1.3 Other financial assets mandatorily measured at fair value					
2. Financial assets measured at fair value through comprehensive income					
3. Financial assets measured at amortised cost	-	-	-	-	-
3.1 Receivables from banks					
3.2 Receivables from financial entities					
3.3 Receivables from customers					
4. Hedging derivatives					
5. Other assets			1,048	1,048	56
6. Financial liabilities					
Total	-	-	1,048	1,048	56
of which : interest income from impaired financial assets					
of which : interest income from leases					

1.2 Interest earned and similar income: other information

“Interest earned”, as stated in line 5. Other assets in the table reported above, includes interest income accrued on bank current accounts classified as at sight under item 10 Cash and cash equivalents of the Balance Sheet.

Section 2 - Commissions - Item 50

2.2 “Commissions expense”: breakdown

Breakdown	31/12/2023	31/12/2022
a) leases		
b) factoring transactions		
c) consumer credit		
d) guarantees issued		
e) services of:		
– fund management on behalf of third parties		
– foreign exchange brokerage		
–distribution of products		
– others		
f) collection and payment services	308	310
g) servicing in securitisation transactions		
h) other commissions (to be specified)		
Total	308	310

Section 10 - Administrative Expenses - Item 160

10.1 “Personnel costs”: breakdown

Types of expense/Values	31/12/2023	31/12/2022
1. Subordinate staff		
a) wages and salaries		
b) social security contributions		
c) severance indemnity		
d) social security costs		
e) provision for employee severance pay		
f) provision for pension fund and similar obligations:		
- defined contribution		
- defined benefit		
g) payments to external supplementary pension funds:		
- defined contribution		
- defined benefits		
h) other employee benefits		
2. Other personnel in active employment		
3. Directors and Statutory Auditors	8,232	7,054
4. Staff on retirement		
5. Recoveries of expense for employees seconded to other companies		
6. Reimbursements of expense for employees seconded to the Company		
Total	8,232	7,054

10.3 “Other administrative expenses ”: breakdown

110b - OTHER ADMINISTRATIVE EXPENSES	31/12/2023	31/12/2022
Audit and bookkeeping costs	37,460	24,150
CONSOB contributions	3,733	1,964
Notarial fees	0	87
Stamp tax	32	16
Other costs for services	7,417	0
Government licensing tax	310	310
Other non-deductible taxes and duties	120	120
Stichting corporate management	3,859	4,349
Corporate management services	37,463	30,432
TOTAL OTHER ADMINISTRATIVE EXPENSES	90,394	61,428

Section 14 – “Other operating income” - Item 200

14.2 Other operating income: breakdown

Items	31/12/2023	31/12/2022
Other operating income and charges	97,886	69,132

19.1 “Income taxes from current operations for the year”: breakdown

Breakdown	Total at 31/12/2023	Total at 31/12/2022
1. Current taxes	0	0
2. Change in current taxes of previous Financial Years	0	396
3. Reduction in current taxes for the Year		
4. Change in deferred tax assets		
5. Change in deferred tax liabilities		
Taxes accrued in the Year	0	396

PART D – OTHER INFORMATION

Section 1 – SPECIFIC REFERENCES TO OPERATIONS

D. GUARANTEES AND COMMITMENTS

As at the reporting date of the Financial Statements, the Company had not issued guarantees in favour of third parties and there were no commitments in place, except for the commitments envisaged and expressly regulated by the contracts relating to the securitisation transaction and concerning the related “segregated assets”.

F. SECURITISATION OF RECEIVABLES

Letter F is dedicated to the information relating to the first securitisation transaction.

Amount of receivables purchased on 26 October 2021:

➤ Face value of receivables at the date of assignment:	Euro 999,989,706
➤ Interest accruing at the date of assignment:	0
➤ Price of assignment	Euro 999,989,706

Amount of Notes issued on 5 November 2021:

Classes of Notes issued	Amount of Notes issued	Redemptions accrued at 31/12/2022	2023 Redemptions	Residual amount at 31/12/2023
Class A Notes	945,000,000	(406,146,362)	(241,794,814)	297,058,824
Class B Notes	15,000,000	0	(4,411,325)	10,588,675
Class C Notes	19,000,000	0	(5,587,679)	13,412,321
Class D Notes	21,000,000	0	(6,175,855)	14,824,145
Class J Notes	5,000,000	0	0	5,000,000
Total Notes issued	1,005,000,000	(406,146,362)	(257,969,673)	340,883,965

INFORMATION RELATING TO THE SUMMARY STATEMENT

Based on the information reported in the paragraph on Securitisation transactions of Part A.1, Section 1 and Section 2, the structure and form of the summary statement are in line with the Instructions that were issued by the Bank of Italy by Order dated 15 December 2015.

It should be noted that, pending official rulings in this regard, these policies are not affected by the measurement changes made by Legislative Decree 139/15. The policies applied are, in fact, the most suitable option to reflect the financial features of the specific nature of the Company's business and to allow the reconciliation of these financial statements and the remaining financial reporting that is required to be submitted by the Company.

The entries connected to the securitised receivables correspond to the values inferred from the accounting and from the IT system of the Servicer Fiditalia S.p.A., as it has properly notified in accordance with the provisions of the Servicing Agreement.

A. Securitised assets

A.1 Receivables

Receivables have been entered at their assignment value and are recognized, in the course of the transaction, net of receipts collected in the period. As at the reporting date, their value is possibly decreased in order to adjust it to the presumed realisable value as directly notified by the Servicer for the transaction. They include accruals for interest income which accrued according to the matching principle and which are considered to be recoverable.

The write-down on receivables is determined by the Servicer in the application of IFRS9, which requires financial assets that are not measured at fair value through profit or loss, consisting of debt securities and loans, to be subjected to the impairment model based on expected loss (ECL – Expected Credit Losses).

B. Uses of available funds

B. 3 Cash

The credit balances in current accounts held with banks are entered in the Financial Statements at their nominal value, corresponding to their presumed realisable value and include interest accrued as at the reporting date of these Financial Statements.

B.4 Investments and investments treated as cash

This item includes amounts already collected on receivables at the reporting date of the Financial Statements, but not yet credited to the Company's current accounts.

B.5 Accruals and deferrals

They include accrued income and prepaid expenses calculated on an effective accruals basis, by applying the principle of matching costs to revenues per financial year.

These receivables are stated at their presumed realisable value.

B.6 Other Receivables

They include the advance payment made to the "recurring operations" in order to enable them to pay corporate management expenses and withholding taxes applied to interest income accrued on the current accounts held in favour of the segregated assets .

C. Notes issued

The notes issued are entered at their corresponding face values. The notes belong to the category of limited recourse securities and are paid exclusively with the amounts arising from the collection of securitised receivables.

E. Other liabilities

Payables are entered at their nominal value.

Accrued expenses have been calculated according to the matching principle and on an accruals basis, by applying the principle of correlation between costs and revenues per financial year.

Interest, commissions, income and charges

Costs and revenues referable to the securitised assets and to the notes issued, interest, commissions, income and charges arising from the securitisation transaction have been accounted for according to the matching principle.

Derivative contracts

The differential on the Interest Rate Swap agreement, which is entered into in order to hedge the risk attached to interest rate fluctuations, is recognised under income according to the matching principle, applied to the flows exchanged between the SWAP counterparties during the reporting period.

Mechanism of settlement of segregated assets

From the Summary Statement, table F.1, it can be inferred that the financial year closed with a breakeven, through the full assignment of the positive margin accrued during the financial year to the subscriber of the Junior Notes, in the form of additional remuneration.

Therefore, total Assets coincide with total Liabilities of segregated assets.

RECONCILIATION OF STATEMENT F1

TOTAL ASSETS	348,877,322
TOTAL LIABILITIES	348,877,322
FINANCIAL DIFFERENCE	0
RESULTS FROM PREVIOUS YEARS	0
RESULT FROM THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR	0

F.1: SUMMARY STATEMENT OF SECURITISED ASSETS AND NOTES ISSUED

	SUMMARY STATEMENT	31/12/2023	31/12/2022
A.	Securitised assets	320,797,023	571,491,720
A.1	Receivables	320,797,023	571,491,720
B.	Use of available funds from management of receivables	28,080,300	32,678,463
B.3	Cash	27,342,556	32,243,492
B.4	Investments and investments treated as cash	243,029	201,575
B.5	Accrued income and prepaid expenses	149,190	194,552
B.6	Other receivables	345,525	38,844
C.	Notes issued	340,883,965	598,853,638
C.1	Class A Notes	297,058,824	538,853,638
C.2	Class B Notes	10,588,675	15,000,000
C.3	Class C Notes	13,412,321	19,000,000
C.4	Class D Notes	14,824,145	21,000,000
C.8	Class J Notes	5,000,000	5,000,000
D.	Loans received	0	0
E.	Other liabilities	7,993,357	5,316,545
E.1	Suppliers for services rendered to securitisation	118,692	203,457
E.2	Accrued expenses and deferred income	1,386,399	2,908,437
E.3	Payables to the Originator	6,488,189	2,204,585
E.4	Sundry Payables	77	66
F.	Interest expense on notes issued	47,744,732	48,492,916
G.	Transaction commissions and fees	1,969,710	3,143,880
G.1	For Servicing	1,866,668	3,031,588
G.2	For other services	103,042	112,292
H.	Other Charges	4,667,568	8,170,100
H.1	Value adjustments to receivables	4,612,567	7,873,432
H.2	Interest expense	0	177,000
H.3	Other charges	55,001	119,668
I.	Interest generated from securitised assets	34,322,737	55,288,122
L.	Other revenues	20,059,274	4,518,775
L.1	Interest income	1,171,048	124,572
L.2	Value write-backs on receivables	1,397,743	81,875
L.3	Swap differential receivable	16,004,596	1,806,540
L.4	Other revenues	1,485,887	2,505,788

For the comments on the notes under the statement above, reference is made to the following pages.

BREAKDOWN OF THE MAIN ITEMS IN THE STATEMENT ON THE PREVIOUS PAGE

STATEMENT F.1 – BREAKDOWN OF ITEMS		31/12/2023	31/12/2022
A.1	Receivables	320,797,023	571,491,720
	a. Amounts falling due – capital quota	320,637,328	570,966,566
	b. Loan instalments fallen due – interest	115,091	154,468
	c. Loan instalments fallen due – capital quota	784,378	761,197
	d. Analytical provision for bad debts	(4,026,717)	(5,158,952)
	e. Accrued interest income on loans	806,525	1,436,480
	f. Non-performing loans	5,391,205	1,994,404
	g. Additional price components	1,229,609	2,684,730
	h. Receivables for accrued expenses	192,963	250,682
	i. Provision for bad debts – Non-performing loans	(4,333,359)	(1,597,857)
B.3	Cash	27,342,556	32,243,492
	a. Collection account	24,835,183	29,140,242
	b. Payments account	1,965	1,369
	c. Reserve account	2,505,408	3,101,881
B.4	Investments and investments treated as cash	243,029	201,575
	a. Transfers in transit (*)	243,029	201,575
B.5	Accrued income and prepaid expenses	149,190	194,552
	a. Prepaid expenses	17,599	16,185
	b. Accrued income on swap	131,591	178,367
B.6	Other receivables	345,525	38,844
	a. Advances of expenses for recurring operations	8,664	6,455
	c. Withholding tax receivables from the tax office on interest income from current account	336,861	32,389
C.1	Class A Notes	297,058,824	538,853,638
	a. Class A Notes issued	297,058,824	538,853,638
C.2	Class B Notes	10,588,675	15,000,000
	a. Class B Notes issued	10,588,675	15,000,000
C.3	Class C Notes	13,412,321	19,000,000
	a. Class C Notes issued	13,412,321	19,000,000
C.4	Class D Notes	14,824,145	21,000,000
	a. Class D Notes issued	14,824,145	21,000,000
C.8	Class J Notes	5,000,000	5,000,000
	a. Class J Notes issued	5,000,000	5,000,000
E.1	Suppliers for services rendered to securitisation	118,692	203,457
	a. Suppliers	350	300
	b. Suppliers on account of invoices to be received	118,342	203,157
E.2	Accrued expenses and deferred income	1,386,399	2,908,437
	a. Accrued interest expense on Class A	113,006	155,309
	b. Accrued expenses	9,505	12,106
	c. Accrued expenses for servicing fee	276	276
	d. Accrued interest expense on Class B	4,293	4,823
	e. Accrued interest expense on Class C	5,996	7,165

	f.	Accrued interest expense on Class D	8,295	11,069
	g.	Accrued interest expense on Class J	1,459	1,944
	h.	Accrued expenses on swap	13,960	31,014
	i.	Premium from issue of securities	1,229,609	2,684,730
E.3		Payables to the Originator	6,488,189	2,204,585
	a.	Suspense collection account	578,549	796,712
	b.	Payables for variable return	5,909,640	1,407,873
E.4		Sundry Payables	77	66
	a.	VAT payables to the Tax Office	77	66
F.		Interest expense on Notes issued	47,744,732	48,492,916
	a.	Interest expense on Class A Notes	15,761,547	4,238,926
	b.	Interest expense on Class B Notes	573,650	148,063
	c.	Interest expense on Class C Notes	815,081	283,866
	d.	Interest expense on Class D Notes	1,164,866	601,186
	e.	Interest expense on Class J Notes	177,955	177,426
	f.	Interest expense on variable return	29,252,633	43,043,449
G.1		Servicing	1,866,668	3,031,588
	a.	Servicing	32,528	28,368
	b.	Back-up servicer	13,188	9,150
	c.	Sub-servicing	1,820,952	2,994,070
G.2		Commissions for other services	103,042	112,292
	G.2a	Corporate Expenses	61,987	69,132
	G.2b	Ongoing Expenses	41,055	43,161
H.1		Value adjustments to receivables	4,612,567	7,873,432
	a.	Credit losses	152,366	74,767
	b.	Write-down of general items and non-performing loans	3,000,952	5,296,748
	c.	Adjustments to receivables on accrued expenses	4,068	0
	d.	Amortisation of assignment premium (**)	1,455,122	2,501,917
	e.	Write-down of default interest	59	0
H.2		Interest expense	0	177,000
	a.	Commissions expense	0	177,000
H.3		Other charges	55,001	119,668
	a.	Upfront expenses	0	9,760
	b.	Contingent liabilities	0	74,556
	c.	Publication expenses	5,978	4,026
	d.	Rating agency fees	49,023	31,315
	e.	Sundry charges and sanctions	0	2
	f.	Rebates and rounding-off payable	0	9
I.		Interest generated from securitised assets	34,322,737	55,288,122
	a.	Default interest income	77	79
	b.	Interest income on loans	29,906,904	49,886,131
	c.	Additional proceeds from instalments	4,415,756	5,401,913
L.1		Interest income	1,171,048	124,572
	a.	Interest income from collection account	1,028,316	108,367
	b.	Interest income from payments account	68,962	7,514

	c.	Interest income from reserve account	73,770	8,691
L.2		Value write-backs on receivables	1,397,743	81,875
	a.	Value write-backs on receivables	1,397,743	81,875
L.3		Swap differential receivable	16,004,596	1,806,540
	a.	Charges/income from swap	16,004,596	1,806,540
L.4		Other revenues	1,485,887	2,505,788
	a.	Rebates and rounding-off receivable	33	13
	b.	Adjustments to legal fees for debt collection	30,732	3,858
	c.	Premium from issue of securities	1,455,122	2,501,917

(*) For comparative purposes, the item "Transfers in transit" has been reclassified from "B.3 Cash" to "B.4 Investments and investments treated as cash" for greater clarity of reporting, considering the nature of the account.

(**) For comparative purposes, the item "Amortisation of assignment premium" has been reclassified from "H.3 Other charges" to "H.1 Value adjustments to receivables" for greater clarity of reporting, considering the nature of the account.

QUALITATIVE INFORMATION

F.2 DESCRIPTION AND PERFORMANCE OF THE TRANSACTION

Date of the transaction

The transaction was completed through the execution of the assignment agreement of receivables on 26 October 2021 and the issue of the notes on 5 November 2021.

- Date of the Initial Assignment agreement (legal effect): 26 October 2021
- Effective date of the economic effects of the Initial Assignment: 30 September 2021
- Valuation date: 30 September 2021
- Date of Issue of the Initial Notes: 5 November 2021
- Revolving Transaction: No
- Frequency of Revolving: -
- Expiry date of Revolving: -

Assignor

- Company/Business Name: Fiditalia S.p.A.
- Legal status: Joint-stock Company
(*Società per Azioni*)
- Registered Office: Via Guglielmo Silva no. 34
– 20149 Milan, Italy
- Fiscal code and Milan-Monza Brianza - Lodi Register of Companies: 08437820155
- Register of Financial Intermediaries pursuant to Art. 106 TUB no. 37
("Single Register"):

Assigned receivables

The Assignor has assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of Articles 1 and 4 of Law no. 130 of 30 April 1999 and Law no. 52 of 21 February 1991, a portfolio of receivables, which arise from consumer credit contracts and personal loans aimed at the purchase of vehicles, both new and used.

- Face value of receivables at the date of assignment: Euro 999,989,706.11
- Interest accruing at the date of assignment: Euro 0
- Price of assignment (including accruing interest): Euro 999,989,706.11

➤ Nature of purchased receivables:

The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*) no. 129, part II, of 30 October 2021, in order to also notify the debtors that the assignment had taken place.

➤ Quality of receivables purchased :

At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

Performance of the transaction

The transaction had a regular performance and no irregularities were reported with respect to the provisions laid down in the contract documentation.

Specifically, it should be noted that the payments attributable to the Notes were made in accordance with the payment priority order prepared by the Calculation Agent.

During the year just ending, the Company proceeded with the regular payment of interest accrued on Classes A, B, C, D and J Notes and with the partial repayment of capital on Class A Notes for an amount equal to Euro 241,794,817, on Class B Notes for an amount of Euro 4,411,325, on Class C Notes for an amount of Euro 5,587,679, and Class D Notes for an amount of Euro 6,175,855; furthermore, the Company paid an amount equal to Euro 24,750,866 on Class J Notes, on account of additional remuneration.

2) Information relating to the performance of the receivables

The performance of receivables can be assessed by monitoring the following indicators defined in the contract documentation of the securitisation transaction:

1) Cumulative Gross Default Ratio is the ratio of (i) the residual debt on account of capital (past due and unpaid component included) as at the date of transfer to default, concerning all receivables that have become Defaulted Receivables from the Valuation Date to the end of the relevant Collection Period, to (ii) the residual debt of the portfolio as at the Valuation Date.

It should be noted that Defaulted Receivables means those receivables that originate from contracts in relation to which the debtor has failed to pay at least 8 instalments or whose debtor has been declared disqualified from the benefit of the time limit or receivables that have been written off by the Originator.

The fact of exceeding the "threshold" values established as per contract may result in a change in the priority order of payments. More in detail:

- if this index exceeds the threshold of 2.50%, the Sequential Redemption Event occurs (the repayment of capital on a class of securities is subject to full redemption of most senior Class of Notes);
- if the 3.10% threshold is breached, there is a Class D Interest Subordination Event (given that Class D is not the most senior class of outstanding securities): the payment of interest on Class D Notes is subject to the payment of interest and the full repayment of capital on Classes A, B and C Notes;
- if the 4% threshold is exceeded, then a Class C Interest Subordination Event occurs (given that Class C is not the most senior class of outstanding securities): the payment of interest on Class C Notes is subject to the payment of interest and the full repayment of capital on Classes A and B notes;
- if the ratio exceeds 15%, then a Class B Interest Subordination Event occurs (given that Class B is not the most senior class of outstanding securities): the payment of interest on Class B Notes is subject to the payment of interest and the full repayment of capital on Class A Notes.

2) Cumulative Net Default Ratio is given by the ratio of i) the difference of the residual debt on account of capital (past due and unpaid component included) as at the date of transfer to default, concerning all receivables that have become Defaulted Receivables from the Valuation Date to the end of the relevant Collection Period, and recoveries recorded in the same period, to (ii) the residual debt of the portfolio as at the Valuation Date.

Should this ratio be higher than 3.25%, the Cash Trapping Condition would occur, i.e., the cash remaining after processing payments from item (i) to item (xxi) of the Pre-Acceleration Priority of Payments cannot be distributed but must be set aside in the collection account.

During the year the above two ratios were in line with the parameters set as per contract and no overrun was reported.

3) Other information relating to significant events

It should be noted that in a memo dated 18 March 2024, the Moody's Rating Agency published a notice confirming and upgrading the ratings assigned to the Company's Notes.

Specifically, Moody's confirmed the Aa3 (sf) rating to Class A Notes and upgraded the rating to A1 (sf) for Class B Notes, A3 (sf) for Class C Notes, and Baa3 (sf) for Class D Notes.

F.3 INDICATION OF THE PARTIES INVOLVED

Issuer	Red & Black Auto Italy S.r.l.
Originator	Fiditalia S.p.A.
Seller	Fiditalia S.p.A.
Servicer	Banca Finanziaria Internazionale S.p.A.
Corporate Servicer	Banca Finanziaria Internazionale S.p.A.
Calculation Agent	Banca Finanziaria Internazionale S.p.A.
Arranger	Société Générale S.A.
Account Bank	The Bank of New York Mellon SA, Milan Branch
Principal Paying Agent	The Bank of New York Mellon SA, Milan Branch
Sub Servicer	Fiditalia S.p.A.
Back-up Sub-Servicer	Quinservizi S.p.A.
Representative of Noteholders	Banca Finanziaria Internazionale S.p.A.
Lead Manager	Société Générale S.A.
Hedging Counterparty	.DZ BAK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Obligations of the assignors

At the date of assignment, the Company, in its capacity as issuer, and Fiditalia S.p.A., in its capacity as assignor, entered into a guarantee and indemnity agreement pursuant to which Fiditalia S.p.A. made specific representations and warranties in relation to the receivables and agreed to grant certain indemnities and to assume the obligation to repurchase in relation to receivables that did not conform to the representations made by the assignor.

It should also be noted that, as at the date of assignment, the Company concluded with Société Générale S.A. (hereinafter also “SG”) a “Commingling and Set-Off Guarantee” agreement whereby SG undertook to ensure that Fiditalia S.p.A. promptly fulfils its obligation to transfer the receipts to the issuer's collection account (as required in the sub-servicing agreement) and the indemnification obligation assumed by the assignor through the execution of the guarantee and indemnity agreement.

For the illustration of any other possible obligations of the assignors and of any other party involved in the transaction for any reason whatsoever, reference is made to paragraph B.4 Additional financial transactions.

Contractual relationships between the parties involved

The issuer has appointed Banca Finanziaria Internazionale S.p.A. as Master Servicer, i.e. the entity appointed to collect assigned receivables and to perform cash and payment services and with the task of monitoring whether the transaction complies with the law and the prospectus, pursuant to Article 2, paragraphs 3 c), 6 and 6-bis, of the Securitisation Law. While retaining full responsibility, Banca Finanziaria Internazionale S.p.A. has delegated the management of receipts on securitised portfolio to Fiditalia S.p.A., in its capacity as Sub-Servicer.

The receipts from receivables are credited to the current accounts registered in the name of Fiditalia S.p.A., which then transfers them to the collection account registered in the name of the issuer.

On the basis of the reports provided by the Sub-Servicer in relation to the performance of the transaction and, more specifically, the receipts on receivables and any other items which contribute to setting aside the funds available to the issuer, Banca Finanziaria Internazionale S.p.A., in its capacity as Calculation Agent, distributes these funds at each date of payment by way of fees and expenses to the various persons which have been appointed to carry out specific functions for segregated assets and on account of remuneration and, if possible, of redemption of the notes issued to the related subscribers. Paragraph F4 below considers, more in detail, the funds available to the issuer and the priority order that the issuer is required to comply with in order to make payments to the counterparties.

The management of administrative and accounting services is the responsibility of Banca Finanziaria Internazionale S.p.A., in its capacity as Corporate Servicer.

The role of Representative of the Noteholders is carried out by Banca Finanziaria Internazionale S.p.A..

F.4 CHARACTERISTICS OF THE ISSUES

All the notes issued by the Company are Asset-backed Securities with limited recourse on the receipts from the receivables which make up the securitised portfolio.

The classes of Notes are reported below, together with all their characteristics.

Series and Class	Class A
ISIN code	IT0005459729
Currency	Euro
Amount upon issue	945,000,000

Amount at Year-end	297,058,824
Type of rate	Variable
Benchmark	1-M EURIBOR+ 0.700%
Coupon	Monthly
Maturity Date	31 December 2031
DBRS rating upon issue	AA (high) sf
DBRS rating at year-end	AA (high) sf
Moody's rating upon issue	Aa3 (sf)
Moody's rating at year-end	Aa3 (sf)
Listing	Luxembourg Stock Exchange
Common Code	239370217
Applicable law	Italian Law

Series and Class	Class B
ISIN code	IT0005459737
Currency	Euro
Amount upon issue	15,000,000
Amount at Year-end	10,588,675
Type of rate	Variable
Benchmark	1-M EURIBOR+ 1%
Coupon	Monthly
Maturity Date	31 December 2031
DBRS rating upon issue	AA (low) (sf)
DBRS rating at year-end	AA (low) (sf)
Moody's rating upon issue	Baa1 (sf)
Moody's rating at year-end	A3 (sf)
Listing	Luxembourg Stock Exchange
Common Code	239373887
Applicable law	Italian Law

Series and Class	Class C
ISIN code	IT0005459745
Currency	Euro
Amount upon issue	19,000,000
Amount at Year-end	13,412,321
Type of rate	Variable
Benchmark	1-M EURIBOR+ 1.50%
Coupon	Monthly
Maturity Date	31 December 2031
DBRS rating upon issue	BBB (high) (sf)
DBRS rating at year-end	BBB (high) (sf)
Moody's rating upon issue	Baa3 (sf)
Moody's rating at year-end	Baa2 (sf)
Listing	Luxembourg Stock Exchange

Common Code	239374018
Applicable law	Italian Law

Series and Class	Class D
ISIN code	IT0005459752
Currency	Euro
Amount upon issue	21,000,000
Amount at Year-end	14,824,145
Type of rate	Variable
Benchmark	1-M EURIBOR+ 2.85%
Coupon	Monthly
Maturity Date	31 December 2031
DBRS upon issue	BB (high) (sf)
DBRS rating at year-end	BB (high) (sf)
Moody's rating upon issue	Ba2 (sf)
Moody's rating at year-end	Ba1 (sf)
Listing	Luxembourg Stock Exchange
Common Code	239374301
Applicable law	Italian Law

Series and Class	Class J
ISIN code	IT0005459760
Currency	Euro
Amount upon issue	5,000,000
Amount at Year-end	5,000,000
Type of rate	Fixed
Benchmark	3.50%
Coupon	Monthly
Maturity Date	31 December 2031
DBRS rating	unrated
Moody's rating	unrated
Listing	unlisted
Common Code	239374620
Applicable law	Italian Law

Allocation of cash flows arising from the portfolio of receivables

The allocation of the cash flows arising from the portfolio of purchased receivables follows the order provided for in the Intercreditor Agreement or Agreement between the issuer's creditors.

The funds available to the issuer are allocated according to the following priority order:

- payment of corporate expenses and reinstatement of the Retention Amount;

- fees, costs and expenses due to the Representative of the Noteholders;
- payment of expenses and fees due to the Company's Agents;
- payment of amounts due to the Swap Counterparty;
- payment of interest on Class A Notes;
- payment of interest on Class B Notes;
- payment of interest on Class C Notes;
- payment of interest on Class D Notes;
- Cash Reserve Required Amount;
- repayment of capital on Class A Notes during the Sequential Redemption Period or repayment of capital on Classes A, B, C and D Notes during the Pro-Rata Redemption Period;
- payment of interest on Class B Notes upon occurrence of a Class B Interest Subordination Event;
- repayment of capital on Class B Notes during the Sequential Redemption Period; payment of interest on Class C Notes upon occurrence of a Class C Interest Subordination Event;
- repayment of capital on Class C Notes during the Sequential Redemption Period; payment of interest on Class D Notes upon occurrence of a Class D Interest Subordination Event;
- repayment of capital on Class D Notes during the Sequential Redemption Period as at the *Regulatory Call Early Redemption Date (which may occur if a legislative/regulatory change has a negative impact on securitisation, reducing its benefits/increasing its costs)*, in accordance with the Regulatory Call Priority of Payments, full repayment of capital on "Mezzanine" Notes (Classes B, C and D) and payment of interest and repayment of loan received from the Originator, which is necessary to proceed with the repayment of Mezzanine Notes;
- any other amount due to the Swap counterparty other than that mentioned above;
- if a Cash Trapping condition is fulfilled in relation to a given Payment Date, transfer of the remaining available funds to the collection account;
- indemnities due and payable to the Arranger and Lead Manager under the Listed Securities Subscription Agreement;
- any other amount due and payable by the Issuer under the Transaction Documents;
- payment of Interest of Class J Notes;
- following the full repayment of Class A Notes, Class B Notes, Class C Notes and Class D Notes, repayment of capital on Class J Notes;
- payment of Class J Variable Return.

F.5 ADDITIONAL FINANCIAL TRANSACTIONS

As at the same time as the issue of securities, the Company entered into an Interest Rate Swap agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main (hereinafter “DZ Bank”) in order to hedge the interest rate risk arising from the transaction’s structure.

Under the swap agreement, DZ Bank undertakes to pay Red & Black Auto Italy S.r.l., as at the monthly payment dates, an amount (Floating Amount) equal to the product of:

- a. the notional amount (residual debt of rated securities);
- b. the rate at which interest is calculated on the securities (Floating Rate);
- c. the number of days in the interest period divided by 360.

On the other hand, the amount owed by Red & Black Auto Italy S.r.l. to the swap counterparty (Fixed Amount) is calculated as the product of:

- d. the notional amount, as defined above;
- e. the Fixed Rate established as per contract;
- f. the number of days in the interest period/360.

During 2023 the Company received funds from the Swap Counterparty for a total amount of Euro 18,361,899.

F.6 OPERATIONAL POWERS OF THE ASSIGNEE COMPANY

Red & Black Auto Italy S.r.l. as assignee and issuer has operational powers limited by its articles of association. Specifically, section 3 provides that:

“The sole purpose of the Company is to implement one or more receivables securitisation transactions through the performance, on the part of the Company or by any other company established pursuant to Law no. 130/1999, of the activities described in Articles 1 (one), 7 (seven) and 7.1 (seven point one), paragraphs 1, 2 and 3, of Law no. 130 of 30 April 1999, to be financed through recourse to the issue (on the part of the Company or by any other company established pursuant to Law no. 130/1999) of securities referred to in Article 1, paragraph 1, letter b), of Law no. 130/1999, or even through borrowing from parties authorized to do so. The receivables relating to each securitisation transaction, the related receipts or sums however received in satisfaction of the assigned receivables, the financial assets purchased or subscribed with them, as well as all any other provision of the aforementioned law, will constitute assets which are separate for all purposes both from the Company’s assets and from those relating to any other transaction, in relation to which no actions may be taken by any creditors other than the holders of the securities issued to finance the purchase of the abovementioned

receivables, or, in the case of borrowing, by the creditors of the payments due by the company under such borrowings as part of the related securitisation transaction.

Within the limits permitted by Law no. 130/1999, the Company may carry out any additional transactions to be entered into in order to ensure the successful completion of the securitisation transactions effected by it or which are in any case instrumental to the achievement of its corporate purpose, as well as transactions of re-investment in other financial assets of funds provided for in the aforementioned law, which are not immediately used to satisfy the rights arising from the abovementioned securities.”

QUANTITATIVE INFORMATION

F.7) FLOW DATA RELATING TO THE RECEIVABLES

Description	From 01/01/2023 to 31/12/2023	From the date of inception to 31/12/2022
Balance of receivables at the beginning of the Year	571,491,720	0
Increases:		
Initial assignment at 26/10/2021		999,989,706
Additional price component		5,698,350
Other Increases, of which:		
Interest income	29,906,981	66,188,247
Value write-backs on receivables	1,397,743	81,875
Collection of non-performing loans	30,732	3,858
Additional proceeds on instalments	4,415,756	6,846,512
Total increases	35,751,212	1,078,808,548
Decreases:		
Receipts on reconciled net receivables	(281,833,342)	(497,389,759)
Amortisation of additional price component	(1,455,122)	(3,013,620)
Credit losses	(152,366)	(74,767)
Adjustments to receivables on accrued expenses	(4,068)	0
Write-down of receivables and default interest	(3,001,011)	(6,838,682)
Total decreases	(286,445,909)	(507,316,828)
Balance of receivables at the end of the Year	320,797,023	571,491,720

F.8) TREND IN OVERDUE RECEIVABLES

Description	2023	2022
Balance of overdue receivables at the beginning of the period	2,910,069	370,107
Increases:		
Purchase of overdue amounts on account of principal and interest	277,198,013	385,983,897
Capital and expenses transferred to bad debts	3,612,192	2,072,432
Instalments accrued on account of principal and interest		
Decreases:		
Non-performing principal collected	(215,391)	(78,028)
Instalments collected on account of principal and interest	(277,214,209)	(385,438,339)
Balance of receivables at the end of the Year	6,290,674	2,910,069

The final overdue amount is broken down as follows:

- Non-performing loans: Euro 5,391,205;
- Principal: Euro 784,378;
- Interest: Euro 115,091.

The collection and recovery of overdue receivables are the responsibility of Fiditalia S.p.A. in its capacity as Sub-Servicer according to the Sub-Servicing Agreement signed on 26 October 2021.

The receivables in the portfolio were adjusted, as instructed by the Servicer, in order to adjust the book value of the securitised portfolio at its presumed realisable value, which reflects the actual prospects of recovery of the receivables.

As at 31 December 2023, write-downs were made in the financial statements for an amount equal to Euro 1,603,268.

The provision for bad debts was therefore equal to Euro 8,360,076 at the end of the year.

During the course of the transaction, the Servicer continues to monitor the loans and takes recovery actions in accordance with the terms of the Servicing Agreement.

F.9) CASH FLOWS

Inflows	At 31/12/2023	At 31/12/2022
1. Balance of current accounts at the beginning of the Year	32,243,492	42,627,550
2. Receipts from securitised receivables	281,573,740	390,656,018
3. Interest income from current accounts, net of withholding tax	866,575	92,183
4. Collection of swap proceeds	18,361,898	5,103,493
Total Inflows during the Year	333,045,705	438,479,244

Outflows	At 31/12/2023	At 31/12/2022
1. Repayment of capital on Class A Notes	241,794,814	345,580,099
2. Repayment of capital on Class B Notes	4,411,325	0
3. Repayment of capital on Class C Notes	5,587,678	0
4. Repayment of capital on Class D Notes	6,175,855	0
5. Payment of interest on Class A Notes	15,803,850	4,087,450
6. Payment of interest on Class B Notes	574,180	143,680
7. Payment of interest on Class C Notes	816,250	278,050
8. Payment of interest on Class D Notes	1,167,640	593,970
9. Payment of interest on Class J Notes and Variable return	24,928,306	48,505,886
10. Provision and reinstatement of Retention Amount	42,701	14,958
11. Payment of expenses to various counterparties	2,072,970	3,563,363
12. Payment of swap charges	2,327,580	3,468,296
Total Outflows during the Year	305,703,149	406,235,752

Balance of current accounts (item B.3 of statement F.1)	27,342,556	32,243,492
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The imbalance between inflows and outflows represents the balance of current accounts at 31 December 2023 (item B.3 of the summary statement of securitised assets and notes issued).

Actual receipts reported during 2023 proved to be Euro 282 million, compared to Euro 248 million estimated in the previous financial statements; the higher amount compared to expected receipts is mostly due to early redemptions.

On the basis of the financial plans provided by the Servicer Fiditalia S.p.A., it is expected that the receipts arising from receivables will come to about Euro 165 million during 2024.

F.10) SITUATION OF GUARANTEES AND LIQUIDITY FACILITIES

As at the reporting date of the Financial Statements, there had been no use of the outstanding guarantees and liquidity facilities, which are detailed in paragraph F.5.

F.11) BREAKDOWN BY RESIDUAL MATURITY

Assets

▪ Securitised assets

Residual Maturity of Securitised Loans	At the end of the FY 2023
Until 3 months	0
From 3 months to 1 year	0
From 1 year to 5 years	321,636,816
Beyond 5 years	0
Indefinite maturity	6,290,674
Total receivables at the end of the Year	327,927,490
Additional price component	1,229,609
Provision for bad debts	(8,360,076)
Total Receivables reconciled with table A1	320,797,023

▪ Other Assets

Other Assets have the following maturity :

- “Cash” (item B.3 of statement F.1): within three months;
- “Accrued income and prepaid expenses” (item B.5 of statement F.1): within three months.

Liabilities

▪ Notes

The Company issued five classes of Notes with an initial total nominal value of Euro 1,005,000,000.

Classes A, B, C and D Notes were partially repaid for Euro 257,969,673 during 2023.

The final residual total nominal value amounted to Euro 340,883,965 at 31 December 2023.

The amount that will be allocated for the repayment of capital on the outstanding securities, according to the relevant priority order, will depend on the amount of available funds. In any case, the Notes will be considered to have been fully repaid on the Payment Date falling in December 2031, after which any amount due and not yet paid in relation to the Notes will be cancelled definitively.

▪ **Other Liabilities**

Other Liabilities have the following maturity :

- “Suppliers for services rendered to securitisation” (item E.1 of statement F.1): within three months;
- “Accrued expenses and deferred income” (item E.2 of statement F.1): within three months (except for the premium from issue of securities: indefinite duration, letter h);
- Payables to the Originator” (item E.3 of statement F.1): item a “suspense collection account”: within three months; item b “payables for variable return”: indefinite maturity;
- “Sundry payables” (item E.4 of statement F.1): within three months.

F.12) BREAKDOWN BY GEOGRAPHICAL AREA

Countries	Amount in Euros of the Portfolio of Loans at 31/12/2023
Italy	327,927,490
EMU countries	0
Overall Total	327,927,490
Additional price component	1,229,609
Provision for bad debts	(8,360,076)
Total Receivables reconciled to Table A1	320,797,023

F.13) RISK CONCENTRATION

Classes of amount (Euro)	Number of Contracts	Amount in Euro Units
0 – 25,000	105,980	325,063,154
25,000 – 75,000	93	2,864,336
75,000– 250,000	-	0
Beyond 250,000	-	0
Overall total of Receivables at the end of the Year	106,073	327,927,490
Additional price component		1,229,609
Provision for bad debts		(8,360,076)
Total of Receivables reconciled to Table A1		320,797,023

At 31 December 2023 there were no receivables whose capital due was more than 2% of the total loans in portfolio.

PART D – OTHER INFORMATION

SECOND SECURITISATION TRANSACTION

Section 1 – SPECIFIC REFERENCES TO OPERATIONS

D. GUARANTEES AND COMMITMENTS

As at the reporting date of the Financial Statements, the Company had not issued guarantees in favour of third parties and there were no commitments in place, except for the commitments envisaged and expressly regulated by the contracts relating to the securitisation transaction and concerning the related “segregated assets”.

F. SECURITISATION OF RECEIVABLES

Letter F is dedicated to the information relating to the securitisation transaction.

Amount of receivables purchased on 12 October 2023:

➤ Face value of receivables at the date of assignment:	Euro 549,987,966
➤ Interest accruing at the date of assignment:	0
➤ Price of assignment	Euro 549,987,966

Classes of Notes issued	Amount of Notes issued	2023 Redemptions	Residual amount at 31/12/2023
Class A1 Notes	376,000,000	(22,170,126)	353,829,873
Class A2 Notes	130,000,000	(7,665,205)	122,334,796
Class B Notes	13,800,000	0	13,800,000
Class C Notes	13,800,000	0	13,800,000
Class D Notes	8,200,000	0	8,200,000
Class E Notes	8,200,000	0	8,200,000
Class J Notes	6,050,000	0	6,050,000
Total Notes Issued	556,050,000	(29,835,331)	526,214,669

INFORMATION RELATING TO THE SUMMARY STATEMENT

Based on the information reported in the paragraph on Securitisation transactions of Part A.1, Section 1 and Section 2, the structure and form of the summary statement are in line with the Instructions that were issued by the Bank of Italy by Order dated 15 December 2015.

It should be noted that, pending official rulings in this regard, these policies are not affected by the measurement changes made by Legislative Decree 139/15. The accounting policies applied are, in fact, the most suitable option to reflect the financial features of the specific nature of the Company's business and to allow the reconciliation of these financial statements and the remaining financial reporting that is required to be submitted by the Company.

The entries connected to the securitised receivables correspond to the values inferred from the accounting and from the IT system of the Servicer Fiditalia S.p.A., as it has properly notified in accordance with the provisions of the Servicing Agreement.

A. Securitised assets

A.1 Receivables

Receivables have been entered at their assignment value and are recognised, in the course of the transaction, net of receipts collected in the period. As at the reporting date, their value is possibly decreased in order to adjust it to the presumed realisable value as directly notified by the Servicer for the transaction. They include accruals for interest income which accrued according to the matching principle and which are considered to be recoverable.

The write-down on receivables is determined by the Servicer in the application of IFRS9, which requires financial assets that are not measured at fair value through profit or loss, consisting of debt securities and loans, to be subjected to the impairment model based on expected loss (ECL – Expected Credit Losses).

B. Uses of available funds

B. 3 Cash

The credit balances in current accounts held with banks are entered in the Financial Statements at their nominal value, corresponding to their presumed realisable value and include interest accrued as at the reporting date of these Financial Statements.

B.4 Investments and investments treated as cash

This item includes amounts already collected on receivables at the reporting date of the Financial Statements, but not yet credited to the Company's current accounts.

B.5 Accruals and deferrals

They include accrued income and prepaid expenses calculated on an effective accruals basis, by applying the principle of matching costs to revenues per financial year.

These receivables are stated at their presumed realisable value.

B.6 Other Receivables

They include the advance payment made to the "recurring operations" in order to enable them to pay corporate management expenses and withholding taxes applied to interest income accrued on the current accounts held in favour of the segregated assets.

C. Notes issued

The notes issued are entered at their corresponding face values. The notes belong to the category of limited recourse securities and are paid exclusively with the amounts arising from the collection of securitised receivables.

E. Other liabilities

Payables are entered at their nominal value.

Accrued expenses have been calculated according to the matching principle and on an accruals basis, by applying the principle of correlation between costs and revenues per financial year.

Interest, commissions, income and charges

Costs and revenues referable to the securitised assets and to the notes issued, interest, commissions, income and charges arising from the securitisation transaction have been accounted for according to the matching principle.

Derivative contracts

The differential on the Interest Rate Swap agreement, which is entered into in order to hedge the risk attached to interest rate fluctuations, is recognised under income according to the matching principle, applied to the flows exchanged between the SWAP counterparties during the reporting period.

Mechanism of settlement of segregated assets

From the Summary Statement, table F.1, it can be inferred that the financial year closed with a breakeven, through the full assignment of the positive margin accrued during the financial year to the subscriber of the Junior Notes, in the form of additional remuneration.

Therefore, total Assets coincide with total Liabilities of segregated assets.

RECONCILIATION OF STATEMENT F1

TOTAL ASSETS	529,137,199
TOTAL LIABILITIES	529,137,199
FINANCIAL DIFFERENCE	0
RESULTS FROM PREVIOUS YEARS	0
RESULT FROM THE TRANSACTION FOR THE CURRENT FINANCIAL YEAR	0

F.1: SUMMARY STATEMENT OF SECURITISED ASSETS AND NOTES ISSUED

SUMMARY STATEMENT		31/12/2023
A.	Securitised assets	504,121,559
A.1	Receivables	504,121,559
B.	Use of available funds from management of receivables	25,015,640
B.3	Cash	24,300,020
B.4	Investments and investments treated as cash	491,398
B.5	Accrued income and prepaid expenses	167,536
B.6	Other receivables	56,686
C.	Notes issued	526,214,669
C.1	Class A Notes	476,164,669
C.2	Class B Notes	13,800,000
C.3	Class C Notes	13,800,000
C.4	Class D Notes	8,200,000
C.5	Class E Notes	8,200,000
C.8	Class J Notes	6,050,000
D.	Loans received	0
E.	Other liabilities	2,922,531
E.1	Suppliers for services rendered to securitisation	180,851
E.2	Accrued expenses and deferred income	330,662
E.3	Payables to the Originator	2,410,864
E.4	Sundry Payables	154
F.	Interest expense on notes issued	8,826,159
G.	Transaction commissions and fees	637,841
G.1	For Servicing	548,877
G.2	For other services	88,964
H.	Other Charges	2,794,424
H.1	Value adjustments to receivables	2,772,640
H.2	Other charges	21,784
I.	Interest generated from securitised assets	10,274,152
L.	Other revenues	1,984,272
L.1	Interest income	208,096
L.2	Swap differential receivable	1,754,998
L.3	Other revenues	21,178

For the comments on the notes under the statement above, reference is made to the following pages.

BREAKDOWN OF THE MAIN ITEMS IN THE STATEMENT ON THE PREVIOUS PAGE

STATEMENT F.1 – BREAKDOWN OF ITEMS		31/12/2023
A.1	Crediti	504,121,559
a.	Receivables	505,227,914
b.	Amounts falling due – capital quota	53,717
c.	Loan instalments fallen due – interest	179,023
d.	Loan instalments fallen due – capital quota	(2,772,393)
e.	Analytical provision for bad debts	1,286,614
f.	Receivables for accrued expenses	146,683
B.3	Cash	24,300,020
a.	Collection account	18,235,137
b.	Payments account	1,844
c.	Reserve account	6,063,039
B.4	Investments and investments treated as cash	491,398
d.	Transfers in transit	491,398
B.5	Accrued income and prepaid expenses	167,536
a.	Accrued income on swap	167,536
B.6	Other receivables	38,844
a.	Advances of expenses for recurring operations	73
b.	Advances to suppliers	2,508
c.	Withholding tax receivables from the tax office on interest income from current account	54,105
C.1	Class A Notes	476,164,669
a.	Class A1 Notes issued	353,829,873
b.	Class A2 Notes issued	122,334,796
C.2	Class B Notes	13,800,000
a.	Class B Notes issued	13,800,000
C.3	Class C Notes	13,800,000
a.	Class C Notes issued	13,800,000
C.4	Class D Notes	8,200,000
a.	Class D Notes issued	8,200,000
C.5	Class E Notes	8,200,000
a.	Class E Notes issued	8,200,000
C.8	Class J Notes	6,050,000
a.	Class J Notes issued	6,050,000
E.1	Suppliers for services rendered to securitisation	180,851
a.	Suppliers	700
b.	Suppliers on account of invoices to be received	180,151
E.2	Accrued expenses and deferred income	330,662
a.	Accrued interest expense on Class A	143,449
b.	Accrued expenses	8,556
c.	Accrued expenses Class A2 Notes	49,597
d.	Accrued interest expense on Class B	6,515
e.	Accrued interest expense on Class C	7,665
f.	Accrued interest expense on Class D	5,238

	g.	Accrued interest expense on Class J	2,521
	h.	Accrued expenses on swap	99,697
	i.	Accrued interest expense on Class E	7,424
E.3		Payables to the Originator	2,410,864
	a.	Suspense collection account	303,681
	b.	Payables for variable return	2,107,183
E.4		Sundry payables	154
	b.	VAT payables to the Tax Office	154
F.		Interest expense on Notes issued	8,826,159
	a.	Interest expense on Class A1 Notes	3,747,399
	b.	Interest expense on Class A2 Notes	1,295,646
	c.	Interest expense on Class B Notes	162,475
	d.	Interest expense on Class C Notes	191,225
	e.	Interest expense on Class D Notes	130,708
	f.	Interest expense on Class E Notes	185,364
	g.	Interest expense on Class J Notes	63,021
	h.	Interest expense on variable return	3,050,321
G.1		Servicing	548,877
	a.	Servicing	5,688
	b.	Back-up servicer	2,674
	c.	Sub-servicing	540,515
G.2		Commissions for other services	88,964
G.2a		Corporate Expenses	35,899
G.2b		Ongoing Expenses	53,065
H.1		Value adjustments to receivables	2,772,640
	a.	Credit losses	247
	b.	General write-down of receivables	2,772,393
H.4		Other charges	21,784
	b.	Upfront expenses	10,327
	d.	Publication expenses	4,799
	e.	Rating agency fees	6,658
I.		Interest generated from securitised assets	10,274,152
	a.	Interest income on loans	10,274,152
L.1		Interest income	208,096
	a.	Interest income from collection account	160,334
	b.	Interest income from payments account	2,488
	c.	Interest income from reserve account	45,274
L.2		Swap differential receivable	1,754,998
	a.	Charges/income from swap	1,754,998
L.3		Other revenues	21,178
	a.	Rebates and rounding-off receivable	3
	b.	Premium from issue of securities	21,175

QUALITATIVE INFORMATION

F.2 DESCRIPTION AND PERFORMANCE OF THE TRANSACTION

Date of the transaction

The transaction was completed through the execution of the assignment agreement of receivables on 12 October 2023 and the issue of the notes on 17 October 2023.

- Date of the Initial Assignment agreement (legal effect): 12 October 2023
- Effective date of the economic effects of the Initial Assignment: 30 September 2023
- Valuation date: 30 September 2023
- Date of Issue of the Initial Notes: 17 October 2023
- Revolving Transaction: No
- Frequency of Revolving: -
- Expiry date of Revolving: -

Assignor

- Company/Business Name: Fiditalia S.p.A.
- Legal status: Joint-stock Company
(*Società per Azioni*)
- Registered Office: Via Guglielmo Silva no. 34
– 20149 Milan, Italy
- Fiscal code and Milan-Monza Brianza - Lodi Register of Companies: 08437820155
- Register of Financial Intermediaries pursuant to Art. 106 TUB no. 37
("Single Register"):

Assigned receivables

The Assignor has assigned, through an assignment without recourse (*pro soluto*), pursuant to and for the purposes of the combined provisions of Articles 1 and 4 of Law no. 130 of 30 April 1999 and Law no. 52 of 21 February 1991, a portfolio of receivables, which arise from consumer credit contracts and personal loans aimed at the purchase of vehicles, both new and used.

- Face value of receivables at the date of assignment: Euro 549,987,966.36
- Interest accruing at the date of assignment: Euro 0
- Price of assignment (including accruing interest): Euro 549,987,966.36

➤ Nature of purchased receivables:

The features of the purchased receivables were published, in detail, in the Official Gazette (*Gazzetta Ufficiale*) no. 121, part II, of 14 October 2023, in order to also notify the debtors that the assignment had taken place.

➤ Quality of receivables purchased :

At the time of the assignment, receivables were classified as performing loans on the basis of the criteria applied by the Assignor in compliance with the regulations issued by the Bank of Italy.

Performance of the transaction

The transaction had a regular performance and no irregularities were reported with respect to the provisions laid down in the contract documentation. Specifically, it should be noted that the payments attributable to the Notes were made in accordance with the payment priority order prepared by the Calculation Agent. During the Year just ending, the Company proceeded with the regular payment of interest accrued on Classes A1, A2, B, C, D, E and J Notes and with the partial repayment of capital on Class A1 Notes for an amount equal to Euro 22,170,130, and on Class A2 Notes for an amount equal to Euro 7,665,205. Furthermore, the Company paid an amount equal to Euro 943,138 on Class J Notes, on account of additional remuneration.

2) Information relating to the performance of the receivables

The performance of receivables can be assessed by monitoring the following indicators defined in the contract documentation of the securitisation transaction:

1) Cumulative Gross Default Ratio is the ratio of (i) the residual debt on account of capital (past due and unpaid component included) as at the date of transfer to default, concerning all receivables that have become Defaulted Receivables from the Valuation Date to the end of the relevant Collection Period, to (ii) the residual debt of the portfolio as at the Valuation Date.

It should be noted that Defaulted Receivables means those receivables that originate from contracts in relation to which the debtor has failed to pay at least 8 instalments or whose debtor has been declared disqualified from the benefit of the time limit or receivables that have been written off by the Originator.

The fact of exceeding the "threshold" values established as per contract may result in a change in the priority order of payments. More in detail:

- if this index exceeds the threshold of 2.30%, the Sequential Redemption Event occurs (the repayment of capital on a class of securities is subject to full redemption of most senior Class of Notes);
- if the 2.30% threshold is breached, there is a Class E Interest Subordination Event (given that Class E is not the most senior class of outstanding securities): the payment of interest on Class E Notes is subject to the payment of interest and the full repayment of capital on Classes A1, A2, B, C and D Notes;
- if the 2.90% threshold is exceeded, then a Class D Interest Subordination Event occurs (given that Class D is not the most senior class of outstanding securities): the payment of interest on Class D Notes is subject to the payment of interest and the full repayment of capital on Classes A1, A2, B and C notes;
- if the ratio exceeds 4.50%, then a Class C Interest Subordination Event occurs (given that Class C is not the most senior class of outstanding securities): the payment of interest on Class C Notes is subject to the payment of interest and the full repayment of capital on Classes A1, A2 and B Notes;
- if the ratio exceeds 6.35%, then a Class B Interest Subordination Event occurs (given that Class B is not the most senior class of outstanding securities): the payment of interest on Class B Notes is subject to the payment of interest and the full repayment of capital on Classes A1 and A2 Notes.

2) Cumulative Net Default Ratio is given by the ratio of i) the difference of the residual debt on account of capital (past due and unpaid component included) as at the date of transfer to default, concerning all receivables that have become Defaulted Receivables from the Valuation Date to the end of the relevant Collection Period, and recoveries recorded in the same period, to (ii) the residual debt of the portfolio as at the Valuation Date.

Should this ratio be higher than 3.25%, the Cash Trapping Condition would occur, i.e., the cash remaining after processing payments from item (i) to item (xxiv) of the Pre-Acceleration Priority of Payments cannot be distributed but must be set aside in the collection account.

During the year the above two ratios were in line with the parameters set as per contract and no overrun was reported.

3) Other information relating to significant events

There is no other information related to segregated assets to report.

F.3 INDICATION OF THE PARTIES INVOLVED

Issuer	Red & Black Auto Italy S.r.l.
Originator	Fiditalia S.p.A.
Seller	Fiditalia S.p.A.
Servicer	Banca Finanziaria Internazionale S.p.A.
Corporate Servicer	Banca Finanziaria Internazionale S.p.A.
Calculation Agent	Banca Finanziaria Internazionale S.p.A.
Arranger	Société Générale S.A.
Account Bank	The Bank of New York Mellon SA, Milan Branch
Principal Paying Agent	The Bank of New York Mellon SA, Milan Branch
Sub Servicer	Fiditalia S.p.A.
Back-up Sub-Servicer	Quinservizi S.p.A.
Representative of Noteholders	Banca Finanziaria Internazionale S.p.A.
Lead Manager	Société Générale S.A.
Hedging Counterparty	DZ BAK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main

Obligations of the assignors

At the date of assignment, the Company, in its capacity as issuer, and Fiditalia S.p.A., in its capacity as assignor, entered into a guarantee and indemnity agreement pursuant to which Fiditalia S.p.A. made specific representations and warranties in relation to the receivables and agreed to grant certain indemnities and to assume the obligation to repurchase in relation to receivables that did not conform to the representations made by the assignor.

It should also be noted that, as at the date of assignment, the Company concluded with Société Générale S.A. (hereinafter also “SG”) a “Commingling and Set-Off Guarantee” agreement whereby SG undertook to ensure that Fiditalia S.p.A. promptly fulfils its obligation to transfer the receipts to the issuer's collection account (as required in the sub-servicing agreement), and the indemnification obligation assumed by the assignor through the execution of the guarantee and indemnity agreement.

For the illustration of any other possible obligations of the assignors and of any other party involved in the transaction for any reason whatsoever, reference is made to paragraph B.4 Additional financial transactions.

Contractual relationships between the parties involved

The issuer has appointed Banca Finanziaria Internazionale S.p.A. as Master Servicer, i.e. the entity appointed to collect assigned receivables and to perform cash and payment services and with the task of monitoring whether the transaction complies with the law and the prospectus, pursuant to Article 2, paragraphs 3 c), 6 and 6-bis, of the Securitisation Law. While retaining full responsibility, Banca Finanziaria Internazionale S.p.A. has delegated the management of receipts on securitised portfolio to Fidelity S.p.A., in its capacity as Sub-Servicer.

The receipts from receivables are credited to the current accounts registered in the name of Fidelity S.p.A., which then transfers them to the collection account registered in the name of the issuer.

On the basis of the reports provided by the Sub-Servicer in relation to the performance of the transaction and, more specifically, the receipts on receivables and any other items which contribute to setting aside the funds available to the issuer, Banca Finanziaria Internazionale S.p.A., in its capacity as Calculation Agent, distributes these funds at each date of payment by way of fees and expenses to the various persons which have been appointed to carry out specific functions for segregated assets and on account of remuneration and, if possible, of redemption of the notes issued to the related subscribers. Paragraph F4 below considers, more in detail, the funds available to the issuer and the priority order that the issuer is required to comply with in order to make payments to the counterparties.

The management of administrative and accounting services is the responsibility of Banca Finanziaria Internazionale S.p.A., in its capacity as Corporate Servicer.

The role of Representative of the Noteholders is carried out by Banca Finanziaria Internazionale S.p.A..

F.4 CHARACTERISTICS OF THE ISSUES

All the notes issued by the Company are Asset-backed Securities with limited recourse on the receipts from the receivables which make up the securitised portfolio.

The classes of Notes are reported below, together with all their characteristics.

Series and Class	Class A1
IT0005560252	IT0005560252
Currency	Euro
Amount upon issue	376,000,000

Amount at Year-end	353,829,873
Type of rate	Variable
Benchmark	1-M EURIBOR+ 1.000%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS rating upon issue	AAA (sf)
Fitch Ratings Ireland Limited rating upon issue	AA (sf)
Listing	Luxembourg Stock Exchange
Common Code	270029043
Applicable law	Italian Law

Series and Class	Class A2
IT0005560252	IT0005560260
Currency	Euro
Amount upon issue	130,000,000
Amount at Year-end	122,334,796
Type of rate	Variable
Benchmark	1-M EURIBOR+ 1.000%
Coupon	Monthly
Maturity Date	28 December 2034
Rating	None
Listing	Luxembourg Stock Exchange
Common Code	270029078
Applicable law	Italian Law

Series and Class	Class B
ISIN code	IT0005560278
Currency	Euro
Amount upon issue	13,800,000
Amount at Year-end	13,800,000
Type of rate	Variable
Benchmark	1-M EURIBOR+ 1.800%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS rating upon issue	AA (sf)
Fitch Ratings Ireland Limited rating upon issue	A+ (sf)
Listing	Luxembourg Stock Exchange
Common Code	270029108
Applicable law	Italian Law

Series and Class	Class C
ISIN code	IT0005560286
Currency	Euro
Amount upon issue	13,800,000

Amount at Year-end	13,800,000
Type of rate	Variable
Benchmark	1-M EURIBOR+ 2.80%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS rating upon issue	A (sf)
Fitch Ratings Ireland Limited rating upon issue	BBB+ (sf)
Listing	Luxembourg Stock Exchange
Common Code	270029221
Applicable law	Italian Law

Series and Class	Class D
ISIN code	IT0005560294
Currency	Euro
Amount upon issue	8,200,000
Amount at Year-end	8,200,000
Type of rate	Variable
Benchmark	1-M EURIBOR+ 3.80%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS upon issue	BBB (sf)
Fitch Ratings Ireland Limited rating upon issue	BBB- (sf)
Listing	Luxembourg Stock Exchange
Common Code	270029248
Applicable law	Italian Law

Series and Class	Class E
ISIN code	IT0005560302
Currency	Euro
Amount upon issue	8,200,000
Amount at Year-end	8,200,000
Type of rate	Variable
Benchmark	1-M EURIBOR+ 7.00%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS upon issue	BB (sf)
Fitch Ratings Ireland Limited rating upon issue	BB+ (sf)
Listing	Luxembourg Stock Exchange
Common Code	270029264
Applicable law	Italian Law

Series and Class	Class J
ISIN code	IT0005560310

Currency	Euro
Amount upon issue	6,050,000
Amount at Year-end	6,050,000
Type of rate	Fixed
Benchmark	5.00%
Coupon	Monthly
Maturity Date	28 July 2034
DBRS rating	unrated
Fitch Ratings Ireland Limited rating	unrated
Listing	unlisted
Common Code	-
Applicable law	Italian Law

Allocation of cash flows arising from the portfolio of receivables

The allocation of the cash flows arising from the portfolio of purchased receivables follows the order provided for in the Intercreditor Agreement or Agreement between the issuer's creditors.

The funds available to the issuer are allocated according to the following priority order:

- payment of corporate expenses and reinstatement of the Retention Amount;
- fees, costs and expenses due to the Representative of the Noteholders;
- payment of expenses and fees due to the Company's Agents;
- payment of amounts due to the Swap Counterparty;
- payment of interest on Classes A1 and A2 Notes;
- payment of interest on Class B Notes;
- payment of interest on Class C Notes;
- payment of interest on Class D Notes;
- payment of interest on Class E Notes;
- Cash Reserve Required Amount;
- repayment of capital on Classes A1 and A2 Notes during the Sequential Redemption Period or repayment of capital on Classes A1, A2, B, C, D and E Notes during the Pro-Rata Redemption Period;
- payment of interest on Class B Notes upon occurrence of a Class B Interest Subordination Event;
- repayment of capital on Class B Notes during the Sequential Redemption Period;
- payment of interest on Class C Notes upon occurrence of a Class C Interest Subordination Event;

- repayment of capital on Class C Notes during the Sequential Redemption Period;
- payment of interest on Class D Notes upon occurrence of a Class D Interest Subordination Event;
- repayment of capital on Class D Notes during the Sequential Redemption Period;
- payment of interest on Class E Notes upon occurrence of a Class E Interest Subordination Event;
- repayment of capital on Class E Notes during the Sequential Redemption Period;
- as at the Regulatory Call Early Redemption Date (which may occur if a legislative/regulatory change has a negative impact on securitisation, reducing its benefits/increasing its costs), in accordance with the Regulatory Call Priority of Payments, full repayment of capital on “Mezzanine” Notes (Classes B, C, D and E) and payment of interest and repayment of loan received from the Originator, which is necessary to proceed with the repayment of Mezzanine Notes;
- any other amount due to the Swap counterparty other than that mentioned above;
- if a Cash Trapping condition is fulfilled in relation to a given Payment Date, transfer of the remaining available funds to the collection account;
- indemnities due and payable to the Arranger and Lead Manager under the Listed Securities Subscription Agreement;
- any other amount due and payable by the Issuer under the Transaction Documents;
- payment of Interest of Class J Notes;
- following the full repayment of Class A1 Notes, Class A2 Notes, Class B Notes, Class C Notes, Class D Notes and Class E Notes, repayment of capital on Class J Notes;
- payment of Class J Variable Return.

F.5 ADDITIONAL FINANCIAL TRANSACTIONS

As at the same time as the issue of securities, the Company entered into an Interest Rate Swap agreement with DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt Am Main (hereinafter “DZ Bank”) in order to hedge the interest rate risk arising from the transaction’s structure.

Under the swap agreement, DZ Bank undertakes to pay Red & Black Auto Italy S.r.l., as at the monthly payment dates, an amount (Floating Amount) equal to the product of:

- g. the notional amount (residual debt of rated securities);
- h. the spread at which interest is calculated on the securities (Floating Rate);
- i. the number of days in the interest period divided by 360.

On the other hand, the amount owed by Red & Black Auto Italy S.r.l. to the swap counterparty (Fixed

Amount) is calculated as the product of:

- j. the notional amount, as defined above;
- k. the Fixed Rate established as per contract;
- l. the number of days in the interest period/360.

During 2023 the Company received funds from the Swap Counterparty for a total amount of Euro 4,189,056.

F.6 OPERATIONAL POWERS OF THE ASSIGNEE COMPANY

Red & Black Auto Italy S.r.l. as assignee and issuer has operational powers limited by its articles of association. Specifically, section 3 provides that:

“The sole purpose of the Company is to implement one or more receivables securitisation transactions through the performance, on the part of the Company or by any other company established pursuant to Law no. 130/1999, of the activities described in Articles 1 (one), 7 (seven) and 7.1 (seven point one), paragraphs 1, 2 and 3, of Law no. 130 of 30 April 1999, to be financed through recourse to the issue (on the part of the Company or by any other company established pursuant to Law no. 130/1999) of securities referred to in Article 1, paragraph 1, letter b), of Law no. 130/1999, or even through borrowing from parties authorized to do so. The receivables relating to each securitisation transaction, the related receipts or sums however received in satisfaction of the assigned receivables, the financial assets purchased or subscribed with them, as well as all any other provision of the aforementioned law, will constitute assets which are separate for all purposes both from the Company’s assets and from those relating to any other transaction, in relation to which no actions may be taken by any creditors other than the holders of the securities issued to finance the purchase of the abovementioned receivables, or, in the case of borrowing, by the creditors of the payments due by the company under such borrowings as part of the related securitisation transaction.

Within the limits permitted by Law no. 130/1999, the Company may carry out any additional transactions to be entered into in order to ensure the successful completion of the securitisation transactions effected by it or which are in any case instrumental to the achievement of its corporate purpose, as well as transactions of re-investment in other financial assets of funds provided for in the aforementioned law, which are not immediately used to satisfy the rights arising from the abovementioned securities.”

QUANTITATIVE INFORMATION

F.7) FLOW DATA RELATING TO THE RECEIVABLES

Description	From 12/10/2023 to 31/12/2023
Balance of receivables at the beginning of the Year	0
Increases:	
Initial assignment at 12/10/2023	549,987,966
Other Increases, of which:	
Interest income	10,274,152
Total increases	560,262,118
Decreases:	
Receipts on reconciled net receivables	(53,367,919)
Credit losses	(247)
Write-down of Receivables	(2,772,393)
Total decreases	(56,140,559)
Balance of receivables at the end of the Year	504,121,559

F.8) TREND IN OVERDUE RECEIVABLES

Description	2023
Balance of overdue receivables at the beginning of the period	0
Increases:	
Purchase of overdue amounts on account of principal and interest	0
Instalments accrued on account of principal and interest	52,970,448
Decreases:	
Instalments collected on account of principal and interest	(52,737,708)
Balance of receivables at the end of the Year	232,740

The final overdue amount is broken down as follows:

- Principal: Euro 179,023;
- Interest: Euro 53,717.

The collection and recovery of overdue receivables are the responsibility of Fiditalia S.p.A. in its capacity as Sub-Servicer according to the Sub-Servicing Agreement signed on 12 October 2023.

The receivables in the portfolio were adjusted, as instructed by the Servicer, in order to adjust the book value of the securitised portfolio at its presumed realisable value, which reflects the actual prospects of recovery of the receivables.

As at 31 December 2023, write-downs were made in the financial statements for an amount equal to Euro 2,772,393.

The provision for bad debts was therefore equal to Euro 2,772,393 since this was the first financial year.

During the course of the transaction, the Servicer continues to monitor the loans and takes recovery actions in accordance with the terms of the Servicing Agreement.

F.9) CASH FLOWS

Inflows	From 01/10/2023 to 31/12/2023
1. Balance of current accounts at the beginning of the Year	0
2. Receipts from securitised receivables	53,180,203
3. Subscription of Classes A1, A2, B, C, D, and E Notes	550,000,000
4. Cash reserve	6,071,175
5. Interest income from current accounts, net of withholding tax	153,991
6. Collection of swap proceeds	4,189,056
Total Inflows during the Year	613,594,425

Outflows	From 01/10/2023 to 31/12/2023
1. Repayment of capital on Classes A1 and A2 Notes	29,835,335
2. Payment of interest on Classes A1 and A2 Notes	4,850,000
3. Payment of interest on Class B Notes	155,960
4. Payment of interest on Class C Notes	183,560
5. Payment of interest on Class D Notes	125,470
6. Payment of interest on Class E Notes	177,940
7. Payment of interest on Class J Notes and Variable Return	1,003,638
8. Payment of the price of the acquired portfolio	549,987,966
9. Provision and reinstatement of Retention Amount	40,436
10. Payment of expenses to various counterparties	432,204
11. Payment of swap charges	2,501,896
Total Outflows during the Year	589,294,405

Balance of current accounts (item B.3 of statement F.1)	24,300,020
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The imbalance between inflows and outflows represents the balance of current accounts at 31 December 2023 (item B.3 of the summary statement of securitised assets and notes issued).

On the basis of the financial plans provided by the Servicer Fiditalia S.p.A., it is expected that the receipts arising from receivables will come to about Euro 158 million during 2024.

F.10) SITUATION OF GUARANTEES AND LIQUIDITY FACILITIES

As at the reporting date of the Financial Statements, there had been no use of the outstanding guarantees and liquidity facilities, which are detailed in paragraph F.5.

F.11) BREAKDOWN BY RESIDUAL MATURITY

Assets

▪ Securitised assets

Residual Maturity of Securitised Loans	At the end of the FY 2023
Until 3 months	0
From 3 months to 1 year	0
From 1 year to 5 years	506,661,212
Beyond 5 years	0
Indefinite maturity	232,740
Total receivables at the end of the Year	506,893,952
Provision for bad debts	(2,772,393)
Total Receivables reconciled with table A1	504,121,559

▪ Other Assets

Other Assets have the following maturity :

- “Cash” (item B.3 of statement F.1): within three months;
- “Investments and investments treated as cash” (item B.4 of statement F.1): within three months;
- “Accrued income and prepaid expenses” (item B.5 of statement F.1): within three months.

Liabilities

▪ Notes

The Company issued seven classes of Notes with an initial total nominal value of Euro 556,050,000.

Classes A1 and A2 Notes were partially repaid for Euro 29,835,331 during 2023.

The final residual total nominal value amounted to Euro 526,214,669 at 31 December 2023.

The amount that will be allocated for the repayment of capital on the outstanding securities, according to the relevant priority order, will depend on the amount of available funds. In any case, the Notes will be considered to have been fully repaid on the Payment Date falling in July 2034, after which any amount due and not yet paid in relation to the Notes will be cancelled definitively.

▪ Other Liabilities

Other Liabilities have the following maturity :

- “Suppliers for services rendered to securitisation” (item E.1 of statement F.1): within three months;
- “Accrued expenses and deferred income” (item E.2 of statement F.1): within three months;
- Payables to the Originator” (item E.3 of statement F.1): item a “suspense collection account”: within three months; item b “payables for variable return”: indefinite maturity;
- “Sundry payables” (item E.4 of statement F.1): within three months.

F.12) BREAKDOWN BY GEOGRAPHICAL AREA

Countries	Amount in Euros of the Portfolio of Loans at 31/12/2023
Italy	506,893,952
EMU countries	0
Overall Total	506,893,952
Provision for bad debts	(2,772,393)
Total Receivables reconciled to Table A1	504,121,559

F.13) RISK CONCENTRATION

Classes of amount (Euro)	Number of Contracts	Amount in Euro Units
0 – 25,000	43,926	442,235,995
25,000 – 75,000	2,024	63,758,563
75,000– 250,000	10	899,394
Beyond 250,000	-	0
Overall total of Receivables at the end of the Year	45,960	506,893,952
Provision for bad debts		(2,772,393)
Total of Receivables reconciled to Table A1		504,121,559

At 31 December 2023 there were no receivables whose capital due was more than 2% of the total loans in portfolio.

Section 2 – SECURITISATION TRANSACTIONS AND TRANSFERS OF ASSETS

This Section is not applicable since the Company is not an originator intermediary in securitisation transactions .

Section 3 - INFORMATION ON RISKS AND THE RELATED HEDGING POLICIES

3.1 Credit risk

QUALITATIVE INFORMATION

With reference to the corporate assets, the Company mainly reports receivables from segregated assets as a result of the charge-back of operating costs.

Given the collection forecasts on receivables from segregated assets and the priority in which these receipts will be applied to the payment of the abovementioned receivables, it is believed that no risks exist in relation to the possibility of them being recovered.

QUANTITATIVE INFORMATION

The quantitative information can be exhaustively inferred from what is reported in part B of the Notes to the Financial Statements.

3.2 Market risk

QUALITATIVE INFORMATION

The Company has no financial assets and liabilities which expose it to significant interest rate and price risks. Furthermore, the Company is active at a domestic level only and, accordingly, it is not exposed to exchange risks.

QUANTITATIVE INFORMATION

The quantitative information can be exhaustively inferred from what is reported in part B of the Notes to the Financial Statements.

As a result of the principle of segregation of securitised assets as required by Law no. 130/1999, the Company does not assume credit or market risks (if any) on the securities regarding the implementation of the securitisation transaction that are instead transferred to the noteholders.

3.3 Operational risks

QUALITATIVE INFORMATION

As regards operational risks, it is recalled that the Company has no employees and the performance of its functions, together with the connected operational risk, was delegated to entities contractually appointed for the purpose.

QUANTITATIVE INFORMATION

Given the Company's scope of operations, this request for information is not considered to be applicable.

3.4 Liquidity risk

QUALITATIVE INFORMATION

With reference to the corporate management, the Company believes that it has sufficient cash and cash equivalents to meet its financial commitments.

QUANTITATIVE INFORMATION

As regards the liquidity risk, it should be pointed out that the transaction's structure, as regulated by the related contracts, provides for the Company to use, on an exclusive basis as at each date of payment of interest, any receipts from securitised assets, in accordance with article 1, paragraph 2, of Law no. 130 for the "*fulfilment of any rights attached to the securities issued, by the same or by any other company, to finance the purchase of such receivables, as well as for the payment of the transaction costs*".

In any case, the transaction's structure provides for the Company to make recourse to the instruments specified under paragraph F.5 of the Notes to the Financial Statements in the event that any receipts from securitised assets are not temporarily sufficient to meet the obligations undertaken by the Company.

Section 4 – INFORMATION ON EQUITY

4.1 The Company's equity

4.1.1 Qualitative information

In accordance with the provisions under Article 3 of Law no. 130/1999, the Company has been established as a limited liability company and has a quota capital equal to Euro 10,000.00, fully paid-up.

Considering the limited and exclusive object of the Company and the fact that it is registered on the "List of vehicle companies", the Company is not subject to the prudential supervision rules.

4.1.2 Quantitative information

4.1.2.1 The Company's equity: breakdown

Items/Values	Amount at 31/12/2023	Amount at 31/12/2022
1. Quota capital	10,000	10,000
2. Issue premiums		
3. Reserves		
- retained earnings		
a) legal reserve		
b) reserve required by the articles of association		
c) own quotas		
d) others		
- others		
4. (Own quotas)		
5. Valuation reserves		
- Financial assets available for sale		
- Property, plant and equipment		
- Intangible assets		
- Hedging of foreign investments		
- Cash flow hedge		
- Foreign exchange differences		
- Non-current assets held for sale and disposal groups of assets		
- Special revaluation laws		
- Actuarial gains/losses relating to defined-benefit plans		
- Portion of revaluation reserves relating to equity-accounted investments		
6. Equity instruments		
7. Profit (loss) for the year	0	0
Total	10,000	10,000

4.2 The regulatory capital and ratios

Given the scope of the Company's operations and the provisions reported in Section 4.1, this Section is deemed not applicable.

Section 5 – ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

According to what is reported in the Statement of Comprehensive Income, the Company's Profit/Loss coincides with its comprehensive income.

Section 6 – TRANSACTIONS WITH RELATED PARTIES

6.1 Information on the fees due to executives with strategic responsibilities

The Company has no employees.

Director

Following the start of operations of the second segment, it should be noted that, by resolution of the Quotaholders' Meeting of 13 November 2023, fees were approved in favour of the Sole Director for the period from 12 October 2023 to 31 December 2023, and fees were paid for Euro 284, including reimbursement of expenses, and VAT.

With regard to the first segment, fees of Euro 4,154 were paid for the 2023 financial year, including reimbursements of expenses, ISTAT (Italian Statistics Institute) adjustment, and VAT.

Total fees of Euro 4,438 were therefore paid in favour of the Sole Director for the 2023 financial year.

Sole Statutory Auditor

With regard to the Sole Statutory Auditor, fees of Euro 3,000 accrued for the 2023 financial year, to which must be added the national welfare and social security fund, VAT and out-of-pocket expenses he has incurred in the performance of his duties.

6.2 Loans and guarantees issued to the benefit of directors and statutory auditors

Neither loans have been granted, nor have guarantees been issued, to the benefit of the Sole Director and of the Sole Statutory Auditor.

6.3 Information on transactions with related parties

With reference to the corporate assets, no transactions were effected with related parties.

With reference to the securitisation transaction, reference is made to paragraph F.3 of the Notes to the Financial Statements reporting the complete list of entities involved.

Section 7 – OTHER INFORMATION DETAILS

The Company has no employees, relying on external service providers for its operations.

Statement of fees accrued in the financial year against the Services provided by the Independent Auditors EY S.p.A.

The fees, which accrued in the 2023 financial year, are those agreed on as per contract and including ISTAT (Italian Statistics Institute) adjustments (net of VAT and reimbursements of expenses, and CONSOB contributions) and are reported in the table below:

Description of the service	Fees, net of VAT and expenses
Audit services	
Statutory audit of financial statements	26,280
Audit of bookkeeping and of the correct reporting of operations in accounting records and signature of tax certifications	3,430
Grand Total	29,710

Conegliano, 28 March 2024

Red & Black Auto Italy S.r.l.
Sole-Quotaholder Company
The Sole Director
Blade Management S.r.l.
(Designated Natural Person)
Pierluigi Basso