

Red & Black Auto Lease Germany S.A.

Société anonyme

Audited annual accounts for the year ended 31 December 2022

Address of the registered office :

6, rue Eugène Ruppert

L-2453 Luxembourg

R.C.S. Luxembourg : B 245709

# Table of contents

	Pages
Management report	2 - 4
Report of “Réviseur d'Entreprises Agréé”	5 - 9
Balance sheet as at 31 December 2022	10 - 14
Profit and loss account for the year ended 31 December 2022	15 - 16
Notes to the annual accounts for the year ended 31 December 2022	17 - 30

# Red & Black Auto Lease Germany S.A.

## MANAGEMENT REPORT

The Board of Directors of Red & Black Auto Lease Germany S.A. (the "Company") herewith submits its report for the year ended 31 December 2022.

### General

The Company is a securitisation company within the meaning of the law of 22 March 2004 on securitisation and has as its corporate purpose the securitisation of lease receivables.

### Summary of activities

#### Portfolio of Permitted Assets

In 2020, the Company purchased from ALD Autoleasing D GmbH a portfolio of Permitted Assets representing autolease receivables.

The Permitted Assets serve as collateral for the Class A Notes, the Class B Notes, the Class C Notes (collectively the "Notes") and the Subordinated Loan.

#### Notes

The purchase of the Receivables has been financed by the issue of EUR 350,000,000 Class A Floating Rate Asset Backed Notes due 2031 (the "Class A Notes"), EUR 41,200,000 Class B Fixed Rate Asset Backed Notes due 2031 (the "Class B Notes"), EUR 20,600,000 Class C Fixed Rate Asset Backed Notes due 2031 (the "Class C Notes") and a Subordinated Loan of EUR 2,059,000. The Class A Notes and Class B Notes are listed on the Luxembourg Stock Exchange.

As from November 2021, the Company began to redeem the Class A Notes. As of 31 December 2022, the outstanding balance of the Class A Notes amounts to EUR 108,145,108.32. There has been no redemption in Class B and Class C notes for the year ended 31 December 2022.

The Subordinated Loan has been granted to the Company by the Originator for the purpose of credit enhancement and it ranks junior to the Notes. For the year ended 31 December 2022, the Company has not made any redemption payments on the Subordinated Loan principal. Interest expense on the Subordinated Loan amounted to EUR 41,866.34 for the year ended 31 December 2022.

Both the Notes and the Subordinated Loan are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Receivables.

#### Profit and loss

The Company revenue is generated from interest income received on the portfolio of Permitted Assets. On the other hand, the Notes bear both fixed and floating interest expense rates while Subordinated Loan bears fixed interest expense rate.

As a result of limited recourse nature of the Notes and Subordinated loan, losses during the year will first be borne by the Subordinated Loan Lender and then the Noteholders in inverse order of the priority of payments. Similarly, in case of profit made during the year, this would result into an additional liability towards the Noteholders. As a result of this provision, the profit or loss is nil at end of the year.

### Voting rights

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

### Acquisition of own shares

The Company may, to the extent and under the terms permitted by law, purchase its own shares. For the year ended 31 December 2022, the Company has not purchased any of its own shares.

### Research and development activities

The Company was neither involved nor participated in any kind of research or development activities for the year ended 31 December 2022.

### Branches and participations of the Company

The Company does not have any branches or participations.

### Board of Directors

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

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

On 12 August 2022, Mrs Jurate Misonyte was replaced by Mr Michele Barbieri as one of the Directors. The Board of Directors is composed of Mr Claudio Chirco, Mr Andrea Bartelloni and Mr Michele Barbieri.

# Red & Black Auto Lease Germany S.A.

## MANAGEMENT REPORT (CONTINUED)

### Corporate governance statement

The Company is subject to and complies with the Commercial Law and the Listing Rules of the Luxembourg stock exchange. The Company does not apply any requirements in addition to those required by the above. Each of the service providers engaged by the Company is subject to their own corporate governance requirements.

#### Financial reporting process

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

The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises. From time to time the Board of Directors also examines and evaluates the external auditor's performance, qualifications and independence.

#### Monitoring

The Board of Directors have an annual process to ensure that the appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

#### Internal control and risk management procedures

The Management Board is responsible for managing the Company and carefully managing potential risks to the Company. Its members are jointly accountable for the management of the Company and ensure that the statutory and legal requirements and obligations of the Company are met and complied with.

The Board has the overall responsibility for the Company's system of internal control and for achieving its effectiveness. This system of internal control is designed to manage, rather than eliminate, risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Company operates a management structure with clear delegated authority levels and clear functional reporting lines and accountability. All relevant decisions are subject to appropriate authorization procedures. The Board monitors financial and operational performance and compliance controls on a continuing basis and identifies and responds to business risks as they arise.

### Related business risks

#### Credit risk

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Company by failing to discharge an obligation. The Company is exposed to the risk of credit-related losses that can occur as a result of a counterparty being unable or unwilling to honor its contractual obligations.

#### Counterparty risk

Counterparty risk is the risk associated with the other party to a financial contract not meeting its obligations. Some of the assets and derivatives will expose the Company to the risk of Counterparty default. This risk is ultimately borne by the Noteholders.

#### Interest rate risk

Interest rate risk is the risk that the Company does not receive adequate interests on its financial assets to secure interest payments on Debt Instruments.

The Receivables, the Class B Notes, the Class C Notes and the Subordinated Loan bear interest at fixed rates while the Class A Notes bear interest at floating rates based on 1-month EURIBOR. The Company hedges afore-described interest rate risk related to the Class A Notes and will use payments made by the swap counterparties to make payments on the Notes on each Payment date.

#### Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with the settlement of its financial liabilities. Due to the limited recourse clauses in the transaction documents, the Directors of the Company believe that this risk is not applicable to the Company.

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

### Audit Committee

Based on Article 1 (20) of the Law of 23 July 2016, the Company is classified as public-interest entity and required to establish an audit committee. However, the Company's sole business is to act as issuer of asset-backed securities as defined in Article 52 5(c). Therefore, it is exempted from the audit committee obligation. The Company has concluded that the establishment of a dedicated audit committee is neither necessary nor appropriate for the nature and extend of the Company's business. The Board as a whole assumes these functions in order to ensure a proper governance financial reporting, internal control and audit process.

# Red & Black Auto Lease Germany S.A.

## MANAGEMENT REPORT (CONTINUED)

### Responsibility statement

The Board confirms that to the best of their knowledge and belief:

- a) The annual accounts for the year ended 31 December 2022 which have been prepared in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company ; and
- b) The management report gives a fair view of the development and performance of the business and the Company's position during the year ended 31 December 2022, together with a description of the principal risks and uncertainties that it faces.

### Subsequent events and future outlook

No events have occurred subsequent to the year end which would a material impact on the annual accounts as at 31 December 2022.

The Company is in its full capacity to continue its usual operations.

On 1 March 2023, Mrs Sylvia Vanholst was replaced by Mr Andrea Bartelloni as one of the Directors.

Luxembourg, 19 July 2023



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Mr Claudio Chirco  
Director



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Mr Andrea Bartelloni  
Director

## Independent auditor's report

To the Shareholders of  
Red & Black Auto Lease Germany S.A.  
6, rue Eugène Ruppert  
L-2453 Luxembourg

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Red & Black Auto Lease Germany S.A. (the "Company"), which comprise the balance sheet as at 31 December 2022, and the profit and loss account for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2022, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### Basis for Opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Valuation of lease receivables

#### Description

The purpose of the Company is to purchase auto lease receivables (the “Lease Receivables”) from the originator at a discounted acquisition value. As at 31 December 2022, the Lease Receivables presented in the balance sheet caption “Investments held as fixed assets” amount to EUR 154 million representing more than 90% of the total balance sheet. These Lease Receivables are carried at amortized cost less value adjustment in case of durable depreciation in value (refer to accounting policies disclosed in Note 2.2.2 of the financial statements). To derive at the amortized cost at the balance sheet date, the initial discount is amortized over the life time of the individual lease receivable using the effective interest rate method. The amortized cost is calculated by a service organization. We considered the valuation of the Lease Receivables to be a key audit matter due to the materiality of the amount involved and because the effective interest rate amortization is considered complex.

#### Auditor’s response

We assessed the objectivity and experience of the service organization and evaluated its control environment in the collection and reporting process. In this context, we inquired management of the service organization to understand the control environment, re-performed selected data collection procedures and tested the control regarding the appropriate and accurate preparation of the investor reports. On a sample basis we compared valuation-relevant data fields in the accounting and reporting system to underlying leasing contracts and recalculated the effective interest rate amortization of the initial discount on a sample basis. Further, we reconciled the aggregate amortized discounted principal balance as at 31 December 2022 in the accounting and reporting system to the monthly investor report of January 2023.

## Other information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

### **Responsibilities of the Board of Directors for the financial statements**

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

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

### **Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements**

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

### **Report on other legal and regulatory requirements**

We have been appointed as "réviseur d'entreprises agréé" by the Meeting of the Board of Directors on 28 July 2022 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is two years.

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

The corporate governance statement, included in the management report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.



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

Ernst & Young  
Société anonyme  
Cabinet de révision agréé

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A handwritten signature in black ink, appearing to read 'O. Cloess', written in a cursive style.

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Oliver Cloess

Luxembourg, 20 July 2023

**Annual Accounts Helpdesk :**

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RCSL Nr. : **B245709**Matricule : **2020,2203,583****BALANCE SHEET**

**Financial year from** 01 01/01/2022 **to** 02 31/12/2022 (in 03 EUR )

**Red & Black Auto Lease Germany S.A.**

**6 rue Eugène Ruppert**

**L-2453 Luxembourg**

**ASSETS**

	Reference(s)	Current year	Previous year
<b>A. Subscribed capital unpaid</b>	1101	<b>0.00</b>	<b>0.00</b>
I. Subscribed capital not called	1103	<b>0.00</b>	<b>0.00</b>
II. Subscribed capital called but unpaid	1105	<b>0.00</b>	<b>0.00</b>
<b>B. Formation expenses</b>	1107	<b>0.00</b>	<b>0.00</b>
<b>C. Fixed assets</b>	1109	<b>154,319,587.02</b>	<b>341,785,686.94</b>
I. Intangible assets	1111	<b>0.00</b>	<b>0.00</b>
1. Costs of development	1113	<b>0.00</b>	<b>0.00</b>
2. Concessions, patents, licences, trade marks and similar rights and assets, if they were	1115	<b>0.00</b>	<b>0.00</b>
a) acquired for valuable consideration and need not be shown under C.I.3	1117	<b>0.00</b>	<b>0.00</b>
b) created by the undertaking itself	1119	<b>0.00</b>	<b>0.00</b>
3. Goodwill, to the extent that it was acquired for valuable consideration	1121	<b>0.00</b>	<b>0.00</b>
4. Payments on account and intangible assets under development	1123	<b>0.00</b>	<b>0.00</b>
II. Tangible assets	1125	<b>0.00</b>	<b>0.00</b>
1. Land and buildings	1127	<b>0.00</b>	<b>0.00</b>
2. Plant and machinery	1129	<b>0.00</b>	<b>0.00</b>

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

	Reference(s)	Current year	Previous year
3. Other fixtures and fittings, tools and equipment	1131	0.00	0.00
4. Payments on account and tangible assets in the course of construction	1133	0.00	0.00
<b>III. Financial assets</b>	<b>1135 2.2.2, 3</b>	<b>154,319,587.02</b>	<b>341,785,686.94</b>
1. Shares in affiliated undertakings	1137	0.00	0.00
2. Loans to affiliated undertakings	1139	0.00	0.00
3. Participating interests	1141	0.00	0.00
4. Loans to undertakings with which the undertaking is linked by virtue of participating interests	1143	0.00	0.00
5. Investments held as fixed assets	1145	154,319,587.02	341,785,686.94
6. Other loans	1147	0.00	0.00
<b>D. Current assets</b>	<b>1151</b>	<b>16,476,003.61</b>	<b>25,384,568.76</b>
<b>I. Stocks</b>	<b>1153</b>	<b>0.00</b>	<b>0.00</b>
1. Raw materials and consumables	1155	0.00	0.00
2. Work in progress	1157	0.00	0.00
3. Finished goods and goods for resale	1159	0.00	0.00
4. Payments on account	1161	0.00	0.00
<b>II. Debtors</b>	<b>1163 2.2.3</b>	<b>14,393,986.51</b>	<b>23,299,068.76</b>
1. Trade debtors	1165	0.00	0.00
a) becoming due and payable within one year	1167	0.00	0.00
b) becoming due and payable after more than one year	1169	0.00	0.00
2. Amounts owed by affiliated undertakings	1171	0.00	0.00
a) becoming due and payable within one year	1173	0.00	0.00
b) becoming due and payable after more than one year	1175	0.00	0.00
3. Amounts owed by undertakings with which the undertaking is linked by virtue of participating interests	1177	0.00	0.00
a) becoming due and payable within one year	1179	0.00	0.00
b) becoming due and payable after more than one year	1181	0.00	0.00
4. Other debtors	1183 <b>4</b>	<b>14,393,986.51</b>	<b>23,299,068.76</b>
a) becoming due and payable within one year	1185	<b>14,151,431.92</b>	<b>21,993,593.46</b>
b) becoming due and payable after more than one year	1187	<b>242,554.59</b>	<b>1,305,475.30</b>

RCSL Nr. : <b>B245709</b>	Matricule : <b>2020,2203,583</b>
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	Reference(s)	Current year	Previous year
III. Investments	1189 _____	189 <u>0.00</u>	190 <u>0.00</u>
1. Shares in affiliated undertakings	1191 _____	191 <u>0.00</u>	192 <u>0.00</u>
2. Own shares	1209 _____	209 <u>0.00</u>	210 <u>0.00</u>
3. Other investments	1195 _____	195 <u>0.00</u>	196 <u>0.00</u>
IV. Cash at bank and in hand	1197 <u>2.2.4, 5</u>	197 <u>2,082,017.10</u>	198 <u>2,085,500.00</u>
<b>E. Prepayments</b>	1199 <u>2.2.7</u>	199 <u>11,624.94</u>	200 <u>11,624.99</u>
<b>TOTAL (ASSETS)</b>		201 <u>170,807,215.57</u>	202 <u>367,181,880.69</u>

## CAPITAL, RESERVES AND LIABILITIES

	Reference(s)	Current year	Previous year
<b>A. Capital and reserves</b>		<b>30,000.00</b>	<b>30,000.00</b>
I. Subscribed capital	1301 <b>6</b>	301 <b>30,000.00</b>	302 <b>30,000.00</b>
II. Share premium account	1303	303 <b>30,000.00</b>	304 <b>30,000.00</b>
III. Revaluation reserve	1305	305 <b>0.00</b>	306 <b>0.00</b>
IV. Reserves	1307	307 <b>0.00</b>	308 <b>0.00</b>
1. Legal reserve	1309 <b>7</b>	309 <b>0.00</b>	310 <b>0.00</b>
2. Reserve for own shares	1311	311 <b>0.00</b>	312 <b>0.00</b>
3. Reserves provided for by the articles of association	1313	313 <b>0.00</b>	314 <b>0.00</b>
4. Other reserves, including the fair value reserve	1315	315 <b>0.00</b>	316 <b>0.00</b>
a) other available reserves	1429	429 <b>0.00</b>	430 <b>0.00</b>
b) other non available reserves	1431	431 <b>0.00</b>	432 <b>0.00</b>
V. Profit or loss brought forward	1433	433 <b>0.00</b>	434 <b>0.00</b>
VI. Profit or loss for the financial year	1319	319 <b>0.00</b>	320 <b>0.00</b>
VII. Interim dividends	1321	321 <b>0.00</b>	322 <b>0.00</b>
VIII. Capital investment subsidies	1323	323 <b>0.00</b>	324 <b>0.00</b>
	1325	325 <b>0.00</b>	326 <b>0.00</b>
<b>B. Provisions</b>		<b>0.00</b>	<b>0.00</b>
1. Provisions for pensions and similar obligations	1331	331 <b>0.00</b>	332 <b>0.00</b>
2. Provisions for taxation	1333	333 <b>0.00</b>	334 <b>0.00</b>
3. Other provisions	1335	335 <b>0.00</b>	336 <b>0.00</b>
	1337	337 <b>0.00</b>	338 <b>0.00</b>
<b>C. Creditors</b>		<b>170,777,215.57</b>	<b>367,151,880.69</b>
1. Debenture loans	1435 <b>2.2.9</b>	435 <b>170,777,215.57</b>	436 <b>367,151,880.69</b>
a) Convertible loans	1437	437 <b>168,911,356.91</b>	438 <b>364,089,874.85</b>
i) becoming due and payable within one year	1439	439 <b>0.00</b>	440 <b>0.00</b>
ii) becoming due and payable after more than one year	1441	441 <b>0.00</b>	442 <b>0.00</b>
b) Non convertible loans	1443	443 <b>0.00</b>	444 <b>0.00</b>
i) becoming due and payable within one year	1445 <b>8</b>	445 <b>168,911,356.91</b>	446 <b>364,089,874.85</b>
ii) becoming due and payable after more than one year	1447	447 <b>140,312.14</b>	448 <b>37,715.46</b>
2. Amounts owed to credit institutions	1449	449 <b>168,771,044.77</b>	450 <b>364,052,159.39</b>
a) becoming due and payable within one year	1355	355 <b>0.00</b>	356 <b>0.00</b>
b) becoming due and payable after more than one year	1357	357 <b>0.00</b>	358 <b>0.00</b>
	1359	359 <b>0.00</b>	360 <b>0.00</b>

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

RCSL Nr. : B245709

Matricule : 2020,2203,583

	Reference(s)	Current year	Previous year
3. Payments received on account of orders in so far as they are not shown separately as deductions from stocks	1361	361	362
		<b>0.00</b>	<b>0.00</b>
a) becoming due and payable within one year	1363	363	364
		<b>0.00</b>	<b>0.00</b>
b) becoming due and payable after more than one year	1365	365	366
		<b>0.00</b>	<b>0.00</b>
4. Trade creditors	1367	367	368
	<b>9</b>	<b>35,165.01</b>	<b>32,843.70</b>
a) becoming due and payable within one year	1369	369	370
		<b>35,165.01</b>	<b>32,843.70</b>
b) becoming due and payable after more than one year	1371	371	372
		<b>0.00</b>	<b>0.00</b>
5. Bills of exchange payable	1373	373	374
		<b>0.00</b>	<b>0.00</b>
a) becoming due and payable within one year	1375	375	376
		<b>0.00</b>	<b>0.00</b>
b) becoming due and payable after more than one year	1377	377	378
		<b>0.00</b>	<b>0.00</b>
6. Amounts owed to affiliated undertakings	1379	379	380
	<b>10</b>	<b>1,830.22</b>	<b>1,715.83</b>
a) becoming due and payable within one year	1381	381	382
		<b>1,830.22</b>	<b>1,715.83</b>
b) becoming due and payable after more than one year	1383	383	384
		<b>0.00</b>	<b>0.00</b>
7. Amounts owed to undertakings with which the undertaking is linked by virtue of participating interests	1385	385	386
		<b>0.00</b>	<b>0.00</b>
a) becoming due and payable within one year	1387	387	388
		<b>0.00</b>	<b>0.00</b>
b) becoming due and payable after more than one year	1389	389	390
		<b>0.00</b>	<b>0.00</b>
8. Other creditors	1451	451	452
	<b>11</b>	<b>1,828,863.43</b>	<b>3,027,446.31</b>
a) Tax authorities	1393	393	394
	<b>11.1</b>	<b>0.00</b>	<b>4,681.25</b>
b) Social security authorities	1395	395	396
		<b>0.00</b>	<b>0.00</b>
c) Other creditors	1397	397	398
	<b>11.2</b>	<b>1,828,863.43</b>	<b>3,022,765.06</b>
i) becoming due and payable within one year	1399	399	400
		<b>1,586,308.84</b>	<b>1,717,289.76</b>
ii) becoming due and payable after more than one year	1401	401	402
		<b>242,554.59</b>	<b>1,305,475.30</b>
<b>D. Deferred income</b>	1403	403	404
		<b>0.00</b>	<b>0.00</b>
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>		405	406
		<b>170,807,215.57</b>	<b>367,181,880.69</b>

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

**Annual Accounts Helpdesk :**

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RCSL Nr. : B245709

Matricule : 2020,2203,583

**PROFIT AND LOSS ACCOUNT**

**Financial year from** 01 01/01/2022 **to** 02 31/12/2022 (in 03 EUR )

**Red & Black Auto Lease Germany S.A.**

**6 rue Eugène Ruppert**

**L-2453 Luxembourg**

	Reference(s)	Current year	Previous year
<b>1. Net turnover</b>	1701	0.00	0.00
<b>2. Variation in stocks of finished goods and in work in progress</b>	1703	0.00	0.00
<b>3. Work performed by the undertaking for its own purposes and capitalised</b>	1705	0.00	0.00
<b>4. Other operating income</b>	1713 <b>12</b>	<b>1,062,920.71</b>	<b>2,898,122.86</b>
<b>5. Raw materials and consumables and other external expenses</b>	1671	<b>-1,372,756.28</b>	<b>-2,159,844.94</b>
a) Raw materials and consumables	1601	0.00	0.00
b) Other external expenses	1603 <b>13</b>	<b>-1,372,756.28</b>	<b>-2,159,844.94</b>
<b>6. Staff costs</b>	1605	0.00	0.00
a) Wages and salaries	1607	0.00	0.00
b) Social security costs	1609	0.00	0.00
i) relating to pensions	1653	0.00	0.00
ii) other social security costs	1655	0.00	0.00
c) Other staff costs	1613	0.00	0.00
<b>7. Value adjustments</b>	1657	0.00	0.00
a) in respect of formation expenses and of tangible and intangible fixed assets	1659	0.00	0.00
b) in respect of current assets	1661	0.00	0.00
<b>8. Other operating expenses</b>	1621 <b>14</b>	<b>-10,663,551.36</b>	<b>-10,853,251.76</b>

	Reference(s)	Current year	Previous year
<b>9. Income from participating interests</b>	1715	<b>0.00</b>	<b>0.00</b>
a) derived from affiliated undertakings	1717	<b>0.00</b>	<b>0.00</b>
b) other income from participating interests	1719	<b>0.00</b>	<b>0.00</b>
<b>10. Income from other investments and loans forming part of the fixed assets</b>	1721	<b>8,408,044.59</b>	<b>13,267,240.68</b>
a) derived from affiliated undertakings	1723	<b>0.00</b>	<b>0.00</b>
b) other income not included under a)	1725	<b>8,408,044.59</b>	<b>13,267,240.68</b>
<b>11. Other interest receivable and similar income</b>	1727	<b>1,003,677.32</b>	<b>496,593.04</b>
a) derived from affiliated undertakings	1729	<b>0.00</b>	<b>0.00</b>
b) other interest and similar income	1731	<b>1,003,677.32</b>	<b>496,593.04</b>
<b>12. Share of profit or loss of undertakings accounted for under the equity method</b>	1663	<b>0.00</b>	<b>0.00</b>
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	1665	<b>3,634,997.95</b>	<b>-1,786,119.46</b>
<b>14. Interest payable and similar expenses</b>	1627	<b>-2,067,726.53</b>	<b>-1,857,925.42</b>
a) concerning affiliated undertakings	1629	<b>-41,866.34</b>	<b>-41,523.19</b>
b) other interest and similar expenses	1631	<b>-2,025,860.19</b>	<b>-1,816,402.23</b>
<b>15. Tax on profit or loss</b>	1635	<b>-1,520.40</b>	<b>0.00</b>
<b>16. Profit or loss after taxation</b>	1667	<b>4,086.00</b>	<b>4,815.00</b>
<b>17. Other taxes not shown under items 1 to 16</b>	1637	<b>-4,086.00</b>	<b>-4,815.00</b>
<b>18. Profit or loss for the financial year</b>	1669	<b>0.00</b>	<b>-0.00</b>

## **Red & Black Auto Lease Germany S.A.**

Société anonyme

### **Notes to the annual accounts**

For the financial year ended 31 December 2022

#### **NOTE 1 - General information**

Red & Black Auto Lease Germany S.A. (hereinafter the "Company") is a Luxembourg public limited company incorporated in Luxembourg on 21 July 2020 under the legal form of "Société Anonyme" having its corporate office at 6, rue Eugène Ruppert, L-2453 Luxembourg, Grand-Duchy of Luxembourg for an unlimited period. The Company is registered at the Registre du Commerce et Sociétés of Luxembourg City under number B 245709. The Company is incorporated as a securitisation company and therefore subject to the Luxembourg Law of 22 March 2004 (the "Securitisation Law").

The Company's financial year starts on 1 January and ends on 31 December of each year.

The corporate object of the Company is the entering into and the performance of any transactions permitted under the Securitisation Law, including, inter alia, the acquisition and assumption, by any means, directly or through another vehicle, of risks linked to claims, other assets, moveable or immovable, tangible and intangible, receivables or liabilities of third parties or pertaining to all or part of the activities carried out by third parties and the issuing of securities the value or return of which is dependent upon such risks as defined in the Securitisation Law.

The Company may carry out any transactions which are directly or indirectly connected with its corporate object at the exclusion of any banking activity and engage in any lawful act or activity and exercise any powers permitted for securitisation vehicles under the Securitisation Law, to which the company is subject, that, in either case, are incidental to and necessary or convenient for the accomplishment of the above mentioned purposes; provided that the same are not contrary to the foregoing purposes.

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

On 27 July 2020, the Company created 'Compartment 3'.

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

The Company is included in the consolidated accounts of Société Générale Group, forming both the smallest and the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of Société Générale Group is located at 29, Boulevard Haussmann, 75009 Paris, France (RCS Nr. 552 120 222) and the consolidated accounts are available at the same address.

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

#### **NOTE 2 - Summary of significant accounting policies**

##### 2.1 Basis of preparation

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

The preparation of annual accounts requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the accounting policies. Changes in assumptions may have a significant impact on the annual accounts in the period in which the assumptions changed. Management believes that the underlying assumptions are appropriate and that the annual accounts therefore present the financial position and its results fairly.

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities in the next financial years. Estimates and judgements are continually evaluated and are based on historical experience and others factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company has prepared the annual accounts by combining entity and Compartment's figures.

##### 2.2 Accounting policies and valuation rules

The main accounting policies and valuation rules applied by the Company are the following:

###### 2.2.1 Foreign currency translation

The Company maintains its books and records in EUR. Transactions expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction.

Long term assets and liabilities expressed in currencies other than EUR are translated into EUR at the exchange rate effective at the time of the transaction. At the balance sheet date, these items remain translated at historical exchange rates.

Cash at bank is translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the financial year.

Other assets and liabilities are valued individually at the lower and the higher respectively, of their value at the historical exchange rate or their value determined at the exchange rates prevailing at the balance sheet date. Realised exchange gains and losses are recorded in the profit and loss account at the moment of their realisation. Only unrealised exchange losses are recorded in the profit and loss account.

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

## Red & Black Auto Lease Germany S.A.

Société anonyme

### Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

#### NOTE 2 - Summary significant accounting policies (continued)

##### 2.2.2 Financial assets

Permitted Assets included in financial assets are recorded at their amortized acquisition cost. Amortization of discounts are calculated based on the effective interest rate method. In case of a durable depreciation in value according to the opinion of the Board of Directors, value adjustments are made in respect of financial assets, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

Financial fixed assets are valued at nominal value including the expenses incidental thereto. In case the Board of Directors deems that there is a durable depreciation in value of the financial fixed assets, value adjustments are booked and recorded through the profit and loss account, so that they are valued at the lower figure to be attributed to them at the balance sheet date. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

The financial fixed assets of the Company are comprised of receivables. They are collectively assessed for impairment as they have similar credit risk characteristics. The Board of Directors also considers the asset type, debtor's industry, geographical location, collateral type, past-due status and other relevant factors. The Board of Directors of the Company has adopted the following value adjustment which is based on delinquency of receivables:

	Percentage of delinquent receivables over the gross value of receivables		Percentage of value adjustment applied over delinquent receivables	
	2022	2021	2022	2021
31-60 days delinquent	0.50%	0.34%	100.00%	100.00%
61-90 days delinquent	0.39%	0.42%	100.00%	100.00%
91-120 days delinquent	0.31%	0.94%	100.00%	100.00%
over 120 days delinquent	0.88%	0.23%	100.00%	100.00%

##### 2.2.3 Debtors

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

##### 2.2.4 Cash at bank and in hand

Cash at bank and in hand comprises cash in hand, cash at bank, and deposits held at call with banks. Bank overdrafts, if any, are included within Creditors.

##### 2.2.5 Derivative financial instruments

The Company may enter into derivative financial instruments such as swaps in order to reduce its exposure coming from the floating rate of the Class A Notes against the fixed rate of the Permitted Assets. The interests linked to derivatives instruments are recorded on an accrual basis at the closing date.

##### 2.2.6 Provisions

Provisions are intended to cover losses or debts, the nature of which is clearly defined and which, at the date of balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

Provisions may also be created to cover charges which originate in the financial year under review or in a previous financial year, the nature of which is clearly defined and which at the date of the balance sheet are either likely to be incurred or certain to be incurred but uncertain as to the amount or the date on which these will arise.

At the balance sheet date, a provision shall represent the best estimate of the expenses likely to be incurred or, in the case of a liability, of the amount required to meet that liability.

##### Current tax provisions

Provisions for taxation, corresponding to the tax liability estimated by the Company for the financial year are recorded under the caption "Other creditors". Advance payments are shown in the assets of the balance sheet under the "Other debtors" item.

##### 2.2.7 Prepayments

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

##### 2.2.8 Notes issued

Notes issued are stated at repayable amount less any repayments made to their principal.

##### 2.2.9 Creditors

Creditors are recorded at their reimbursement value. Where the amount repayable on account is greater than the amount received, the difference may be accounted for in the profit and loss account when the debt is issued.

## Red & Black Auto Lease Germany S.A.

Société anonyme

### Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

#### NOTE 2 - Summary significant accounting policies (continued)

##### 2.2.10 Interest receivable and payable

Interest receivable and payable are recorded on an accrual basis.

##### 2.2.11 Equalisation provision

Losses during the year as a result from sales, default, lower market values or cost may cause a partial reduction on the assets. Such shortfalls will first be borne by the Subordinated Loan Lender and then the Noteholders in inverse order of the priority of payments.

Consequently, a provision for decrease in value will be made and deducted from the amount repayable of the Subordinated Loan and subsequently the Notes and booked in the profit and loss amount as "Other operating income".

Similarly, in case of profit made during the year, the Equalisation provision booked in the profit and loss under "other operating expenses" would result into an additional liability towards the Noteholders.

##### 2.3 Compartment segregation

The Company issues Notes in order to acquire and securitise the acquired autolease receivables.

The entity itself does not hold any fixed assets nor issues any non-convertible loans. The only items included under the entity are current assets and subscribed capital.

Each issuance of notes is accounted for in Compartment 3 and Compartment 3 supports its own expenses.

Transactions between compartments are eliminated in the combined Balance Sheet and in the combined profit and loss account.

#### NOTE 3 - Financial assets

##### Investments held as fixed assets

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Permitted Assets</u>		
<b>Opening Balance Gross Value</b>	348,511,411.75	411,797,981.58
Acquisitions during the year	16,616,256.96	199,784,558.59
Collections during the year	(206,923,120.11)	(261,771,436.36)
Write-off for defaulted receivables in the financial year	(593,998.34)	(1,299,692.06)
<b>Gross Value as at 31 December</b>	<b>157,610,550.26</b>	<b>348,511,411.75</b>
<b>Opening Balance Value adjustment</b>	(6,725,724.81)	(5,657,371.24)
Value adjustments for the year	3,434,761.57	(1,068,353.57)
<b>Closing Balance Value Adjustment</b>	<b>(3,290,963.24)</b>	<b>(6,725,724.81)</b>
<b>Net Book Value</b>	<b>154,319,587.02</b>	<b>341,785,686.94</b>

In 2020, the Company purchased from ALD Autoleasing D GmbH a portfolio of Permitted Assets representing autolease receivables.

The acquisition of Permitted Assets was financed by the issue of Class A Floating Rate Asset Backed Notes, Class B Fixed Rate Asset Backed Notes, Class C Fixed Rate Asset Backed Notes and through issuance of a Subordinated Loan (see also Note 9).

The Permitted Assets serve as collateral for the Class A Notes, the Class B Notes, the Class C Notes (collectively the "Notes") and the Subordinated Loan.

Collections during the year are allocated in accordance with priority of payments. These are used to settle interest payable, operating expenses and then to further purchase autolease receivables.

#### NOTE 4 - Other debtors

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Becoming due and payable within one year</u>		
Receivable from Servicer	14,118,351.78	21,930,779.45
Recoveries during Collection Period	30,605.71	62,512.49
Tax advances	2,474.43	301.52
<b>Total other debtors - becoming due and payable within one year</b>	<b>14,151,431.92</b>	<b>21,993,593.46</b>
Upfront fee Receivable	242,554.59	1,305,475.30
<b>Total becoming due and payable after one year</b>	<b>242,554.59</b>	<b>1,305,475.30</b>
<b>Total other debtors</b>	<b>14,393,986.51</b>	<b>23,299,068.76</b>

## Red & Black Auto Lease Germany S.A.

Société anonyme

### Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

#### NOTE 4 - Other debtors (continued)

The Receivable from Servicer represents the amount collected by ALD Autolease Germany GmbH, the Servicer, out of the Permitted Assets and not yet transferred to the Company.

The recoveries consist of the projected proceeds from the portion of the Permitted Assets which was become defaulted receivable.

As per the agreement dated on 21 October 2020 and entered into between the Company, acting on behalf and for its Compartment 3, and ALD Autoleasing D GmbH (the Originator), the Company agreed to purchase initial receivables at (a) the purchase price of EUR 411,798,574.68 plus (b) the Upfront fee Receivable amounting to EUR 3,538,500 being the difference between the sum of (i) the gross proceeds of the Class A Notes, Class B Notes and the Class C Notes and (ii) the aggregate outstanding amount of the Class A Notes, Class B Notes and the Class C notes (see note 9 and 14).

The Upfront fee Receivable is amortized on the basis of the life time of the Notes.

#### NOTE 5 - Cash at the bank and in hand

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Capital account	23,000.00	26,500.00
General reserve account	2,059,017.10	2,059,000.00
<b>Total cash at bank and in hand</b>	<b>2,082,017.10</b>	<b>2,085,500.00</b>

The general reserve account represents the amount credited in the Company bank account as part of the subordinated loan agreement (please see note 10). The amounts standing in the general reserve account will serve as liquidity support for the Class A Notes and the Class B Notes throughout the life of the transaction and will serve as credit enhancement to the Class A notes and the Class B Notes at the end of the Transaction.

#### NOTE 6 - Subscribed capital

As of 31 December 2022, the subscribed capital amounts to EUR 30,000.00 and is divided into 30,000 ordinary shares fully paid-up with a par value of EUR 1,000.00 each. The authorised capital amounts to EUR 30,000.00.

#### NOTE 7 - Legal reserve

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

#### NOTE 8 - Non convertible loans

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Becoming due and payable within one year</u>		
Interest on Class A Notes	114,677.50	13,681.82
Interest on Class B Notes	12,817.32	12,017.29
Interest on Class C Notes	12,817.32	12,016.35
<b>Total becoming due and payable within one year</b>	<b>140,312.14</b>	<b>37,715.46</b>
<u>Becoming due and payable after one year</u>		
Class A Floating Rate Asset Backed Notes due 2031	108,145,108.32	306,832,029.66
Class B Fixed Rate Asset Backed Notes due 2031	41,200,000.00	41,200,000.00
Class C Fixed Rate Asset Backed Notes due 2031	20,600,000.00	20,600,000.00
Equalisation provision	(1,174,063.55)	(4,579,870.27)
<b>Total becoming due and payable after one year</b>	<b>168,771,044.77</b>	<b>364,052,159.39</b>
<b>Total non convertible loans</b>	<b>168,911,356.91</b>	<b>364,089,874.85</b>

#### Class A Floating Rate Asset Backed Notes due 2031

On 20 October 2020, the Company issued 3,500 Class A Notes with a nominal value of EUR 100,000.00 each.

The Class A Notes bear an interest at floating rate of EURIBOR plus a margin of 0.70 % points. All payments of interest on and principal of each Class A Note will be due and payable at the latest on 15 September 2031 the legal maturity date of the Class Notes. The Class A Notes are listed on the Luxembourg stock exchange.

## Red & Black Auto Lease Germany S.A.

Société anonyme

### Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

#### NOTE 8 - Non convertible loans (continued)

As from November 2021, the Company began to redeem the Class A Notes. As of 31 December 2022, the outstanding balance of the Class A Notes amounts to EUR 108,145,108.32.

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

##### *Class B Fixed Rate Asset Backed Notes due 2031*

On 21 October 2020, the Company issued 412 Class B Notes with a nominal value of EUR 100,000.00 each.

The Class B Notes bear a fixed rate interest of 0,70 %. All payments of interest on and principal of each Class B Note will be due and payable at the latest on 15 September 2031, the legal maturity date of the Class B Notes.

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Permitted Assets which have been transferred to the Company. Class B notes rank junior to Class A Notes.

The Class B Notes are listed on the Luxembourg stock exchange.

##### *Class C Fixed Rate Asset Backed Notes due 2031*

On 21 October 2020, the Company issued 206 Class B Notes with a nominal value of EUR 100,000.00 each.

The Class C Notes bear a fixed rate interest of 1,40 %. All payments of interest on and principal of each Class C Note will be due and payable at the latest on 15 September 2031, the legal maturity date of the Class C Notes.

The Notes are backed by substantially all of the assets of the Company consisting primarily of the Company's right, title and interest in the Permitted Assets which have been transferred to the Company. Class C notes rank junior to Class A and Class B Notes.

The Notes (and the Subordinated Loan) are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Permitted Assets and the amounts received or paid under the interest rate swap agreements less costs (see also note 23).

#### NOTE 9 - Trade creditors

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Trade payables - Invoice not yet received	32,248.13	31,335.08
Creditors	2,916.87	1,508.61
<b>Total Trade creditors</b>	<b>35,165.01</b>	<b>32,843.70</b>

#### NOTE 10 -Amounts owed to affiliated undertakings

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Becoming due and payable within one year</u>		
Interest on Subordinated Loan	1,830.22	1,715.83
<b>Total becoming due and payable within one year</b>	<b>1,830.22</b>	<b>1,715.83</b>
<u>Becoming due and payable after one year</u>		
Subordinated Loan	2,059,000.00	2,059,000.00
Equalisation provision	(2,059,000.00)	(2,059,000.00)
<b>Total becoming due and payable after one year</b>	<b>-</b>	<b>-</b>
<b>Total amounts owed to affiliated undertakings</b>	<b>1,830.22</b>	<b>1,715.83</b>

The Company has been granted a Subordinated Loan in the amount of EUR 2,059,000 from ALD Autoleasing D GmbH. The loan carries an interest rate of 2.0% per annum.

During the year 2022 and 2021, The Company has not made any redemption payments on the Subordinated Loan principal. Interest expense on the Sub-Loan for the year ended 31 December 2022 amounted to EUR 1,830.22 (2021: EUR 1,715.83).

The Subordinated Loan (and the Notes) are limited recourse obligations of the Company, whereby the Company pays only those amounts which are actually available to it, being essentially the amounts received from the Permitted Assets and the amounts received or paid under the interest rate swap agreements less costs (see also note 23).

**Red & Black Auto Lease Germany S.A.**

Société anonyme

**Notes to the annual accounts (cont.)**

For the financial year ended 31 December 2022

**Note 11 - Other creditors**11.1 - Tax authorities

This account represents the net wealth tax payable for 2022 is nil (2021: EUR 4,681.25).

11.2 - Other creditors

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Becoming due and payable within one year</u>		
Accrued interest on swap agreements	(104,732.53)	12,784.67
Accrued servicer fees	-	153,596.68
Purchased receivables payable	1,691,041.37	962,296.62
Excess value to the Servicer	-	588,611.79
<b>Total becoming due and payable within one year</b>	<b>1,586,308.84</b>	<b>1,717,289.76</b>
Upfront fee payable	242,554.59	1,305,475.30
<b>Total becoming due and payable after one year</b>	<b>242,554.59</b>	<b>1,305,475.30</b>
<b>Total other creditors</b>	<b>1,828,863.43</b>	<b>3,022,765.06</b>

The purchased receivables payable consist in the amount that the Company agreed to pay to the Originator during the revolving period and not yet disbursed.

The Excess value to the Servicer represents the remaining amount resulting from the priority of payments at each payment date. The outstanding amount as at 31 December 2021 represents the amount that is yet to be transferred to the credit account of the originator (please also see note 14).

The Upfront fee payable amounting to EUR 242,554.59 being the difference between the sum of (i) the gross proceeds of the Class A Notes, Class B Notes and the Class C Notes and (ii) the aggregate outstanding amount of the Class A Notes, Class B Notes and the Class C notes (see note 9 and 12).

The Upfront fee Payable is amortized on the basis of the expected term of the Notes, after considering planned repayments and redemptions.

**Note 12 - Other operating income**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Equalisation provision	-	1,033,103.51
Amortization - Upfront fee Payable (see note 11)	1,062,920.71	1,865,019.35
<b>Total other operating income</b>	<b>1,062,920.71</b>	<b>2,898,122.86</b>

**Note 13 - Other external expenses**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Bank Charges	(17,500.04)	(9,331.35)
Accounting fee	(4,166.65)	(7,015.50)
Audit fee	(33,161.15)	(59,175.66)
Trustee fee	(4,500.00)	(2,483.00)
Servicer fee	(1,266,102.82)	(2,031,930.78)
Cash administrator fee	(34,467.96)	(29,452.02)
Stichting fee	-	(13,938.75)
Other fees	(12,857.66)	(6,517.88)
<b>Total other external expenses</b>	<b>(1,372,756.28)</b>	<b>(2,159,844.94)</b>

**Red & Black Auto Lease Germany S.A.**

Société anonyme

**Notes to the annual accounts (cont.)**

For the financial year ended 31 December 2022

**Note 14 - Other operating expenses**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Amortization - Upfront fee Receivable (see note 4)	(1,062,920.71)	(1,865,019.35)
Excess value to Servicer	(6,194,823.98)	(8,988,232.41)
Equalisation provision	28,954.90	-
Value adjustment	(3,434,761.57)	-
<b>Total other operating expenses</b>	<b>(10,663,551.36)</b>	<b>(10,853,251.76)</b>

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

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Interest income - Permitted Assets	8,408,044.59	13,267,240.68
<b>Total Income from other investments and loans forming part of the fixed assets</b>	<b>8,408,044.59</b>	<b>13,267,240.68</b>

**Note 16 - Other interest receivable and similar income**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
SWAP Interest income	1,003,660.22	496,593.04
Interest on current account	17.10	-
<b>Total other interest receivable and similar income</b>	<b>1,003,677.32</b>	<b>496,593.04</b>

**Note 17 - Value adjustments in respect of financial assets and of investments held as current assets**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
Delinquent receivables adjustment	3,434,761.53	(1,068,353.57)
Defaulted receivables	200,236.42	(717,765.89)
<b>Total Value adjustments in respect of financial assets and of investments held as current assets</b>	<b>3,634,997.95</b>	<b>(1,786,119.46)</b>

**Note 18 - Interest payable and similar expenses**

	<b>Total 31-Dec-22 EUR</b>	<b>Total 31-Dec-21 EUR</b>
<u>Concerning affiliated undertakings</u>		
Interest expenses on Subordinated Loan	(41,866.34)	(41,523.19)
<b>Total concerning affiliated undertakings</b>	<b>(41,866.34)</b>	<b>(41,523.19)</b>
<u>Other interest and similar expenses</u>		
Interest expenses on Class A Notes	(1,003,645.68)	(496,600.53)
Interest expenses on Class B Notes	(293,200.55)	(290,798.42)
Interest expenses on Class C Notes	(293,207.67)	(290,807.78)
Overdraft interest on bank accounts	(15,062.68)	(15,134.45)
Interest on Swap agreements	(420,743.61)	(723,061.05)
<b>Total other interest and similar expenses</b>	<b>(2,025,860.19)</b>	<b>(1,816,402.23)</b>
<b>Total interest payable and similar expenses</b>	<b>(2,067,726.53)</b>	<b>(1,857,925.42)</b>

**Note 19 - Taxes**

The Company is subject to all taxes applicable to commercial companies in Luxembourg incorporated under the Securitisation law of 22 March 2004.

**Note 20 - Staff**

The Company did not employ any staff during the year under audit (2021: nil).

## Red & Black Auto Lease Germany S.A.

Société anonyme

### Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

#### Note 21 - Emoluments granted to the Members of the Board of Directors

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

#### Note 22 - Loans or advances granted to the Members of the Board of Directors

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

#### Note 23 - Off balance sheet commitments

On 21 October 2020, the Company entered into a Swap agreement with DZ Bank ("the Swap counterparty") to cover the variability of cash flows associated with the floating rate interest payment of Class A Asset Backed Notes. There are certain rating triggers requiring the Swap counterparty to take action. A breach of the rating triggers will lead the Swap counterparty to either post a collateral or to provide a guarantee in accordance with the Swap agreement.

The main features of the Swap are summarized in the below table

Trade date: 01/10/20	
Notional Amount: EUR 350,000,000.00	
Effective Date: 21/10/20	
Termination Date: 15/09/31	
<b>Floating Rate Payer: DZ Bank AG, Frankfurt/Main</b>	
Floating Rate Option	EURIBOR 1M, but 0.00 % p.a. as the minimum
Spread	0.007
Day Count Action	Actual/360
<b>Fixed Rate Payer: Red &amp; Black Auto Lease Germany S.A. Acting on behalf and for the account of its Compartment 3</b>	
Fixed Rate	0.207% p.a.
Day Count Action	Actual/360
Fair value as at 31/12/2021	EUR (31,628.27)
Fair value as at 31/12/2022	EUR (1,303,242.52)

#### Note 24 - Subsequent events

No significant event occurred during the period subsequent to the year ended 31 December 2022 that have any material impact on these annual accounts.

# Red & Black Auto Lease Germany S.A.

*Société anonyme*

## Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

### NOTE 25 - BALANCE SHEET PER COMPARTMENT

	Notes	General Compartment		Total
		31 December 2022 EUR	31 December 2022 EUR	
<b>ASSETS</b>				
<b>C. Fixed assets</b>		-	<b>154,319,587.02</b>	<b>154,319,587.02</b>
III. Financial assets		-	154,319,587.02	154,319,587.02
5. Investments held as fixed assets	<b>3</b>	-	154,319,587.02	154,319,587.02
<b>D. Current assets</b>		<b>30,000.00</b>	<b>16,446,003.61</b>	<b>16,476,003.61</b>
II. Debtors		7,000.00	14,386,986.51	14,393,986.51
4. Other debtors	<b>4</b>	7,000.00	14,386,986.51	14,393,986.51
a) becoming due and payable within one year		7,000.00	14,144,431.92	14,151,431.92
b) becoming due and payable after more than one year		-	242,554.59	242,554.59
IV. Cash at bank and in hand	<b>5</b>	23,000.00	2,059,017.10	2,082,017.10
<b>E. Prepayments</b>		-	<b>11,624.94</b>	<b>11,624.94</b>
<b>TOTAL (ASSETS)</b>		<b>30,000.00</b>	<b>170,777,215.57</b>	<b>170,807,215.57</b>



# Red & Black Auto Lease Germany S.A.

*Société anonyme*

## Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

### NOTE 25 - BALANCE SHEET PER COMPARTMENT (cont.)

	Notes	General Compartment		Total
		31 December 2021 EUR	31 December 2021 EUR	
<b>ASSETS</b>				
<b>C. Fixed assets</b>				
III. Financial assets				
5. Investments held as fixed assets	3	-	341,785,686.94	341,785,686.94
<b>D. Current assets</b>				
II. Debtors				
4. Other debtors	4	3,500.00	23,295,568.76	23,299,068.76
a) becoming due and payable within one year		3,500.00	23,295,568.76	23,299,068.76
b) becoming due and payable after more than one year		3,500.00	21,990,093.46	21,993,593.46
IV. Cash at bank and in hand	5	-	1,305,475.30	1,305,475.30
		26,500.00	2,059,000.00	2,085,500.00
<b>E. Prepayments</b>				
		-	11,624.99	11,624.99
<b>TOTAL (ASSETS)</b>		<b>30,000.00</b>	<b>367,151,880.69</b>	<b>367,181,880.69</b>

# Red & Black Auto Lease Germany S.A.

*Société anonyme*

## Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

### NOTE 25 - BALANCE SHEET PER COMPARTMENT (cont.)

	Notes	General Compartment 31 December 2021 EUR	Compartment 3 31 December 2021 EUR	Total 31 December 2021 EUR
<b>CAPITAL, RESERVES AND LIABILITIES</b>				
<b>A. Capital and reserves</b>				
I. Subscribed capital	6	30,000.00	-	30,000.00
IV. Reserves				
1. Legal reserve	7	30,000.00	-	30,000.00
<b>C. Creditors</b>				
1. Debenture loans				
b) Non convertible loans				
i) becoming due and payable within one year	8	-	364,089,874.85	364,089,874.85
ii) becoming due and payable after more than one year		-	37,715.46	37,715.46
4. Trade creditors	9	-	364,052,159.39	364,052,159.39
a) becoming due and payable within one year		-	32,843.70	32,843.70
6. Amounts owed to affiliated undertakings	10	-	32,843.70	32,843.70
a) becoming due and payable within one year		-	1,715.83	1,715.83
8. Other creditors	11	-	1,715.83	1,715.83
a) Tax authorities		-	3,027,446.31	3,027,446.31
c) Other creditors		-	4,681.25	4,681.25
i) becoming due and payable within one year		-	3,022,765.06	3,022,765.06
ii) becoming due and payable after more than one year		-	1,717,289.76	1,717,289.76
<b>TOTAL (CAPITAL, RESERVES AND LIABILITIES)</b>				
		<b>30,000.00</b>	<b>367,151,880.69</b>	<b>367,181,880.69</b>

## Red & Black Auto Lease Germany S.A.

*Société anonyme*

Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

### NOTE 26 - PROFIT AND LOSS ACCOUNT PER COMPARTMENT

	Notes	General Compartment		Compartment 3		Total
		1 January 2022	31 December 2022	1 January 2022	31 December 2022	
		EUR		EUR		
<b>4. Other operating income</b>	12	-	-	1,062,920.71	-	1,062,920.71
<b>5. Raw materials and consumables and other external expenses</b>	13	-	-	(1,369,256.28)	-	(1,369,256.28)
b) Other external expenses		-	-	(1,369,256.28)	-	(1,369,256.28)
<b>8. Other operating expenses</b>	14	-	-	(10,667,051.36)	-	(10,667,051.36)
<b>10. Income from other investments and loans forming part of the fixed assets</b>	15	-	-	8,408,044.59	-	8,408,044.59
b) other income not included under a)		-	-	8,408,044.59	-	8,408,044.59
<b>11. Other interest receivable and similar income</b>	16	-	-	1,003,677.32	-	1,003,677.32
b) other interest and similar income		-	-	1,003,677.32	-	1,003,677.32
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	17	-	-	3,634,997.95	-	3,634,997.95
<b>14. Interest payable and similar expenses</b>	18	-	-	(2,067,726.53)	-	(2,067,726.53)
a) concerning affiliated undertakings		-	-	(41,866.34)	-	(41,866.34)
b) other interest and similar expenses		-	-	(2,025,860.19)	-	(2,025,860.19)
<b>15. Tax on profit or loss</b>	19	-	-	(1,520.40)	-	(1,520.40)
<b>16. Profit or loss after taxation</b>		-	-	4,086.00	-	4,086.00
<b>17. Other taxes not shown under items 1 to 16</b>	19	-	-	(4,086.00)	-	(4,086.00)
<b>18. Profit or loss for the financial period</b>		-	-	0.00	-	0.00

## Red & Black Auto Lease Germany S.A.

*Société anonyme*

Notes to the annual accounts (cont.)

For the financial year ended 31 December 2022

### NOTE 26 - PROFIT AND LOSS ACCOUNT PER COMPARTMENT (cont.)

	Notes	General Compartment		Compartment 3		Total
		1 January 2021	31 December 2021	1 January 2021	31 December 2021	
		EUR		EUR		
<b>4. Other operating income</b>	12	-	-	2,898,122.86	-	2,898,122.86
<b>5. Raw materials and consumables and other external expenses</b>	13	-	-	(2,159,844.94)	-	(2,159,844.94)
b) Other external expenses		-	-	(2,159,844.94)	-	(2,159,844.94)
<b>8. Other operating expenses</b>	14	-	-	(10,853,251.76)	-	(10,853,251.76)
<b>10. Income from other investments and loans forming part of the fixed assets</b>	15	-	-	13,267,240.68	-	13,267,240.68
b) other income not included under a)		-	-	13,267,240.68	-	13,267,240.68
<b>11. Other interest receivable and similar income</b>	16	-	-	496,593.04	-	496,593.04
b) other interest and similar income		-	-	496,593.04	-	496,593.04
<b>13. Value adjustments in respect of financial assets and of investments held as current assets</b>	17	-	-	(1,786,119.46)	-	(1,786,119.46)
<b>14. Interest payable and similar expenses</b>	18	-	-	(1,857,925.42)	-	(1,857,925.42)
a) concerning affiliated undertakings		-	-	(41,523.19)	-	(41,523.19)
b) other interest and similar expenses		-	-	(1,816,402.23)	-	(1,816,402.23)
<b>16. Profit or loss after taxation</b>		-	-	4,815.00	-	4,815.00
<b>17. Other taxes not shown under items 1 to 16</b>	19	-	-	(4,815.00)	-	(4,815.00)
<b>18. Profit or loss for the financial period</b>		-	-	-	-	-