DRIVALIA GROUP

CONSOLIDATED ANNUAL FINANCIAL REPORT

DECEMBER 31ST 2023

DRIVALIA

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DECEMBER 31ST, 2023

DRIVALIA S.P.A. WITH SOLE SHAREHOLDER
Registered office: Corso Orbassano, 367 - 10137 Turin, Italy, www.drivalia.com
Operational headquarters: Viale dell'Arte 25, 00144 Rome, Italy.
Share Capital €50,000,000 fully paid up.
Tax Code and Turin Company Register No. 05406791003, VAT No. 05406791003, Administrative and Economic Index (REA) Turin No. 1187956.
Management and coordination under article 2497 Italian civil code CA Auto Bank S.p.A.

INTRODUCTION

As of the fiscal year ending December 31, 2023, Drivalia S.p.A. (hereinafter referred to as the “Company” or “Drivalia”) has decided to forego the exemption from the obligation to prepare consolidated financial statements under Article 27, Paragraph 3, of Legislative Decree No. 127 of April 9, 1991. Specifically, as of December 31, 2022, Drivalia had utilized this exemption since it had not issued listed securities and was a wholly-owned subsidiary of CA Auto Bank S.p.A., a company that prepares and has an independent firm audit its own consolidated financial statements. The decision to prepare consolidated financial statements as of December 31, 2023, was made to facilitate the Company’s potential future participation in financial markets.

The Consolidated Financial Statements of the Drivalia Group (hereinafter referred to also as the “Group”) for the year ended December 31, 2023, which are the Group’s first consolidated financial statements, have been prepared in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and related interpretations by the International Financial Reporting Interpretations Committee (IFRIC). These standards have been endorsed by the European Commission pursuant to European Union Regulation no. 1606 of July 19, 2002, and transposed into Italian law by Legislative Decree no. 38 of February 28, 2005. The Group has voluntarily adopted these international accounting and financial reporting standards, as permitted by Legislative Decree no. 38 of February 28, 2005.

The Consolidated Financial Statements consist of the Statement of Financial Position, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Cash Flow Statement, and the Notes, which include material information on the accounting standards applied. They are accompanied by a Directors’ report on the Group’s operating results, financial position, and cash flows. The reclassified income statement, certain capital ratios, and certain alternative performance indicators are provided to support the comments.

The Consolidated Financial Statements are prepared with clarity and give a true and fair view of the financial position, operating performance and cash flows for the year; they are also accompanied by the report of the Board of Statutory Auditors as well as the report of the independent auditors pursuant to Legislative Decree No. 39 of January 27, 2010.

The CA Auto Bank Group’s corporate website (www.drivalia.com) The CA Auto Bank Group’s corporate website.

KEY FIGURES

110 € M — RENTAL MARGIN

6.0% — ON THE AVERAGE ASSET VALUE

52 € M — NET OPERATING COSTS

2.8% — ON THE AVERAGE ASSET VALUE

35 € M — NET RESULT

155,016 — FLEET MANAGED

15 — COUNTRIES

2.3 € B — FLEET VALUE AT YEAR-END

846 — EMPLOYEES

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DIRECTORS' REPORT ON OPERATIONS

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THE GROWTH OF DRIVALIA, BETWEEN INNOVATION AND EXPANSION IN EUROPE

GIACOMO CARELLI
CEO of CA Auto Bank and Chairman of Drivalia

The year 2023 proved pivotal for Drivalia, starting in April with the launch of CA Auto Bank, which was created with the aim of becoming a leader in vehicle financing and leasing, and mobility in Europe.

With the birth of the Bank, enthusiastically welcomed by stakeholders, media, partners and customers, Drivalia became 100% part of Crédit Agricole, one of the most important and solid banking groups in the world.

"These significant achievements, coupled with our unwavering commitment and the backing of Crédit Agricole, have laid a robust foundation for our future international expansion, guided by innovation, digitalization, and a steadfast focus on sustainability."

The creation of CA Auto Bank - uniquely centered around mobility, thanks precisely to Drivalia - has breathed new life into our Group's ambitious vision to become one of Europe's premier independent new mobility operators.

In August, Drivalia took a decisive leap forward with the acquisitions of ALD Automotive's operations in Ireland and Norway, and Leaseplan's operations in Finland and the Czech Republic. This strategic move allowed us to expand our great family, with the transfer of over 400 employees, and to enlarge our fleet with the addition of 70,000 vehicles. Thanks also to our progressive expansion in Belgium, the Netherlands, and Poland, we extended our presence to 14 countries by the year's end (and Morocco), with groundwork laid for our imminent entry into the German market.

On the product front, Drivalia embarked on a journey of innovation, starting with the rebranding of its electric car-sharing service e-GO! Drivalia to E+Share Drivalia, thus joining the E+ family, which encompasses all of the Company's e-mobility products. The start of the rebranding coincided with the debut of E+-Share Drivalia in France, in Lyon, the first step to further expansion in other European cities.

Furthermore, 2023 witnessed the launch of two groundbreaking products in the Italian market. The first is Drive To Buy, the first monthly rental subscription dedicated to the Sportequipe 6 and Sportequipe 7 models, which allows the purchase of a new car within the first two months. It marks a transition from a traditional car subscription, since it is the first "Drive & Buy" subscription plan in Italy.

The second is the Future brand, a marketplace inspired by the circular economy, where vehicles from the Drivalia fleet can be purchased at the end of a rental or subscription contract. Launched in Finland, Norway and the Czech Republic, Future has entered Italy through a 100% digital platform, initially catering to dealers and professionals, and soon to be accessible to private customers.

These significant achievements, coupled with our unwavering commitment and the backing of Crédit Agricole, have laid a robust foundation for our future international expansion, guided by innovation, digitalization, and a steadfast focus on sustainability.

DRIVALIA, A FAST-GROWING MOBILITY FAMILY WITH AN INCREASINGLY EUROPEAN FOOTPRINT

PAOLO MANFREDDI
CEO of Drivalia S.p.A.

The expansion to Belgium, Finland, Ireland, Norway, the Netherlands, Poland, and the Czech Republic. The introduction of our electric car-sharing service, E+Share, in France. The agreement with the Vatican to become the Mobility Supporter of Jubilee 2025. Additionally, the launch of Drive To Buy, the first car subscription with a purchase option. The creation of FUTURE, the brand dedicated to giving a new life to off-lease cars. Not to mention the numerous international events, including Fitur in Madrid, IMTM in Tel Aviv, World Travel Market in London, and IAA Mobility in Munich, where we took center stage. The list could go on, as the milestones that have marked Drivalia's 2023 are considerable.

Our ultimate goal—to become one of the leading independent new-mobility operators in Europe—has remained unchanged since our early days. What has evolved over the past year is the progress we have made, bringing us ever closer to this goal and allowing us to share it within our growing family.

Our strategic expansion in Europe has proceeded at a rapid pace, doubling our presence from 7 to 14 countries. We proudly announced Drivalia's arrival in Belgium, the Netherlands, and Poland, as well as the acquisition of ALD Automotive's operations in Ireland and Norway and LeasePlan's in Finland and the Czech Republic. This significant project, initiated months earlier as part of agreements between CA Consumer Finance and Stellantis, was finalized in August with the European Commission's approval.

For Drivalia, this represents the largest acquisition in our history, allowing us to enlarge our team with approximately 430 new colleagues. The expertise and know-how of the teams led by Martin Brix (Czech Republic), Dag Fraurud (Norway), Petteri Pihlas (Finland), and David Wilkinson (Ireland), combined with our experience and the support of Crédit Agricole, are proving to be valuable resources for the opportunities ahead. Drivalia's offering in these four countries will initially focus on long-term rental and operating leases, eventually expanding to the full range of 'Planet Mobility' solutions.

The collaboration with these new markets, marked by a roadshow in the four countries, was the driving force behind the launch of the new FUTURE brand. This brand is dedicated to purchasing vehicles at the end of their rental or subscription contracts, thereby initiating a new life cycle. Already active in Finland, Norway, and the Czech Republic, FUTURE also made its debut in Italy, initially targeting dealers and industry professionals. This sustainable and affordable solution not only enhances our product range but also underscores Drivalia's commitment to reducing its environmental impact through the responsible reuse of its fleet.

> **"We proudly announced Drivalia's arrival in Belgium, the Netherlands, and Poland, as well as the acquisition of ALD Automotive's operations in Ireland and Norway and LeasePlan's in Finland and the Czech Republic."**

GOVERNANCE BODIES

BOARD OF DIRECTORS

Chairman
Giacomo Carelli

Vice Chairman
Marcella Maria Merli

Chief Executive Officer and General Manager
Paolo Manfreddi

Directors
Luca Caffaro
Vincent Carrè
David Drapeau

BOARD OF STATUTORY AUDITORS

Chairman
Luca Ambroso

Standing statutory auditors
Giovanni Miglietta
Vittorio Sansonetti

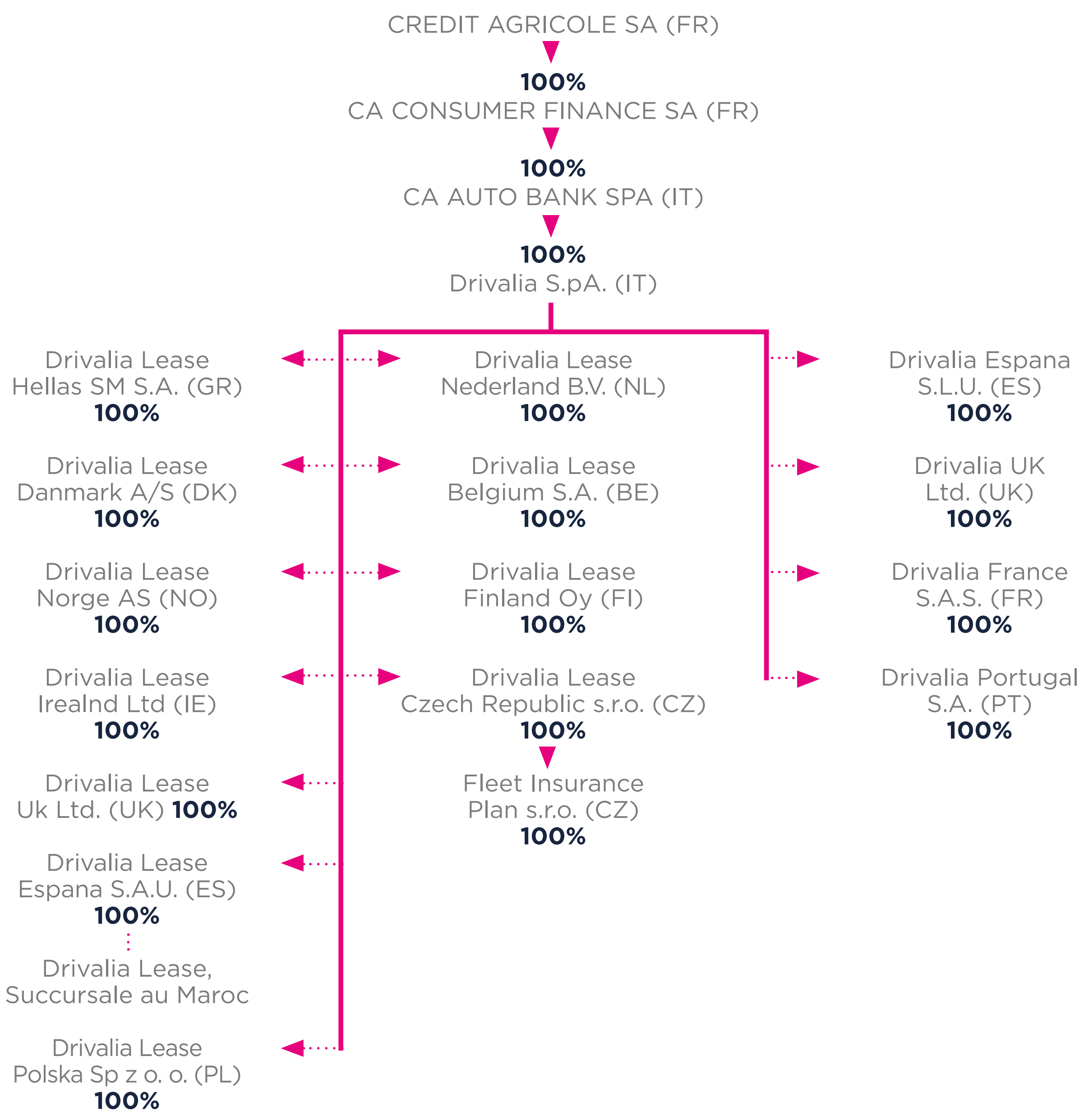
Alternate Statutory Auditors
Giorgio Cavalitto
Gaetano Di Napoli

INDEPENDENT AUDITORS

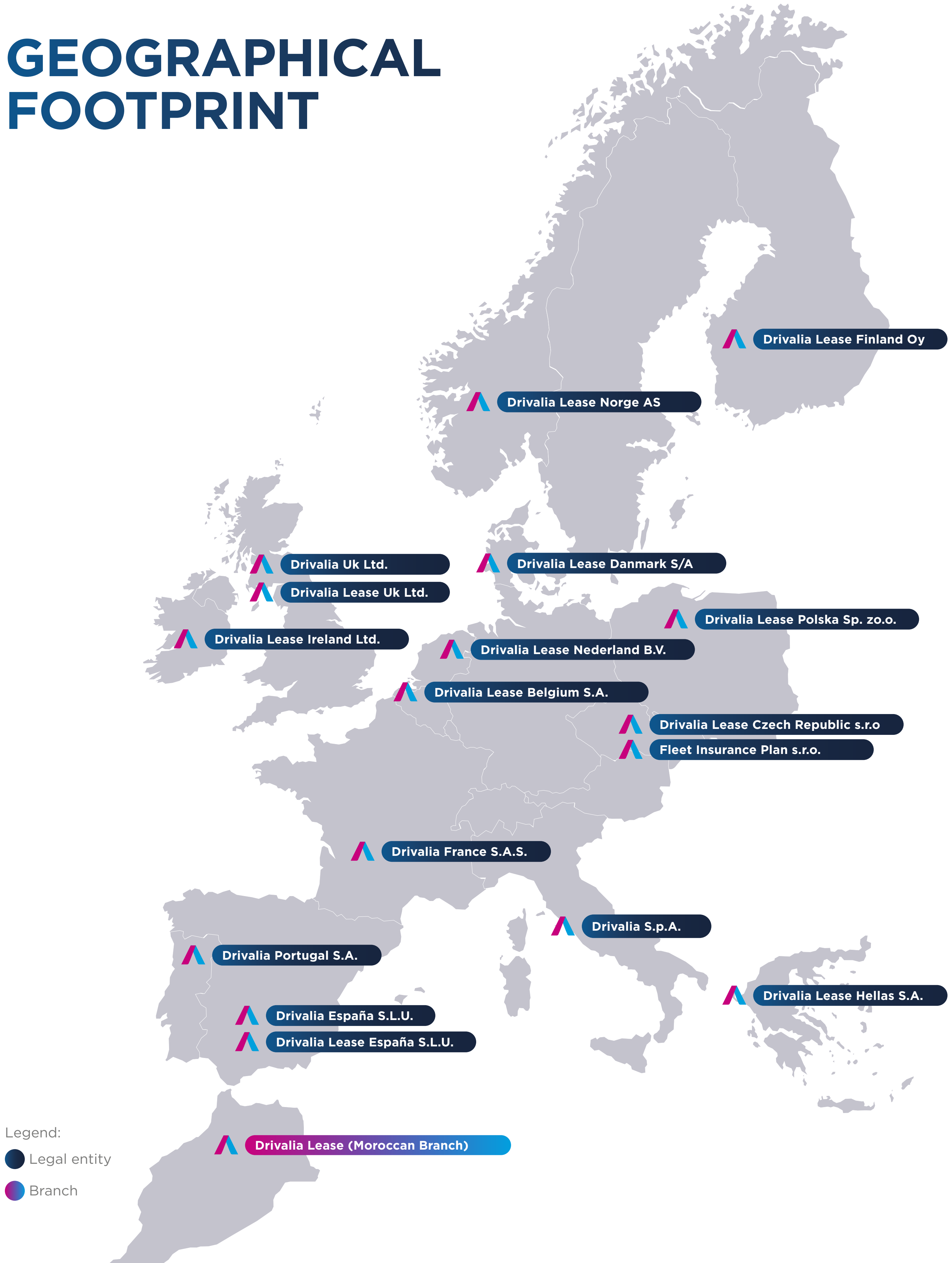
PricewaterhouseCoopers S.p.A..

SHAREHOLDER STRUCTURE

Drivalia S.p.A. is a wholly owned subsidiary of CA Auto Bank S.p.A., a bank primarily engaged in auto financing, in turn wholly owned by Crédit Agricole Consumer Finance.



GEOGRAPHICAL FOOTPRINT



PERFORMANCE HIGHLIGHTS

Economic data (€/M)	12/31/2023	12/31/2022
Rental margin	109,746	49,206
Net operating costs	(51,542)	(25,325)
Cost of risk	(29)	(2,511)
Non-recurring income (expense)	(5,863)	3
Profit before tax	52,312	21,373
Net result	**34,956**	**14,924**
Total assets	**12/31/2023**	**12/31/2022**
Average	1,834,071	711,758
Year-end	2,680,049	496,300
Ratio (as a % of total assets)	**12/31/23**	**12/31/22**
Rental margin	6.0%	6.9%
Net operating costs	2.8%	3.6%
Cost of risk	0.0%	0.4%

THE BUSINESS LINES

The Drivalia Group operates in fourteen European countries: Belgium, Denmark, Finland, France, Greece, Ireland, Italy, Norway, the Netherlands, Poland, Portugal, the United Kingdom, the Czech Republic, and Spain.

Significant progress in European expansion was achieved in August with the acquisition of ALD Automotive's operations in Ireland and Norway, and LeasePlan's operations in Finland and the Czech Republic.

Drivalia continues to be a pioneer in Europe's sustainable mobility revolution, investing heavily in infrastructure, fleet, and services. The Group's offerings cover a wide range of mobility segments, including short- and long-term rentals, subscriptions, car sharing, and resale of used cars. As of December 2023, the total number of Drivalia Mobility Stores has risen to 810 across Europe, with 1,721 charging stations distributed throughout the region.

SHORT- AND LONG-TERM RENTAL

At the heart of Drivalia's rental and mobility activities is the acquisition of vehicles for short-term rental and the initiation of long-term contracts. As of December 31, 2023, the rental/mobility fleet boasts a total of 155,000 vehicles, demonstrating our ongoing commitment to offering a wide range of options to our customers. In 2023, we expanded and enriched our fleet with the addition of 42,000 new vehicles, ensuring a variety of models at all times. Drivalia offers tailored mobility solutions, adaptable to the needs of every customer, from private consumers to large corporations. Our commitment to sustainability is reflected in the careful selection of vehicles in our fleet. Always attentive to the latest innovations in the automotive sector, we maintain a wide range of environmentally friendly vehicles, contributing to the transition to more sustainable and eco-friendly mobility.

SUBSCRIPTIONS

Drivalia offers a wide range of fully-digital and flexible subscription options, intended to meet customers' dynamic needs. CarCloud, one of the first subscription car rental services in Europe, allows customers to select, from a range of models, the vehicle best suited to their contingent needs with a monthly subscription that can be canceled at any time without time restrictions or penalties. Initially launched in Italy, CarCloud is now also available in France, Norway, Portugal, and Spain, extending its flexibility to an increasingly wide audience. Be Free Evo is designed to offer maximum flexibility, similar to that of short-term rentals. Available in both Italy and France, Be Free Evo allows customers to tailor their subscription to their specific needs. It also provides access to a "no down payment" subscription program with a fixed fee for 24 months and the option to exit early without penalty. CarBox is our on-demand mobility subscription, featuring a fixed monthly fee. This service ensures access to the right car at the right time, maintaining an up-to-date fleet and meeting to our customers' changing mobility needs. With a total of 21 different plans available, Drivalia provides a wide and varied choice to meet diverse customer preferences.

CAR SHARING

Drivalia, through its new e+Drivalia brand family, is actively engaged in the energy transition in the mobility sector. This identity clearly expresses Drivalia's commitment to electric mobility, encompassing all products and services related to this sector. Prominent among these are the 100% electric car sharing E+Share, the e+Charge charging station network, and the dedicated e+Parks. In particular, the 100% electric E+Share car sharing service has been successfully operating since 2021 in Turin, Rome and Milan. In October, this innovative solution crossed national borders, making a successful debut in Lyon, France. Its fleet of electric vehicles operates in free-floating mode, providing total freedom of movement, without parking restrictions.

USED CAR SALES

FUTURE is the brand, launched in November 2023, that introduced an innovative approach to the circular economy through the creation of a marketplace dedicated to automotive dealers and industry professionals. This marketplace offers online auctions for off-lease and end-of-subscription vehicles, providing an opportunity to kick-start a new life cycle for vehicles in the Drivalia fleet. Operating initially in Finland, Norway, and the Czech Republic, the FUTURE brand was later extended to Italy through a 100% digital platform. The goal is to make it available to private customers during 2024 as well.

DRIVE TO BUY

In 2023, Drivalia launched Drive To Buy, the first monthly subscription service with a purchase option, dedicated to DR Automobiles Group's Sportequipe 6 and Sportequipe 7 models (with plans to expand to other models in the future). Aimed at both individuals and independent professionals, Drive To Buy offers customers the flexibility to decide within the first two months whether to continue with their subscription car or purchase it outright. This can be done through a lump-sum payment or convenient monthly installments, facilitated by a 100% digital CA Auto Bank loan. With this innovative service, Drivalia demonstrates its ability to meet the diverse mobility needs of customers, ranging from large companies and SMEs to professionals and individuals.

FUNDING STRATEGY

NIKOS CHAMODRAKAS
CFO, Drivalia Group

In 2023, the severe inflationary pressure in the euro area forced the European Central Bank (ECB) to adopt a tightening monetary policy, which resulted in an economical deceleration which is expected to continue in 2024.

The market consensus is for potential interest rate reductions in 2024, as long as inflation rates align to ECB targets. However, financial markets remain vulnerable to unexpected deviations in macroeconomic indicators and monetary policy decisions.

In 2023, Drivalia mainly relied on the funding provided by the Crédit Agricole Group in order to realize its European expansion plans and, to a limited extent, on funding lines provided by local banks.

Drivalia expects to cover the increasing funding needs required to support the Group's expansion in new activities and new markets through the combination of Crédit Agricole Group funding and the increase of external funding sources.

> **"Drivalia expects to cover the increasing funding needs required to support the Group's expansion in new activities and new markets through the combination of Crédit Agricole Group funding and the increase of external funding sources."**

THE TRANSFORMATIVE JOURNEY IN INTERNATIONAL MOBILITY

CYRIL CHÂTELET
Head of Sales, Drivalia Group

The year 2023 has proven to be an exceptional period for Drivalia and can be regarded as the emergence of a new international player in the mobility sector, offering a completely novel proposition across an expanding array of countries. The strides taken during this timeframe are nothing short of remarkable, propelled by strategic acquisitions and ventures into new markets that dynamically increased our presence to cover 14 countries. These acquisitions, among other factors, acted as catalysts for the development of our expertise, enabling us to fulfill the promise of being the sole provider for all mobility needs through Car As A Service. Drivalia stands out as the exclusive entity capable of offering such a comprehensive service on a global scale, allowing individuals to Rent, Lease, Subscribe, or Share fluidly.

Embarking on an ambitious trajectory, we initiated the setup of our International Sales Operations by recruiting key international managers to serve our customers and structure our approach to ensure a high level of services and sustainable growth. Our identity is defined by being a small yet highly agile team, adept at adapting to the ever-changing landscape of the mobility sector.

These collective efforts led to the expansion of our vehicle fleet to an impressive number of 176,000 units, marking a significant increase compared to 2022. Drivalia's appeal is growing, with an increasing number of local and international customers seeing us as a completely independent entity. With robust support of the Crédit Agricole Group, we are dedicated to providing flexible and innovative solutions tailored to the unique needs of our customers.

Looking ahead to 2024, our commitment to expansion remains steadfast. The plan is to increase our coverage, strengthen our foundations, spread our distinctive offerings across various countries, and commence the development of cutting-edge IT solutions designed to meet the evolving needs of our valued customers. The path ahead is promising, and Drivalia is ready to continue shaping the landscape of international mobility.

A YEAR OF GROWTH AND INNOVATION IN THE WORLD OF MOBILITY

GIANCARLO VITALE
Head of Marketing, Digital Sales & Communication, Drivalia Group

The year 2023 was a successful one for Drivalia, marked by significant progress in the mobility sector. Through targeted strategies and initiatives, the company has charted a course of growth and innovation that has redefined its role in the international automotive landscape.

One of the most significant aspects of this period was the rebranding process of the so-called "Mercury" project. This initiative led to the acquisition of such key markets as Finland, Ireland, Norway and the Czech Republic. This strategic expansion solidified Drivalia's presence in Europe. This move not only extended the Company's reach, but was also an important step in establishing a consolidated international presence.

Drivalia's designation as an official partner for the 2025 Jubilee is further recognition of its prominent role in the mobility industry. Being selected as a partner for such an important event demonstrates the Company's commitment not only to providing innovative services, but also to contributing to events and celebrations of global significance. This partnership is a tangible demonstration of Drivalia's positive contribution to the community.

Taken together, these developments reflect an important period of growth for Drivalia during the year. Expanded geographic presence, successful new subscription services, and significant involvement in celebrations with global reach all contribute to Drivalia's extraordinary success in 2023.

Overall, 2023 marked an important chapter in Drivalia's history, a year in which the company demonstrated its adaptability, innovation, and leadership in the mobility industry. Looking ahead, Drivalia is committed to continuing this extraordinary growth trajectory by strengthening its international presence, introducing innovative new services, and maintaining a strong involvement in global celebrations.

A TRAJECTORY MARKED BY GROWTH, CULTURAL TRANSFORMATION, AND PAN-EUROPEAN EXPANSION

ELISA COSTANTINI
Head of Human Resources, Drivalia Group

Drivalia has experienced a year of significant growth, operating in 14 countries with approximately 850 employees at the end of 2023 and affirming itself in the market as a multi-brand and independent player in mobility services. Providing a comprehensive suite of mobility solutions, we seamlessly integrate flexibility, digital utilization, on-demand services, and a strong commitment to sustainability. We have worked tenaciously to make our uniqueness our strength, building an organization that increasingly reflects our DNA and cultural values characterized by agility, speed, innovation, and passion. These values drive the team on a constant journey aimed at achieving challenging and ambitious business goals.

In this perspective, by acquiring the ALD Automotive entities in Ireland and Norway and LeasePlan entities in Finland and the Czech Republic in August 2023, Drivalia Group has doubled its workforce, strengthening the brand's pan-European presence.

We have supported this delicate phase of growth and transformation of our organization with targeted change management actions, aiming to strengthen the brand and promote a sense of belonging among new employees at Drivalia, CA Auto Bank, and more broadly within the Credit Agricole Consumer Finance and Credit Agricole Groups with their powerful presence worldwide. Particularly during the months of September and October, a roadshow was organized in the markets where activities were acquired, encompassing a wide range of events involving the Management team, all employees, new and existing customers, and the press. A multifaceted approach that facilitated helping people adapt to the change and visibility for the brand.

In such a scenario of growth, it becomes crucial to embrace cultural differences and diverse backgrounds, fostering cross-country job rotation opportunities, enhancing our ability to attract, retain, and motivate highly skilled personnel effectively.

In 2023, we also worked on the new organization of Drivalia, creating headquarters entities and functional coordination on foreign markets that report hierarchically to the relevant CA Auto Bank Country Managers to run the overall business in each country and generate synergies and effectiveness. Thanks to a thorough recruitment process, we have successfully created a well-rounded Management team, incorporating a good mix of managerial and technical skills with solid experiences in both long-term and short-term rentals, capable of leading the business across markets. We brought in valuable know-how and new energy in different areas such as network development, fleet procurement, used cars, and we also created a central coordination on sales throughout the Drivalia Group, by leading all sales managers operating in the different European markets.

At the end of 2023, the female component has a significant presence, accounting for approximately 40% of the total workforce and growing by 8% compared to the previous year. The average age of employees is 41 years, with a growth in personnel of 104% vs December 2022, also considering the strategic acquisitions made in the year.

In this dynamic and vibrant business context, we continue to value our people, with their dedication and enthusiasm to drive change and together write a chapter in the history of mobility.

THE LAUNCH OF DRIVALIA FUTURE AND THE USED CAR MARKET IN ITALY

FRANCO OLTOLINI
Head of Remarketing & Drivalia Future, Drivalia Group

The year 2023 should certainly be considered a year of strong recovery and consolidation for the used car market in Italy. Sales volumes grew by 7.2% compared to 2022. Notably, there were 184 used cars sold for every 100 new cars registered. Drivalia contributed significantly nationwide by selling about 3,500 used vehicles, with an average age of 22 months and approximately 30,000 km on the odometer. These were Euro 6 vehicles, with low environmental impact, equipped with all the primary active and passive safety features, and maintained according to manufacturer guidelines. At the European level, the Drivalia Group sold more than 20,000 used cars with similar characteristics, demonstrating the utmost attention to environmental impact.

Following a circular economy approach, the Company launched the FUTURE brand, which aims to offer sustainable and affordable solutions for customers seeking quality vehicles with a short rental history. The brand embodies the values of reliability, transparency, and environmental respect, showcasing Drivalia's commitment to reducing environmental impact through responsible reuse. With the debut on the Italian market of the FUTURE brand, which is already active in Finland, Norway and the Czech Republic, we have launched our B2B platform dedicated to professionals in the sector.

We aim to set the standard for used cars in terms of quality, reliability, and green economy considerations, thanks to our latest generation models.

In 2024, we plan to expand our market presence by opening the first FUTURE Stores, which will allow private individuals to access our quality products.

Our strength lies in acting as a unified Group, renowned for its quality and positioning itself as an industry leader.

BUSINESS GOVERNANCE: A KEY PILLAR FOR DRIVALIA'S SUCCESS IN ITS EXPANSION

HAROLD BOTERO
Head of Business Process & Data Governance, Drivalia Group

Drivalia works to solidify a strong corporate governance structure, which stands as a key pillar for success in its expansion and achievement of its goal of becoming a leading mobility company. This importance is amplified when tackling transformation projects such as the recent acquisition of ALD and LeasePlan in Finland, Ireland, Norway, and the Czech Republic. In this context, ensuring that regulations, policies, processes, and procedures are clear and well-defined, without losing sight of change management, becomes a crucial element in ensuring that current and future customers benefit from the Company's progress.

Drivalia, through the Business Process & Data Governance department and in synergy with the Finance, R&PC, HR, Legal, Internal Audit and ICT departments, has undertaken the "Internal Normative Minimum Set" project for the year 2024. This project aims to define and draft the governance documents necessary for optimal business management and excellent customer service. The specific objectives of the project are to: ensure and optimize the management and control of the company; maximize operational efficiency and resource utilization; mitigate risks and ensure compliance; protect Drivalia from potential risks and ensure compliance with local and international regulations; promote transparency and reporting; generate trust among stakeholders; foster a culture of ethics and responsibility; promote profitability and sustainable growth; and ensure efficient and responsible decision-making based on specified information and in-depth analysis.

To reinforce the Group vision, in December 2023, the Board of Directors of Drivalia adopted 160 governance documents in common with CA Auto Bank. These include group policies, processes, procedures, and manuals covering Drivalia as a subsidiary of CA Auto Bank, with the aim of strengthening the current governance system.

Ultimately, Drivalia's corporate governance structure is a key factor in the company's success in expanding and achieving its goal of becoming a leading mobility company.

DIGITAL INNOVATION AND EUROPEAN EXPANSION IN 2024

RACHELE BELLEZZA
Head of ICT Mobility, Operational Leasing & Rental Services, Drivalia Group

Digitalization and new technologies remain key elements for Drivalia's business. The Company is committed to launching the new pan-European management system "Planet," which was inaugurated on May 29 at the Drivalia Mobility Store in Lingotto. After the go-live, the rollout phase began to all Mobility Stores in the Drivalia network, which was completed in the second half of 2023, alongside the launch of the new corporate website and the Drivalia app. The goal of adopting a single system is to provide flexibility and ease of use for customers, enabling them, for example, to request rentals in one country and return the vehicle in another, all through a single platform.
The new application landscape is designed to standardize and optimize processes and products to speed up internal operations and improve the customer experience, both digital and on-site. The new system will enable the management of connected fleets, facilitating the launch of innovative services such as keyless rental.
In 2024, our main ambition is to continue to expand our presence and product range throughout Europe, starting with simplifying access by implementing the unified digital system for all markets and deploying omnichannel and cutting-edge services for customers and partners. We aim to roll out the new system in France by the second half of 2024, and then in Spain, Portugal, and the United Kingdom.

To optimize fleet management, we are launching a project to introduce a dedicated web portal for fleet managers and brokers. This tool will enable our large and medium-sized customers to effectively monitor the fleet rented with Drivalia internationally, providing access to all contract and vehicle information for each market.

To further enhance the customer experience, we are adopting Generative AI tools, ensuring high quality, state-of-the-art service.
All these initiatives reflect our commitment to driving innovation, promoting sustainability, and providing excellent service in the mobility industry.

ELEVATING THE GREEN RENTAL EXPERIENCE THROUGH THE UBIQUITY OF CHARGING STATIONS AND CONSOLIDATION OF MOBILITY STORES

MICHELE LONGOBARDI
Head of Network Development & Electrification, Drivalia Group

In recent years, the global economic landscape and environmental policies have prompted many companies to reassess their approach to mobility. As a key player in the mobility industry, Drivalia has outlined an ambitious electrification strategy, in response to environmental challenges and the growing expectations of an increasingly sustainability- minded customer base.

This strategy is driven by the vision of a green future, in which zero-emission cars play a central role in urban and suburban mobility. A key pillar of this strategy is the implementation of a large-scale charging station network in Europe. By 2026, Drivalia aims to own and operate as many as 3,500 charging stations, making electric mobility accessible to a wide spectrum of the public. The goal is clear: to democratize green mobility through a widespread and easily accessible network of infrastructure.

In parallel with electrification, Drivalia is focusing efforts on consolidating Drivalia Mobility Stores. These stores become focal centers for promoting a superior green rental experience. With the launch of the new management operating system, the company aims to improve efficiency in demand management, intensify interaction with end customers, and offer a digitalized and rapid experience through an omnichannel customer journey.

As part of our international expansion, we opened 11 new Drivalia Mobility Stores (bringing the total to 34) and installed 42 new charging stations (reaching a total of 63) in the United Kingdom. In addition, in Portugal, we opened 15 new Mobility Stores (bringing the total to 33) and installed 21 new charging stations (reaching a total of 40).

The key to the success of this strategy is adapting to market demands. With an increasingly connected fleet and the use of a new management system, the Company is creating a bridge between market demand and an increasingly broad and timely supply. The ubiquitous presence of electric charging stations and the consolidation of Mobility Stores ensure proximity to market and unprecedented closeness to customers.

In conclusion, Drivalia's electrification strategy represents a milestone in the transformation toward more sustainable mobility. With a firm commitment to electrification, the consolidation of Mobility Stores, and a state-of-the-art fleet, Drivalia is shaping the future of mobility, leading the industry in a greener and more responsible direction.

REPORT ON OPERATIONS

DECEMBER 31ST, 2023

MACROECONOMIC SCENARIO, AUTOMOTIVE MARKET AND FINANCIAL MARKETS

The most recent OECD estimates foreshadow a slowdown in global GDP to 2.7% in 2024, due to tight monetary policies and worsening consumer and business confidence. High downside risks remain from international political tensions, particularly in the Middle East.

At its October and December meetings, the Governing Board of the ECB left key interest rates unchanged, considering that, if kept at current levels for a sufficiently long period, they can make a substantial contribution to returning inflation to the 2% target. The Board also decided to gradually reduce them during the second half of 2024 to zero.

Growth in Italy was almost nil at the end of 2023, held back by tightening credit conditions as well as still high energy prices; consumption stagnated and investment contracted. Activity fell again in manufacturing, while it stabilized in services; it increased in construction, which continued to benefit from tax incentives. According to projections carried out as part of the Eurosystem's coordinated exercise, GDP will increase by 0.6% in 2024 (compared to the 0.7% estimated for 2023) and 1.1 % in each of the following two years.

In October and November 2023, however, the labor market showed signs of resilience: employment continued to grow, albeit at a slower pace than in the first half of the year.

The decline in inflation became more pronounced and spread to non-energy industrial goods and services. In December, consumer price growth stood at 0.5 % (at 3.0 % excluding the most volatile components). Households and businesses expect inflationary pressures to ease in the short and medium term. The forecast prepared as part of the Eurosystem's coordinated exercise expects consumer price increases to decline to 1.9% in 2024 (from 5.9% in 2023), and then gradually drop to 1.7% in 2026; core inflation will fall to 2.2% in the current year (from 4.5% in 2023) and settle below 2% in the following two years.

With reference to the car market, registrations (European Union + UK + EFTA) showed an increase of 13.7% in 2023 compared to 2022, for a total of 12.8 million registered units. All European markets grew; and Italy (+18.9%), Spain (+16.7%) and France (+16.1%) recorded double-digit increases; for Germany, growth was more modest (+7.3%) owing to the negative performance in December (-23%) determined by the end of incentives for the purchase of electric cars.

RV registrations during 2023 posted excellent results, boding well for the coming year. In the last six months, from June to November, there was a 12.26% increase in RV registrations in Italy compared to the same period last year. The pace of RV registrations accelerated even further in the last quarter, from September to November 2023, with a 22.27% increase over the comparable period in 2022.

Italian manufacturers are satisfied with the current performance but emphasize that the domestic market has not yet fully reached its potential in this sector. The good news is that, for 2024, there could be further growth in new RV registrations, especially if interest rates fall.

As for the motorcycle market, 2023 was a particularly good year, with figures not seen since 2010, as motorcycles were up 14.9% and scooters up 20.6%. The domestic market for motorcycles, scooters, and mopeds was once again leader in Europe, closing 2023 with more than 337,000 registered vehicles.

SIGNIFICANT EVENTS AND STRATEGIC TRANSACTIONS

RUSSO-UKRAINIAN AND ISRAELI-PALESTINIAN CONFLICTS - POTENTIAL IMPACTS

The Russo-Ukrainian conflict continues to pose a risk to the business cycle. Events confirmed the views of leading analysts that the conflict would be protracted, with risks of escalation.

Oil and gas prices fell in the second half of the year, the former mainly due to lower demand, the latter also due to milder weather and accumulated inventories. Nevertheless, 2023 is seen as a transition year in the baseline scenarios, with GDP growing slightly and inflation rates still high, albeit lower than in 2022, as monetary policy remains tight. In the United States, the period of official interest rate hikes should be almost over, while in Europe the ECB is expected to start lowering rates in the second half of next year.

Although the picture is constantly evolving, ruling out extreme scenarios of conflict escalation, which could have geopolitical and economic consequences that are difficult to assess, it should be noted that, since the beginning of the conflict, the Group has continued to closely monitor the evolution of the consequences of the Russo-Ukrainian crisis on Italy's real economy and key financial variables.

In view of the further tightening of the already severe sanctions imposed on Russia by Western countries in 2022 and 2023, the Group has no exposure to Russian counterparties sanctioned at the European and international level, much less subsidiaries in Russia or Ukraine.

The Russo-Ukrainian conflict has been joined by the new Israeli-Palestinian conflict. Both have affected the economic cycle for the year and, with no cessation of hostilities in sight, will continue to affect 2024, with modest GDP growth rates and still high inflation rates. The Company is closely monitoring the development of potential issues and economic impacts related to the conflict between Russia and Ukraine. Based on the evidence and information available as of the date of this report and the analyses performed, there are no exposures to entities linked to Russia, Ukraine, Belarus, Israel and Palestine, there are no direct impacts arising from the Russo-Ukrainian conflict and the related geopolitical situation, and all information available as of this writing regarding any indirect impacts has been reflected in the financial statements and made available to you.

CHANGES IN THE DRIVALIA GROUP'S CORPORATE STRUCTURE

In 2023, the Drivalia Group continued to pursue the growth strategy and international expansion that it had implemented in 2022.

Drivalia, a rental, leasing and mobility company of the CA Auto Bank Group, has the ambition to become one of the leading players in the new mobility sector in Europe.

Drivalia offers a complete range of mobility solutions, from electric car sharing to car subscriptions and rentals of all durations for individuals and companies of all sizes.

Drivalia took a major leap forward in its European growth path in August 2023 with the acquisition of ALD Automotive's business in Norway and Ireland, and of Leaseplan's operations in the Czech Republic and Finland.

This corporate reorganization and strengthening of the European market presence is described in greater detail below.

THE DRIVALIA GROUP AS OF DECEMBER 31, 2023

As of December 31, 2022, the Drivalia Group comprised Drivalia S.p.A., Drivalia Portugal S.A., Drivalia Lease Danmark A/S, Drivalia Lease Hellas SM S.A., Drivalia UK Ltd, Drivalia France S.A.S., Drivalia España S.L.U. and Drivalia Lease, Succursale au Maroc.

During 2023, the Drivalia Group pursued its expansion plans, which had already begun in 2022, through acquisitions on the one hand and the establishment of new companies on the other. In particular:

Drivalia Lease Nederland B.V.
On May 17, 2023, Drivalia S.p.A. established Drivalia Lease Nederland B.V. in the Netherlands, thus holding 100% of the share capital of the newly formed company.

Drivalia Lease Belgium S.A.
On May 24, 2023, Drivalia S.p.A. established Drivalia Lease Belgium S.A. in Belgium, thus holding 100% of the share capital of the newly formed company.

Drivalia Lease España SAU
On June 16, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease España SAU.

Drivalia Lease UK Ltd
On June 16, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease UK Ltd. This is a transaction under common control accounted for at the same amount as that on the books of CA Auto Bank S.p.A.

Drivalia Lease Polska Sp. z o.o.
On November 20, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease Polska Sp. Z o.o.. This is a transaction under common control accounted for at the same amount as that on the books of CA Auto Bank S.p.A.

Drivalia Lease Norge AS ALD Automotive AS (ex ALD Automotive AS)
On August 1, 2023, Drivalia S.p.A. acquired from third parties the entire share capital of ALD Automotive AS, a company organized under Norwegian law, later renamed Drivalia Lease Norge AS. The Purchase Price Allocation (PPA) process will be completed within 12 months of the acquisition date.

Drivalia Lease Ireland Ltd. (ex Merrion Fleet Management Ltd)
On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of Merrion Fleet Management Ltd, a company organized under Irish law, which will be renamed Drivalia Lease Ireland Ltd following approval by the Irish Central Bank. The Purchase Price Allocation (PPA) process will be completed within 12 months of the acquisition date.

Drivalia Lease Finland Oy (ex LeasePlan Finland Oy)
On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of LeasePlan Finland Oy, a company organized under Finnish law, later renamed Drivalia Lease Finland Oy. The Purchase Price Allocation (PPA) process will be completed within 12 months of the acquisition date.

Drivalia Lease Czech Republic s.r.o. (ex LeasePlan Česká Republika s.r.o.)
On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of LeasePlan Česká Republika s.r.o., a company organized under Czech law, later renamed Drivalia Lease Czech Republic s.r.o., which in turn holds 100% of Fleet Insurance Plan s.r.o.. The Purchase Price Allocation (PPA) process will be completed within 12 months of the acquisition date.

CA CONSUMER FINANCE - STELLANTIS AGREEMENT

On March 22, 2023, CA Consumer Finance announced that it and partner Stellantis had signed an agreement to acquire ALD and LeasePlan in six European countries, following the proposed acquisition of 100% of LeasePlan by ALD announced in January 2022.

The business arrangement stems from the partnership agreements between CA Consumer Finance and Stellantis, announced back in December 2021 and implemented in late 2022 and early 2023; specifically:
- the creation of a NewCo, a European leader in long-term vehicle rental;
- the acquisition by CA Consumer Finance of 100% of FCA Bank (now CA Auto Bank S.p.A.).

The previously mentioned agreement includes the sale of both ALD's operations in Ireland, Norway and Portugal and LeasePlan's operations in the Czech Republic, Finland and Luxembourg.

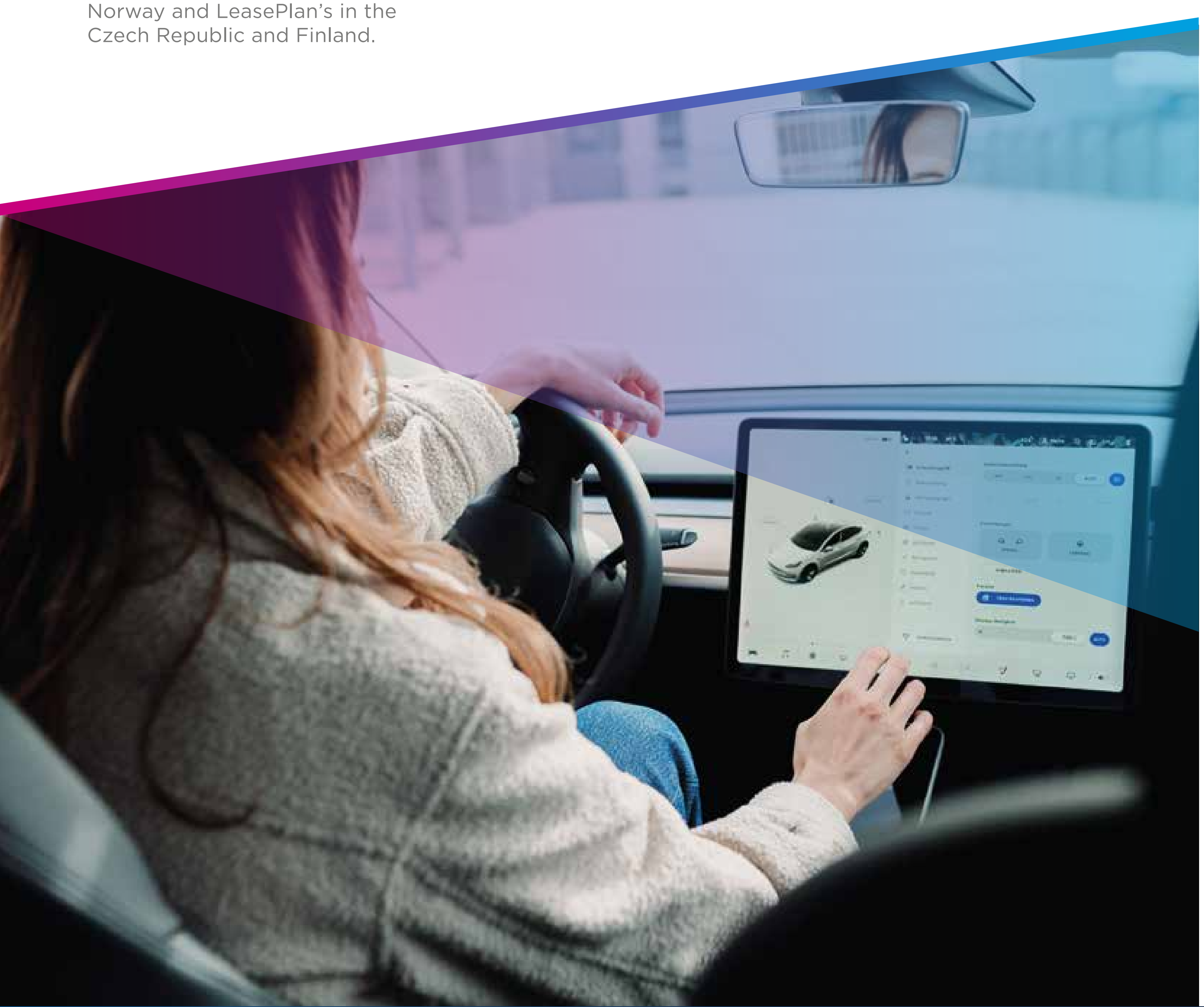
The divestments of those operations became necessary based on ALD's commitments to the European Commission, which ruled following its assessment of ALD's intention to acquire LeasePlan.

The acquisition transactions included:
- on the one hand, the creation of NewCo, resulting from the merger of Leasys and Free2Move Lease, owned equally

by CA Consumer Finance and Stellantis, which hosted ALD's operations in Portugal and LeasePlan's in Luxembourg;

- on the other hand, the creation of CA Auto Bank and Drivalia, which, as previously highlighted, hosted ALD's operations in Ireland and Norway and LeasePlan's in the Czech Republic and Finland.

This transaction solidifies the partnership between CA Consumer Finance and Stellantis and accelerates the two companies' development in strategic European countries, in line with their ambitions.



OUTLOOK FOR 2024

In 2024, as a new player in the mobility sector, Drivalia is strengthening its foundation by offering rentals of different durations.

Our main ambition is to continue to expand our presence and product range throughout Europe, starting with access simplification through the implementation of a unified digital system for all markets.

The goal of adopting a single system is to provide flexibility and ease of use for customers, enabling them, for example, to request rentals in one country and return the vehicle in another. In particular, we aim to launch a long-term rental offering throughout Europe, as well as to consolidate our growth in the private segment.

In addition, we are committed to expanding Drivalia FUTURE's coverage across Europe and giving new life to the vehicles in our fleet with the introduction of FUTURE Lease. This innovative plan will enable customers to activate long-term rental contracts on a selection of off-lease or end-of subscription vehicles. This initiative aligns with our commitment to sustainable and responsible development, embracing the principles of the circular economy.

To make electric mobility even more accessible, we are working in some markets to introduce unlimited mileage in all all-electric vehicle (BEV) subscriptions, with packages starting at 1,500 km/month and going up. This step will contribute to greater adoption of electric vehicles, promoting a more sustainable lifestyle.

To optimize fleet management, we are launching a project to introduce a dedicated web portal for fleet managers and brokers. This tool will allow our large and medium-sized customers to effectively monitor the fleet rented with Drivalia internationally, giving access to all contract and vehicle information on each market.

To further enhance customer experience, we are adopting Generative AI tools, ensuring high quality, state-of-the-art service. All these initiatives reflect our commitment to drive innovation, promote sustainability, and provide service excellence in the mobility industry.

COMMERCIAL POLICY

In a socio-economic context characterized by deep uncertainties, Drivalia has strengthened its leadership in the Italian market and continues on its growth path at the European level. We will continue our international expansion by progressively implementing our full range of products in all the markets in which we operate.

In parallel, CA Auto Bank and Drivalia are advancing their environmental sustainability strategy, developing products and services in line with the growing sustainability needs of the market. Our commitment to electrification and sustainability, through ESG (Environmental, Social and Governance) practices, reflects our desire to deliver innovative and flexible solutions to meet the growing need for flexibility for both corporate and private consumers.

We also confirm our commitment to sustainable mobility by providing dedicated products and services that facilitate green mobility for our customers.

PERSONNEL MANAGEMENT

Drivalia is a multi-brand, independent mobility player, operating in 14 European countries at the end of 2023 with a total workforce of 846 employees, an increase of 104% compared to December 2022. This growth is mainly related to the acquisition of ALD Automotive's operations in Ireland and Norway and Leaseplan's business in Finland and the Czech Republic for a total of 425 employees, in line with the brand's ambitious pan-European expansion plans.

The Company believes in the value of people and their uniqueness, constantly working to attract, retain and reward qualified professionals who also stand out for their ability to be agents of change and promoters of ideas and enthusiasm.

FUNDING POLICY

The Treasury department, in coordination with CA Auto Bank Group's central Treasury, manages cash flows and financial risks in accordance with the risk management policies set by the Board of Directors of Drivalia S.p.A.

The Group's funding strategy is designed to:

- maintain a stable and diversified structure of funding sources;
- manage liquidity risk;
- minimize the exposure to interest rate, exchange rate and counterparty risks, within the framework of low and predetermined limits, and in any case in compliance with regulatory provisions, where applicable.

During 2023, Treasury activities secured the capital needed to fund the Group's activities, in a context of growing requirements resulting from the significant increase in volumes and the acquisition of companies operating in long-term rentals in different markets, despite the sudden rise in base rates during the year (albeit mitigated by a decline in December 2023)

THE STRUCTURE OF FUNDING SOURCES

The structure of funding sources and liabilities as of December 31, 2023, breaks down as follows:

DESCRIPTION	% OF TOTAL EXTERNAL FUNDING SOURCES	% OF TOTAL BALANCE SHEET LIABILITIES
Crédit Agricole Group	83%	60%
Third-party financial institutions	17%	12%
Non-financial liabilities	-	28%
Total	**100%**	**100%**

During 2023, while continuing to rely on the availability of credit facilities from the Crédit Agricole Group, Drivalia completed the following activities with a view to pursuing diversification of its funding sources:

- finalized a credit facility agreement with SMBC Bank EU AG - Milan Branch in the amount of €100 million that enables the Company, upon Drivalia S.p.A.'s request, to refinance its suppliers' invoices. As of 12/31/2023, the facility was drawn down by €30 million;
- consolidated - following the acquisition of ALD Automotive's operations in Norway and Ireland and Leaseplan's operations in the Czech Republic and Finland - the existing bank credit lines with ING Bank - Prague Branch, Ceska sporitelna, a.s., CSOB a.s., Komercní banka, a.s., UniCredit Bank Czech Republic, a.s. and VUB a.s. for a total amount of approximately €400 million.

FINANCIAL RISK MANAGEMENT

Interest rate risk management policies, aimed at protecting the interest spread from the impacts of changes in interest rates, involve aligning the maturity profile of liabilities with the maturity profile of assets (determined on the basis of the interest-rate reset date).

It should be noted that the group's risk management policies allow the use of interest rate derivatives for hedging purposes only.

The alignment of interest-rate reset dates is achieved through the use of more liquid derivative instruments such as interest rate swaps (it should be noted that the Group's risk management policies do not allow the use of instruments other than plain vanilla, such as exotic-type derivatives).

In terms of foreign exchange risk, the company's policy is not to take foreign currency positions. Therefore, assets in currencies other than the euro are usually financed in the corresponding currency.

Where this is not possible, risk is reduced through the use of Foreign Exchange Swaps (it should be noted that the Group's risk management policies allow the use of foreign exchange transactions for hedging purposes only).

RESIDUAL-VALUE RISK MANAGEMENT

Residual value refers to the value of the vehicle at the time of expiration of the relevant rental agreement. In reference to long-term rental, the residual-value risk on rented vehicles is generally borne by the rental company, unless otherwise agreed with third parties, and arises from the difference between the market value of the vehicle at the end of the rental and the book value of the vehicle.

In reference to short-term rental, the residual-value risk on rented vehicles arises when the vehicle is disposed of, which can occur at any time following strategic and commercial valuations.

Trends in the used-vehicle market can pose risks for those who own and operate vehicles in the medium to long term.

Drivalia and its subsidiaries set out and adopted, at the Group level, guidelines aimed at defining and monitoring residual values on an ongoing basis.

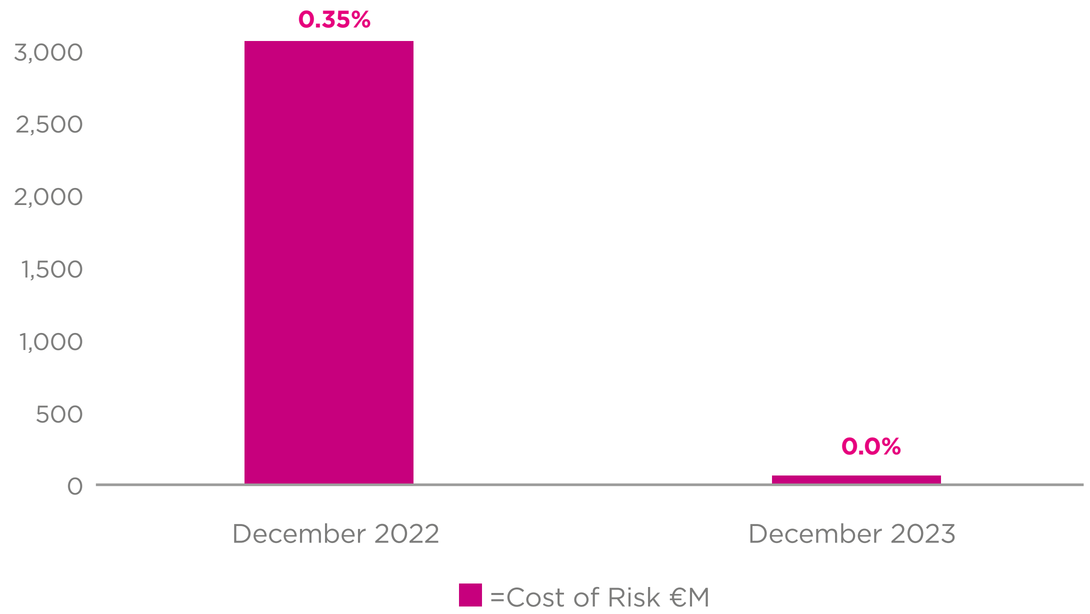
The model for calculating Residual Value provisions is updated quarterly so as to calculate the most appropriate amount of provisions. Today there are no critical issues inherent in the residual-value risk of the operating fleet.

CREDIT RISK MANAGEMENT

Drivalia's cost of risk performance is the result of several factors such as:
- accurate and well-established credit acceptance policies;
- systematic monitoring of credit performance;
- constant review and improvement of credit recovery actions especially in the rental portfolio.

The portions of the portfolio, currently in run-off, that include finance lease and wholesale contracts have had a positive impact on credit risk indicators, thanks to the release of related risk provisions.

DRIVALIA GROUP'S COST OF RISK



In 2023, the cost of risk was positively impacted by the change in Drivalia's scope as a result of the acquisitions carried out during the year.
In addition, several actions aimed at containing the cost of risk and improving portfolio quality were implemented during 2023. Prominent among the actions taken by the Drivalia Group is the effort to develop a single operating system for all Drivalia companies that will make it possible to manage a central database with a highly granular information set, to ensure timely and systematic monitoring of portfolio performance at both the consolidated and the legal entity levels.
At the same time, the new software platforms used for credit underwriting, collection and reporting will guarantee a higher level of data integration, and the fine tuning of debt collection processes in the second part of 2023 has improved the efficiency and timeliness of credit recovery actions.

INTERNAL CONTROL AND RISK MANAGEMENT

The Company has implemented an internal control system (ICS) designed to continuously detect, measure, and verify the risks associated with its business operations. The ICS involves the active participation of governing bodies, control functions and committees, the Supervisory Board, Independent Auditors, senior management, and all personnel.

The internal control system comprises a set of rules, functions, structures, resources, processes, and procedures aimed at:
- verifying the implementation of the Company's strategies and policies;
- managing risk within the parameters defined by the risk appetite framework (Risk Strategy);
- safeguarding asset value and protecting against losses;
- enhancing the effectiveness and efficiency of business processes;
- ensuring the reliability and security of business information and IT procedures;
- preventing the Company from being involved, even unintentionally, in illegal activities, particularly those related to money laundering, usury, and terrorist financing;
- ensuring compliance with laws, as well as internal policies, rules, and procedures.

THE CONTROL FUNCTIONS

To ensure sound and prudent management, the Company combines business profitability with conscious risk-taking and fair operating conduct.

The overall supervision of the Group's internal controls is centrally managed by the Internal Audit, Risk & Permanent Control, and Compliance departments. The functions of these departments, independent of each other organizationally, are carried out by Crédit Agricole Auto Bank S.p.A. based on specific agreements between the parties. From an operational perspective, three types of controls are provided:
- first-level controls: these ensure the proper conduct of daily operations and individual transactions, carried out by operational areas or incorporated into IT procedures;
- second-level controls: these contribute to the definition of risk measurement methodologies and check the consistency of operations with risk objectives. They are managed by departments other than operations, particularly the Risk & Permanent Control and Compliance departments;
- third-level controls: these are conducted by the Internal Audit department to identify irregularities, breaches of procedures and regulations, and to assess the functioning of the overall internal control system.

INTERNAL AUDIT

The Internal Audit department is responsible for third-level controls by verifying, based on an annual plan submitted to the Board of Directors for approval, the adequacy of the ICS and providing the Board of Directors and Management with a professional and impartial assessment of the effectiveness of internal controls.

The Head of Internal Audit is responsible for preparing the audit plan constructed on the basis of periodic risk assessments, for coordinating audit missions, and for reporting on the results and progress of the audit plan periodically to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors.

The internal audit process involves mapping risks on an annual basis, at the level of individual companies, using a common methodology issued by the Parent Company.

For companies that do not have a local internal audit department, risk mapping is done centrally. Monitoring the results of internal audit activities of individual companies involves a reporting system relating to:
- progress of the audit plan and explanation of any deviations;
- status of implementation of recommendations issued.

The Board of Directors is periodically informed about the results of the audits, the action plans undertaken, the progress of the plan, and the level of implementation of the recommendations issued by the individual companies.

RISK AND PERMANENT CONTROL

The mission of the department is the management of the risk control and prevention system. The Risk & Permanent Control department consists of people dedicated to permanent controls who are not involved in business activities. The second-level controls performed by the Risk & Permanent Control department cover all risks considered peculiar to the Company's daily business operations and mapped within the Risk Strategy.

The Company updates its Risk Strategy on an annual basis to define the risk it is willing to bear in pursuit of its strategic objectives.

The update is subject to approval by the Board of Directors, which monitors it on an ongoing basis. The process of defining the Risk Strategy as a framework for determining the risk appetite, which sets ex ante the risk-return objectives that the Company intends to achieve, also encourages a wider dissemination of the risk culture within the Company.

The Risk & Permanent Control (R&PC) department liaises with its contacts at Crédit Agricole Auto Bank S.p.A. and at the foreign legal entities and branches.

The results of second-level controls carried out by Risk and Permanent Control are presented quarterly to the Board of Directors and analyzed by the Internal Control Committee.

COMPLIANCE

The objective of the Compliance department is to monitor Compliance and Anti-Money Laundering risks as well as to manage relations with the Supervisory Authorities.

The department, in order to assess the adequacy of internal procedures with respect to the objective of preventing the breach of laws, regulations and self-regulatory standards:
- identifies, in cooperation with the relevant corporate departments and in particular Legal Affairs, the rules applicable to the Company and assesses their impact on activities, processes and procedures;
- proposes procedural and organizational changes aimed at ensuring adequate control of the risks of non-compliance with regulations;
- prepares direct information flows to corporate bodies and other corporate control functions;
- verifies the effectiveness of suggested procedural and organizational adjustments to prevent the risk of non-compliance;
- coordinates the activities of the Supervisory Board, ensuring the upgrade of the Organization, Management and Control Model, under Legislative Decree 231/01;
- participates in the activities of determining training requirements and training activities in order to disseminate a corporate culture based on the principles of honesty, fairness and compliance.

The department is involved in the ex-ante assessment of compliance with applicable regulations of all innovative projects, including operations in new products or services.

With regard to anti-money laundering and anti-terrorism financing monitoring, the department checks that the Company's procedures are consistent with the objective of preventing and combating breaches of external regulatory standards (laws and regulations) and self-regulation on money laundering and terrorist financing.

The results of the second-level controls carried out by the Compliance department are presented quarterly to the Board of Directors and the Internal Control Committee.

BODIES INVOLVED IN THE OVERSIGHT OF THE INTERNAL CONTROL SYSTEM

To supplement and complement the ICS, the Company has, in addition to the Control departments, the following bodies.

INTERNAL CONTROL COMMITTEE

The mission of the Internal Control Committee "ICC" is to monitor the results of audit activities carried out by the control functions in order to:

- review the findings of audit activities;
- inform about the progress of action plans;
- present the Audit Plan and its progress;
- analyze any issues arising from the evaluation of the system of internal controls.

In addition, the Committee acts as a Fraud Committee, with the aim of monitoring frauds, the effectiveness of fraud prevention devices, and the adequacy of control systems related to fraud detection. The ICC meets on a quarterly basis. The presence of the CEO is indicative of the high-level focus on the internal control system, making it possible, since the CEO is the person responsible for implementing the necessary operational and adjustment actions if deficiencies or anomalies emerge, to benefit from a complete and integrated overview of the outcomes of the controls performed

SUPERVISORY BOARD

With reference to the prevention of administrative liability under Legislative Decree 231/01, the Supervisory Board, "SB", was established for Drivalia S.p.A. to oversee the proper application of the "Organization, Management and Control Model" and the Code of Conduct.

The Supervisory Board:

- meets at least quarterly and reports periodically to the CEO and General Manager, the Board of Directors and the Board of Statutory Auditors;
- carries out periodic checks on the actual ability of the Model to prevent the commission of crimes, making use, as a rule, of the Compliance department, the Internal Audit department, the Risk & Permanent Control department and receiving support from other internal departments as needed from time to time.

The Company's Supervisory Board is composed of a member of the Compliance, Supervisory Relations & Data Protection department of CA Auto Bank S.p.A., a member of the Internal Audit department of CA Auto Bank S.p.A., and an external professional, with experience in legal and criminal matters, who is called upon to participate as Chairman.

BOARD OF STATUTORY AUDITORS

The Board of Statutory Auditors consists of three standing members and two alternate members, appointed for a period of three years.

The Board of Statutory Auditors is assigned the duties set forth in the first paragraph of article 2403 of the Italian Civil Code.

The Board of Statutory Auditors currently in office was appointed on March 25, 2021, and the term of office will expire with the Shareholders' Meeting that will approve the Financial Statements as of December 31, 2023.

OTHER INFORMATION

PRINCIPAL RISKS AND UNCERTAINTIES

Specific risks that may give rise to obligations for the Company are assessed when the relevant provisions are determined and are mentioned in the notes to the financial statements, together with significant contingent liabilities. Reference is made below to those risk and uncertainty factors related essentially to the economic, regulatory and market environment and which may affect the Company's own performance.

The Company's financial position, operating performance and cash flows are affected in the first instance by the various factors that make up the macroeconomic environment in the context in which it operates, such as the increase or decrease in GDP, the level of consumer and business confidence, interest and exchange rate trends, and the unemployment rate. The Group's business is, to a predominant extent, linked to the performance of the automotive sector, which has historically been cyclical. Bearing in mind that it is difficult to predict the extent and duration of different economic cycles, any macroeconomic event (such as a significant decline in major markets, the solvency of counterparties, volatility in financial markets and interest rates, and the continuing semi-conductor shortage) could affect the outlook and financial results.

The geopolitical environment, primarily characterized by the Russo-Ukrainian conflict, has significantly impacted the business cycle in the past year and, with no end to hostilities in sight anytime soon, will continue to influence 2024, with modest GDP growth rates and inflation rates still high. Moreover, the continuation of Covid-19, although under control in terms of diffusion and serious effects of the disease, remains an element of uncertainty that adds to an unfavorable geopolitical picture.

The Drivalia Group complies with the laws and regulations of the countries in which it operates. Most of our legal proceedings are disputes related to non-payment by customers and dealers in the normal course of our business operations.

Our provisioning policies for "risks and charges," together with close monitoring of pending proceedings, allow us to deal in a timely manner with the possible effects on our performance.

MANAGEMENT AND COORDINATION ACTIVITIES

Drivalia S.p.A., parent company of the Drivalia Group, operates in full managerial autonomy. However, it adheres to the strategic and operational guidelines indicated by its Parent Company, CA Auto Bank S.p.A., which exercises management and coordination activities pursuant to article 2497 bis of the Italian Civil Code.

The management and coordination activity produces positive effects on the Company's business operations and results as it enables it to achieve economies of scale by availing itself of professional and specialized services with increasing quality levels and concentrating its resources on the management of its core business.

In particular, these guidelines are embodied in the Code of Conduct adopted at the Group level and the development of general financial, human resource management and communication policies. In addition, Group coordination involves the provision of certain services by pooling existing expertise in the Parent Company CA Auto Bank S.p.A.

DIVIDENDS AND RESERVES DISTRIBUTED

No dividends were paid to the shareholder during the year.

SUBSEQUENT EVENTS

No events occurred after the balance sheet date that would lead to an adjustment to the results shown in the Financial Statements as of and for the year ended December 31, 2023.

Turin, March 28, 2024

On behalf of the Board of Directors

The Chief Executive Officer

Paolo Manfreddi

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY

CONSOLIDATED CASH FLOW STATEMENT

CONSOLIDATED BALANCE SHEET ASSETS

DESCRIPTION	NOTES	TOTAL DECEMBER 31ST, 2023	TOTAL DECEMBER 31ST, 2022	TOTAL DECEMBER 31ST, 2021
Vehicles		2,263,989	355,891	-
Other tangible assets	2	89,752	8,213	207
Rights of use	3	18,264	6,900	-
Goodwill	4	93,030	34,661	-
Other intangible assets	5	13,244	5,828	1,745
Investments	6	17	16	10,502
Deferred tax assets	8	19,748	2,881	493
TOTAL NON-CURRENT ASSETS		**2,498,044**	**414,390**	**12,947**
Inventories	10	25,957	-	-
Trade receivables	11	416,060	140,409	21,351
Other current receivables and assets	12	663,488	347,396	15,681
Cash and cash equivalents	13	60,072	69,876	43,930
Derivative financial instruments	14	436	-	-
Tax receivables	15	3,409	503	87
TOTAL CURRENT ASSETS		**1,169,422**	**558,184**	**81,049**
TOTAL ASSETS		**3,667,466**	**972,574**	**93,996**

Amounts in €/000

Comparative figures as of December 31, 2022 and January 1, 2022 are unaudited.

CONSOLIDATED BALANCE SHEET LIABILITIES AND EQUITY

DESCRIPTION	NOTES	TOTAL DECEMBER 31ST, 2023	TOTAL DECEMBER 31ST, 2022	TOTAL DECEMBER 31ST, 2021
EQUITY				
Share capital		50,000	1,808	1,808
Retained earnings (accumulated losses)		142,948	21,386	15,911
Other reserves - Other		1,630	1,177	-
Profit for the year		34,956	14,924	5,958
TOTAL EQUITY		**229,534**	**39,295**	**23,677**
LIABILITIES.				
Employee benefits	18	828	449	300
Provisions	19	12,737	930	488
Deferred tax liabilities	8	84,542	96	-
TOTAL NON-CURRENT LIABILI-TIES		**98,107**	**1,475**	**788**
Current borrowings	17	3,057,803	826,712	25,013
Trade payables	20	217,386	97,511	41,024
Other current liabilities	21	55,557	3,863	2,441
Tax payables	22	9,079	3,718	1,052
TOTAL CURRENT LIABILITIES		**3,339,825**	**931,804**	**69,531**
TOTAL EQUITY AND LIABILITIES		**3,667,466**	**972,574**	**93,996**

Amounts in €/000

Comparative figures as of December 31, 2022 and January 1, 2022 are unaudited.

CONSOLIDATED INCOME STATEMENT

DESCRIPTION	NOTES	12/31/23	12/31/22
Revenues from leasing contracts		450,977	205,756
Impairment of leasing contracts		(193,481)	(23,225)
Costs of leasing contracts - finan-cing		(58,527)	(5,472)
Total other fleet expenses and revenue		(129,290)	(132,607)
Margin on leasing contracts	1	**69,679**	**44,452**
Revenues from services		75,390	16,830
Service costs		(58,143)	(14,957)
Margin on services	2	**17,247**	**1,873**
Revenues from car disposals		39,690	12,467
Costs of cars sold		(16,870)	(9,586)
Margin on cars sold	3	**22,820**	**2,881**
Gross operating margin		**109,746**	**49,206**
Personnel costs	4	(37,139)	(16,070)
Other operating costs	5	(4,470)	(702)
Depreciation, amortization, and impairments	6	(9,933)	(8,553)
Total operating costs		**(51,542)**	**(25,325)**
Credit loss	7	(29)	(2,511)
Non-recurring revenues (expenses)	8	(5,863)	3
Operating income		**52,312**	**21,373**
Financial income		-	-
Financial expenses		-	-
Income before taxes		**52,312**	**21,373**
Income taxes	10	(17,356)	(6,449)
Profit for the year		**34,956**	**14,924**

Amounts in €/000

Comparative figures as of December 31, 2022 are unaudited.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

DESCRIPTION	12/31/23	12/31/22
Profit (loss) for the year (A)	34,956	14,924
Other comprehensive income without recycling to profit or loss	**(900)**	**49**
Defined benefit plans	(900)	49
Other comprehensive income with recycling to profit or loss	**1,163**	**-**
Cash flow hedges	1,163	-
Total other comprehensive income	**263**	**49**
Total comprehensive income	**35,219**	**14,973**
of which attributable to parent company shareholders	35,219	14,973
Of which attributable to non-controlling interests	-	-

Amounts in €/000

Comparative figures as of December 31, 2022 are unaudited.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2023

	BALANCE AS OF DECEMBER 31, 2022	CHANGE OPENING BALANCES	BALANCE AS OF JANUARY 01, 2023	ALLOCATION OF PREVIOUS YEAR'S RESULT		CHANGES IN THE YEAR				EQUITY AT DECEMBER 31, 2023	EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDER AT DECEMBER 31, 2023	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS AT DECEMBER 31, 2023
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CAPITAL ACTIONS		TOTAL COMPREHENSIVE INCOME 2023			
							ISSUE OF NEW SHARES	SHARE BUYBACKS				
Share capital:												
(a) ordinary shares	1,808		1,808				48,192			50,000	50,000	-
(b) other shares	-		-							-		-
Share premium reserve	-		-				101,808			101,808	101,808	-
Reserves:	-		-							-		-
(a) earnings	(122)		(122)	14,924	-	4,830				19,632	19,632	-
(b) other	21,508		21,508							21,508	21,508	-
Valuation reserves	1,177		1,177			190			263	1,630	1,630	-
Equity instruments	-		-							-		-
Interim dividends	-		-							-	-	-
Treasury shares	-		-							-		-
Net profit (loss) for the year	14,924		14,924	(14,924)	-				34,956	34,956	34,956	-
Equity	**39,295**		**39,295**	**-**		**5,020**	**150,000**		**35,219**	**229,534**	**229,534**	**-**

Amounts in €/000

Comparative figures as of December 31, 2022 2022 are unaudited.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS OF DECEMBER 31, 2022

	BALANCE AS OF DECEMBER 31, 2021	CHANGE OPENING BALANCES	BALANCE AS OF JANUARY 01, 2022	ALLOCATION OF PREVIOUS YEAR'S RESULT		CHANGES IN THE YEAR				EQUITY AT DECEMBER 31, 2022	EQUITY ATTRIBUTABLE TO PARENT COMPANY'S SHAREHOLDER AT DECEMBER 31, 2022	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS AT DECEMBER 31, 2022
				RESERVES	DIVIDENDS AND OTHER ALLOCATIONS	CHANGES IN RESERVES	CAPITAL ACTIONS		TOTAL COMPREHENSIVE INCOME 2022			
							ISSUE OF NEW SHARES	SHARE BUYBACKS				
Share capital:												
(a) ordinary shares	1,808		1,808				-			1,808	1,808	-
(b) other shares	-		-							-		-
Share premium reserve	-		-				-			-	-	-
Reserves:	-		-							-		-
(a) earnings	362		362	5,958	-	(6,442)				(122)	(122)	-
(b) other	15,550		15,550			5,958				21,508	21,508	-
Valuation reserves	-		-			1,128			49	1,177	1,177	-
Equity instruments	-		-							-		-
Interim dividends	-		-							-	-	-
Treasury shares	-		-							-		-
Net profit (loss) for the year	5,958		5,958	(5,958)	-				14,924	14,924	14,924	-
Equity	**23,678**		**23,678**	**-**		**644**	**-**		**14,973**	**39,295**	**39,295**	**-**

Amounts in €/000

Comparative figures as of December 31, 2022 are unaudited.

CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

DESCRIPTION (€/000)	12/31/23	12/31/22
Cash flow generated by (used for) operating activities (a):		
Net profit (loss) from operating activities	**34,956**	**14,924**
Adjustments to reconcile net profit to cash flow from operating activities:	**296,231**	**37,187**
Depreciation of property, plant and equipment and amortization of intangible assets and rights to use leased assets	194,400	30,642
Net impairment/(impairment reversals) of trade and other receivables	29	-
Net change in deferred tax assets (liabilities)	84,446	96
Income taxes	17,356	6,449
Change in working capital:	**(351,463)**	**(400,015)**
Inventories	(25,957)	-
Trade receivables	(275,680)	(119,058)
Trade payables	119,875	56,487
Provisions	11,807	442
Other assets and liabilities	(181,508)	(337,886)
Cash flow generated by (used for) operating activities (a)	**(20,276)**	**(347,904)**
Investments:		
Intangible assets, property, plant and equipment and rights to use leased assets	(2,261,186)	(440,183)
Equity investments	(1)	10,486
Financial receivables and other financial assets	(16,867)	(2,388)
Cash flow generated by (used for) investing activities (b)	**(2,278,054)**	**(432,085)**
Change in current borrowings and other	2,288,147	805,786
Change in non-current borrowings	379	149
Change Hedging and non-hedging derivatives assets/liabilities	-	-
Cash flow generated by (used for) financing activities (c)	**2,288,526**	**805,935**
Total cash flow (d = a+b+c)	**(9,804)**	**25,946**
Cash and other cash equivalents, net at the beginning of the year (e)	**69,876**	**43,930**
Net cash and other cash equivalents at the end of the year (f = d+e)	**60,072**	**69,876**

Amounts in €/000

Comparative figures as of December 31, 2022 are unaudited.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

PART A
ACCOUNTING POLICIES

A.1 - OVERVIEW

SECTION 1

Statement of compliance with International Financial Reporting Standards
These consolidated financial statements as of and for the year ended December 31, 2023, are prepared in accordance with the IAS/IFRS endorsed by the European Commission pursuant to European Union Regulation No. 1606 of July 19, 2002, and transposed into Italian law by Legislative Decree No. 38 of February 28, 2005, as supplemented by the relevant interpretations (Standing Interpretations Committee - SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standard Board (IASB) and in force at the close of the fiscal year.

No exceptions have been made to the application of IAS/IFRS.
Preparation of the first consolidated financial statements in accordance with IAS/IFRS

As of the fiscal year ending December 31, 2023, Drivalia S.p.A. has decided to forego the exemption from the obligation to prepare consolidated financial statements under Article 27, Paragraph 3, of Legislative Decree No. 127 of April 9, 1991. Specifically, as of December 31, 2022, Drivalia had utilized this exemption since it had not issued listed securities and was a wholly-owned subsidiary of CA Auto Bank S.p.A., a company that prepares and has an independent firm audit its own consolidated financial statements. The decision to prepare consolidated financial statements as of December 31, 2023, was made to facilitate the Company's potential future participation in financial markets.

The first-time adoption of international financial reporting standards (hereinafter also referred to as "first-time adoption" or "FTA") is governed by IFRS 1 "First-time Adoption of International Financial Reporting Standards".

In general, according to IFRS 1, the application of IAS/IFRS must be made retrospectively, although this application is mitigated by the presence of optional exemptions and mandatory exceptions. Generally, the first financial statements must be prepared and presented as if they had always been prepared in accordance with international financial reporting standards, and therefore all IAS/IFRS standards in effect at the date of the first IAS/IFRS financial statements must be applied retrospectively.

In accordance with the requirements of IFRS 1 (see IFRS 1.21), these consolidated financial statements present three statements of financial position, two income statements, two statements of comprehensive income, two of cash flow statements and two statements of changes in equity and related notes.

The date of transition to International Financial Reporting Standards is January 1, 2022.

The figures as of January 1, 2022 presented in the above schedules are substantially the same as those relating to the Parent Company, Drivalia SpA. As of January 1, 2022, in fact, the reorganization process that led, during 2022 and 2023, to the acquisition by Drivalia SpA of the companies operating in the motor vehicle rental sector had not yet been carried out within the CA Auto Bank Group (formerly FCA Bank Group); for this reason, the figures referring to January 1, 2022 have not been included and/or commented on in the notes to the financial statements as they are not considered relevant.

In preparing the consolidated financial statements in accordance with IAS/IFRS, use was made of the figures prepared for consolidation in the CA Auto Bank Group (formerly the FCA Bank Group). These data were already prepared in accordance with IAS/IFRS, and consequently adjustments were made solely to reflect changes in presentation criteria.

The Group has not presented consolidated financial statements for fiscal years prior to December 31, 2023, and, therefore, a reconciliation of equity under previous GAAP and that recognized in accordance with IAS/IFRS has not been prepared. Therefore, in light of the above, these consolidated financial statements do not present reconciliations with data as of December 31, 2021.

Optional exemptions under IFRS 1.
With respect to business combinations, the optional exemption provided by IFRS 1 on first-time adoption of IFRS was applied. This exemption permits an entity to elect, at the date of transition, not to apply IFRS 3 Business Combinations retrospectively to business combinations that occurred before the date of transition to IFRS.

Treatments selected in the context of accounting options under IAS/IFRS
Considering the peculiarity of the case and the Group's operations, this aspect is not applicable.

SECTION 2

Basis of preparation
The consolidated financial statements consist of the Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Cash Flow Statement, and the Notes, which include material information on the accounting standards applied, and are accompanied by a Board of Directors' report on the Group's operations.

The general criterion adopted in the preparation of these financial statements is historical cost, except for those items which, under IAS/IFRS, are mandatorily recognized at fair value, as indicated in the accounting policies for individual items.

All amounts are shown in thousands of euros unless otherwise indicated.

The Financial Statements and Notes present, in addition to the amounts for the reporting period, the corresponding comparative figures as of and for the year ended December 31, 2022.

The consolidated financial statements of the Drivalia Group were prepared in accordance with the general principles established by IAS 1. In particular:

Balance sheet and Income statement schedules.
The Company has chosen, among the various options allowed by IAS 1, to present the statement of financial position according to the current/non-current classification and the income statement by classifying costs by nature.

A number of specific items typical of rental companies have been included in the preparation of the financial statements, for better understanding of the business and its results.

Current/non-current classification
Assets and liabilities in the Company's statement of financial position are classified on a current/non-current basis. An asset is current when it:
- is expected to be realized, or is held for sale or consumption, in the normal course of business;
- is held primarily for the purpose of trading it;
- is assumed to be realized within twelve months after the end of the reporting period; or
- consists of cash or cash equivalents unless it is prohibited from being exchanged or used to settle a liability for at least twelve months after the end of the reporting period.

All other assets are classified as non-current.

A liability is current when it:
- is expected to settle in its normal operating cycle;
- is held primarily for the purpose of trading it;
- is due to be settled within twelve months after the end of the reporting period;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Contractual terms of the liability that could, at the option of the counterparty, result in its settlement through the issuance of equity instruments do not affect its classification. The Company classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as noncurrent assets and liabilities.

Consolidated statement of comprehensive income.
The statement of comprehensive income shows, in addition to

the profit for the year, the other income components divided between those that are recycled and those that are not recycled to profit or loss.

Statement of changes in consolidated equity.
The statement of changes in equity shows the composition and changes in equity for the reporting year and the previous year.

Consolidated cash flow statement.
The cash flow statement was prepared using the indirect method.

Going concern, accrual basis of accounting, and consistency of financial statement presentation
With regard to the going concern assumption underlying the preparation of the financial statements, the Group is deemed to remain viable for the foreseeable future; consequently, the consolidated financial statements as of and for the year ended December 31, 2023, have been prepared on a going concern basis, in accordance with the accrual basis of accounting, as well as applying accounting standards consistently.

Fair value measurement
The Group measures financial instruments such as derivatives at fair value at each reporting date.

Fair value is the price that would be received for the sale of an asset, or paid for the transfer of a liability, in a regular transaction between market participants on the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place:
- in the principal market for the asset or liability;

or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The main market or the most advantageous market must be accessible to the Group.

The fair value of an asset or liability is assessed by adopting the assumptions that market participants would use in pricing the asset or liability, assuming that they would act to best serve their economic interest.

A fair value measurement of a nonfinancial asset considers the ability of a market participant to generate economic benefits by employing the asset to its highest and best use or by selling it to another market participant who would employ it to its highest and best use.

The Group uses valuation techniques that are appropriate to the circumstances and for which there is sufficient data available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized according to the fair value hierarchy, as described below:

- level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- level 2 - inputs other than quoted prices included in level 1 that are observable directly or indirectly for the asset or liability;
- level 3 - valuation techniques for which inputs are not observable for the asset or liability.

The fair value measurement is classified entirely in the same level of the fair value hierarchy in which the lowest level input of the hierarchy used for the measurement is classified.

For assets and liabilities recognized in the financial statements at fair value on a recurring basis, the Group determines whether transfers between levels of the hierarchy have occurred by reviewing the categorization (based on the lowest level input that is significant to the fair value measurement in its entirety) at each reporting date.

For the purposes of fair value disclosures, the Group determines the classes of assets and liabilities based on the nature, characteristics, and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Risks and uncertainties associated with the use of estimates
In accordance with IFRS, management is required to make judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, expenses, and revenues recognized in the financial statements, as well as disclosures related to contingent assets and liabilities. The estimates and related assumptions are based on past experience and other factors considered reasonable in the case and have been adopted to determine the carrying value of assets and liabilities.

In particular, estimation processes have been adopted to support the carrying amount of certain significant valuation items recorded in the Consolidated Financial Statements as of and for the year ended December 31, 2023, as required by the aforementioned reference accounting standards. These processes are largely based on estimates of the future recoverability of the amounts recorded in the financial statements in accordance with the rules dictated by current regulations and have been carried out on a going concern basis.

The estimates and assumptions are reviewed regularly and updated periodically. In the event of different trends in the elements considered, the actual amounts may differ from the original estimates and require to be consistently modified: in such circumstances, changes are recognized in the Income Statement for the period in which they occur or in subsequent periods.

The main cases for which the use of subjective assessments by management is most required are:
- the recoverability of the amount of receivables and, in general, other financial assets and the consequent determination of any impairment;
- the determination of the fair value of financial instruments for the purposes of their recognition as well as financial statement disclosures; in particular, the use of valuation models for the recognition of the fair value of financial instruments not listed on active markets;
- the quantification of personnel provisions and provisions for risks and charges;
- the recoverability of deferred tax assets and goodwill.

SECTION 3

Scope of consolidation
The scope of consolidation as of December 31, 2023 includes the Parent Company, Drivalia S.p.A., and its direct or indirect Italian and foreign subsidiaries, as specifically required by IFRS 10.

Entities in which the Parent Company has the ability to exercise the power to direct the relevant activities in order to influence the variable returns to which the group is exposed are considered.

In order to verify the existence of control, the Group considers the following factors:
- the purpose and the articles of association of the investee in order to identify what the entity's objectives are, the activities that determine its returns, and how those activities are governed;
- the power to understand whether the group has contractual rights that confer the ability to govern relevant activities; only substantive rights that provide practical governing capacity are considered to that effect;
- the exposure to the investee in order to assess whether the Group has relationships with the investee whose returns are subject to change dependent on the performance of the investee.

Where relevant activities are governed through voting rights, the existence of control is verified by considering the voting rights, including potential voting rights, held and the existence of any agreements or shareholders' agreements that grant the right to control a majority of the voting rights themselves, to appoint a majority of the Board of Directors, or otherwise the power to determine the financial and operating policies of the entity.

The following table shows the companies included in the scope of consolidation (Drivalia Lease, Succursale au Maroc is not included).

INVESTMENTS IN WHOLLY-OWNED SUBSIDIARIES

COMPANY NAME	REGISTERED OFFICE	OPERATIONAL HEADQUARTERS (*)	RELATIONSHIP TYPE (**)	PARENT COMPANY (***)	SHAREHOLDING %
Drivalia S.p.A.	Turin - Italy	Rome - Italy			
Drivalia France S.A.S.	Limonest - France		1		100
Drivalia Lease UK Ltd.	Slough - United Kingdom		1		100
Drivalia UK Ltd.	Slough - United Kingdom		1		100
Drivalia Lease España S.A.U.	Alcobendas - Spain		1		100
Drivalia España S.L.U.	Alicante - Spain		1		100
Drivalia Portugal S.A.	Loures - Portugal		1		100
Drivalia Lease Polska Sp. z o.o.	Warsaw - Poland		1		100
Drivalia Lease Danmark A/S	Brøndby - Denmark		1		100
Drivalia Lease Hellas SM S.A.	Athens - Greece		1		100
Drivalia Lease Belgium S.A.	Auderghem - Brussels - Belgium		1		100
Drivalia Lease Nederland B.V.	Amsterdam - Netherlands		1		100
Drivalia Lease Finland Oy	Itsehallintokuja - Finland		1		100
Drivalia Lease Czech Republic s.r.o.	Prague - Czech Republic		1		100
Fleet Insurance Plan s.r.o.	Prague - Czech Republic		1	Drivalia Lease Czech Republic s.r.o.	100
Drivalia Lease Ireland Ltd	Dublin - Ireland		1		100
Drivalia Lease Norge AS	Stabekk - Norway		1		100

(*) If different from Registered Office
(**) Relationship type:
1 = Majority of the voting rights in the ordinary shareholder meeting
2 = Dominant influence in the ordinary shareholder meeting
(***) If different from Drivalia S.p.A.

Consolidation method
In preparing the consolidated financial statements, the financial statements of the Parent Company and its subsidiaries, which are prepared in accordance with consistent IAS/IFRS standards, are combined on a "line by line" basis. This involves adding together the corresponding amounts of each item of assets, liabilities, equity, revenues, and expenses. The book value of the Parent Company's equity investments in each subsidiary and the corresponding portion of each subsidiary's equity held by the Parent Company are eliminated. Any differences resulting from this operation are recognized as goodwill on the date of first consolidation, after any allocation to elements of the subsidiary's assets or liabilities, and thereafter among other reserves. Intercompany balances, transactions, and related unrealized gains are fully eliminated. The financial statements of the Parent Company and other companies used to prepare consolidated financial statements are aligned to the same reporting date. For foreign companies that prepare financial statements in currencies other than the euro, assets and liabilities are translated at the exchange rate prevailing on the reporting date, while revenues and expenses are translated at the average exchange rate for the period. The translation of these financial statements results in the recognition of exchange rate differences arising from translating revenue and expense items at average exchange rates and assets and liabilities at the exchange rate on the reporting date. Exchange differences on the assets and liabilities of consolidated investees are recognized in reserves in the consolidated financial statements and are reversed to the income statement only in the year in which control is lost.

The exchange rates used to convert the financial statements as of and for the year ended December 31, 2023, are as follows:

		AS OF DECEMBER 31ST, 2023	AVERAGE FOR THE YEAR ENDED DECEMBER 31ST, 2023	AS OF DECEMBER 31ST, 2022	AVERAGE FOR THE YEAR ENDED DECEMBER 31ST, 2022
CROWN CZECH REPUBLIC	CZK	24,724	24,002	0,000	0,000
KRONE DENMARK	DKK	7.453	7.451	7.437	7.440
STERLING UNITED KINGDOM	GBP	0.869	0.870	0.887	0.853
DIRHAM MOROCCO	MAD	10.945	10.957	11.155	10.708
KORUNA NORWAY	NOK	11.241	11.421	10.514	10.103
ZLOTY POLAND	PLN	4.340	4.544	4.681	4.687

Other information
The consolidated financial statements were prepared using:
- the draft financial statements as of December 31, 2023 of the Parent Company, Drivalia S.p.A.;
- the accounts as of and for the year ended December 31, 2023, approved by the competent bodies and functions, of the other fully-consolidated companies, as adjusted to take into account consolidation requirements and, where necessary, to bring them into line with Group accounting standards.

SECTION 4

Subsequent events
No events occurred after the reporting date that would cause the amounts shown in the consolidated financial statements as of and for the year ended December 31, 2023, to be adjusted.

SECTION 5

Other aspects
The consolidated financial statements and the financial statements of Drivalia S.p.A. are audited by PricewaterhouseCoopers S.p.A. pursuant to Legislative Decree No. 39 of January 27, 2010. The comparative figures presented in the consolidated financial statements as of and for the year ended December 31, 2023 have not been audited.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ENDORSED BY THE EUROPEAN UNION AND EFFECTIVE JANUARY 1, 2023

As required by IAS 8, the following table shows the new international financial reporting standards and amendments to standards already in force, whose application has become mandatory as of 2023.

The financial statements incorporate the changes in accounting standards shown below. The implementation of the accounting standards below did not have a significant impact on the financial statement figures as of and for the year ended December 31, 2023.

IFRS 17 - Insurance Contracts, including amendments to IFRS 17 (publication date: November 23, 2021).
On May 18, 2017, the IASB issued the new international financial reporting standard for insurance contracts with application from January 1, 2021.

The new international financial reporting standard to account for insurance contracts (formerly known as IFRS 4) aims to improve investors' understanding of, among other things, insurers' risk exposure, profitability, and financial position. The IASB has finalized the final text, ending a lengthy consultation phase.

IFRS 17 is a complex standard that will include some fundamental differences from current accounting with respect to both the measurement of liabilities and the recognition of profits.

IFRS 17 applies to all insurance contracts. The underlying accounting model ("General Model") is based on the discounting of expected cash flows, as well as the disclosure of a "risk adjustment," and of a "Contractual Service Margin" (CSM) that cannot be negative and represents the present value of up-front profits, released through its amortization.

On June 25, 2020, the IASB issued amendments to IFRS 17 Insurance Contracts to help companies implement the Standard and make it easier for them to explain their financial performance.

The core principles introduced when the Board first published IFRS 17 in May 2017 remain unchanged. The changes, which are in response to stakeholder feedback, are designed to:
- reduce costs by simplifying some requirements of the Standard;
- make financial performance easier to explain;
- ease the transition by postponing the effective date of the Standard to 2023 and reducing the charges of applying IFRS 17 for the first time.

The Standard gives companies the option to exempt contracts characterized by intergenerational mutualization and cash flow adequacy from the application of the requirement to group into annual cohorts under IFRS 17.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (publication date: March 3, 2022).
On February 12, 2021, the IASB issued narrow scope amendments to IFRS Standards.

The Disclosure on Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) amends IAS 1 as follows:
- an entity is now required to disclose relevant accounting policies instead of significant accounting policies;
- several paragraphs have been added to explain how an entity can identify relevant accounting policy information and to provide examples of when accounting policy information is likely to be significant;
- the amendments clarify that disclosures about accounting policies may be significant because of their nature, even if the amounts involved are immaterial;
- the amendments clarify that information about accounting policies is material if users of an entity's financial statements would need it to understand other significant information in the financial statements;
- and the amendments clarify that if an entity discloses immaterial information about accounting policies, such information should not obscure material information about accounting policies.

In addition, IFRS Practice Statement 2 was amended by adding guidance and examples to explain and demonstrate the application of the "four-step materiality process" to accounting policy disclosures in order to support the amendments to IAS 1.

Once an entity has applied the amendments to IAS 1, it is also allowed to apply the amendments to IFRS Practice Statement 2.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: definition of accounting estimates (publication date: March 3, 2022).
On February 12, 2021, the IASB issued amendments to IAS 8.

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates. This distinction is important because changes in accounting estimates are applied prospectively only to future transactions and other future events, while changes in accounting policies are also generally applied retrospectively to past transactions and other past events.

Companies sometimes have difficulty distinguishing between accounting policies and accounting estimates. Therefore, the Interpretations Committee received a request to clarify the distinction. The Interpretations Committee noted that it would be helpful if more clarity were given and brought the issue to the attention of the IASB for future consideration.

Amendments to IAS 12 Income Taxes: deferred taxes related to assets and liabilities arising from a single transaction (publication date: August 12, 2022).
The IASB has published amendments to IAS 12, "Deferred Taxes Relating to Assets and Liabilities Arising from a Single Transaction," which clarify how companies account for deferred taxes on transactions such as leases and decommissioning obligations in order to reduce diversity in recognition.

Under certain circumstances, companies are exempt from recording deferred taxes when they recognize assets or liabilities for the first time. Previously, there had been some uncertainty about whether the exemption applied to transactions such as leases and decommissioning obligations, for which companies can recognize both an asset and a liability.

The amendments clarify that the exemption does not apply on such transactions and that companies are required to recognize deferred taxes. The aim of these amendments is to reduce diversity in the recognition of deferred taxes on leases and decommissioning obligations.

Amendments to IFRS 17 Insurance Contracts: initial application of IFRS 17 and IFRS 9 - Comparative information (publication date: September 9, 2022).
The International Accounting Standards Board (IASB) issued a narrow amendment to the transition requirements in IFRS 17 Insurance Contracts on September 9, 2022, providing insurers with an option to improve the usefulness of investor information on the first-time application of the new Standard.

The change affects only the transition of insurers to the new Standard and does not affect any other requirements of IFRS 17.

IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences may cause temporary accounting mismatches between financial assets and liabilities of insurance contracts in the comparative information they present in their financial statements when they apply IFRS 17 and IFRS 9 for the first time.

The amendment to the transitional provisions of IFRS 17 allows companies to overcome one-time classification differences in prior-year comparative information when they first apply IFRS 17 and IFRS 9 Financial Instruments.

The amendment will help insurers avoid these temporary accounting mismatches and, therefore, improve the usefulness of comparative information for investors. It does so by providing insurers with an option to present comparative information on financial assets.

Amendments to IAS 12 Income Taxes: International Tax Reform - Pillar Two Model Rules (publication date: November 9, 2023)
On May 23, 2023, the International Accounting Standards Board published International Tax Reform - Pillar Two Model Rules - Amendments to IAS 12 Income Taxes-.

The Board's objective to introduce amendments to IAS 12 was:
1. to provide timely relief to affected Companies;
2. to prevent the development of different interpretations of IAS 12 Income Taxes in practice;
3. to improve the information provided to users of financial statements before and after the enactment of Pillar Two rules.

The amendments introduce:
- a temporary and mandatory exception to deferred tax accounting arising from the jurisdictional implementation of the Pillar Two model rules;
- disclosure requirements for affected entities to help financial statement users better understand an entity's presentation of Pillar Two income taxes arising from such rules, particularly prior to its effective date.

The application of this exception applies to annual financial statements beginning on or after January 1, 2023, but not to interim financial statements ending before December 31, 2023.

IFRS AND IFRIC ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS ENDORSED BY THE EUROPEAN UNION, NOT YET MANDATORILY APPLICABLE AND NOT ADOPTED EARLY BY THE GROUP AS OF DECEMBER 31, 2023

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities into Current and Noncurrent and deferral of the effective date of these amendments (publication date: December 20, 2023).
On January 23, 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify payables and other liabilities between current and noncurrent.

The amendments aim to promote consistency in the application of the requirements by helping companies determine whether, in the Statement of Financial Position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due within one year) or non-current.

The amendments include clarification of classification requirements for debt that a company could settle by converting it to equity.

The amendments clarify, without making changes, existing requirements and therefore should not significantly affect companies' financial statements. However, they could result in the reclassification of some liabilities from current to non-current and vice versa.

Due to the Covid-19 pandemic, the IASB has proposed deferring the effective date, initially scheduled for January 1, 2022, to January 1, 2024. Earlier application of the amendments is permitted.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (publication date: November 21, 2023).
On September 22, 2022, the International Accounting Standards Board issued Amendments to IFRS 16 Lease Liability in a Sale and Leaseback.

The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee uses in measuring the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use.

A sale and leaseback transaction involves the transfer of an asset from one entity (the seller-lessee) to another entity (the buyer-lessor) and the leaseback of the same asset by the seller-lessee.

The amendment is intended to improve the requirements for sale and leaseback transactions under IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendment applies retrospectively for fiscal years beginning on or after January 1, 2024. Earlier application is permitted.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Amendments to IAS 7 Cash Flow Statements and IFRS 7 Financial Instruments: Disclosures: Supplier Financial Arrangements (published May 25, 2023).
On May 25, 2023, the International Accounting Standards Board issued Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments, Disclosures: Supplier Finance Arrangements".

These amendments introduce new disclosure requirements to improve the transparency and, therefore, the usefulness of information provided by entities on supplier finance arrangements. These amendments address the presentation of liabilities and related cash flows arising from finance arrangements, as well as the disclosures required for such arrangements. The purpose is to help users of financial statements understand the effects such arrangements have on trade payables, cash flows, and liquidity risk exposure.

The amendments clarify the characteristics of financing arrangements. In these agreements, one or more lenders pay the amounts the entity owes its suppliers. The entity agrees to settle these amounts with the lenders under the terms and conditions of the agreements, on or after the same date as the lenders pay the entity's suppliers. As a result, the financing agreements offer the entity extended payment terms and the entity's suppliers payment in advance of their original due dates.

Different terms are used to describe these arrangements, such as supply chain finance, payables finance, and reverse factoring. Arrangements involving financial guarantees, including letters of credit used as collateral, are not considered supplier finance arrangements. Similarly, instruments used to settle amounts directly with a supplier, such as credit cards, are not supplier finance agreements.

The amendments will take effect for fiscal years beginning on or after January 1, 2024. Early adoption is permitted, but will need to be communicated.

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (published August 15, 2023)
On August 15, 2023, the International Accounting Standards Board (the IASB or Board) published Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). The Amendments to IAS 21 clarify how an entity should assess the exchange rate of a currency that has low or no exchangeability.

The amendments define a currency as exchangeable when the exchange occurs within a time frame that allows exchange with another currency. In addition, a currency is defined as nonexchangeable with another when the entity is only able to obtain an insignificant amount of the other currency.

In such scenarios, the entity must proceed by estimating an exchange rate used in an ordinary transaction between market participants under prevailing economic conditions.

When an entity estimates the exchange rate, it must provide information on how that exchange rate affects its results of operations and financial position. It must also provide information on (i) the inability to exchange one currency for another; (ii) the exchange rate used; (iii) the process of estimating the exchange rate; and (iv) the risks to which it is exposed because the currency is not exchangeable for another.

When the functional currency of a foreign operation is not exchangeable with the presentation currency or the presentation currency is not exchangeable with the functional currency of a foreign operation, the entity is also required to provide the following information:
- the name of the foreign operation and the type of control;
- summary financial information about the foreign operation;
- nature and terms of any contractual arrangements that may require the entity to provide financial support to the foreign operation.

Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture".
The Exposure Draft (ED) addresses the recognized inconsistency between the requirements of IFRS 10 Consolidated Financial

Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is contributed to an associate or joint venture.

IFRS 10 requires that any investment held by the parent in the former subsidiary after the loss of control must be measured at fair value and any resulting gain or loss must be recognized through profit or loss (full gain or loss recognition).

IAS 28 requires that gains and losses resulting from upstream and downstream transactions between an investor and its associate or joint venture should be recognized only to the extent of the interest attributable to the other equity holders of the associate or joint venture (partial gain or loss recognition).

SECTION 6

SUMMARY OF MAIN ACCOUNTING STANDARDS

a) Business combinations and goodwill
Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred, measured at fair value at the acquisition date, and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed during the year and classified as administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that together contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is crucial to the ability to continue generating an output and the acquired inputs include an organized workforce that has the necessary skills, knowledge, or experience to perform that process or contributes significantly to the ability to continue generating an output and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay to the ability to continue generating an output.

When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in accordance with the contractual terms, economic terms, and other relevant conditions in place at the date of acquisition. This includes testing to determine whether an embedded derivative should be separated from the host contract.

Any contingent consideration to be recognized is recognized by the acquirer at fair value at the acquisition date. Contingent consideration classified as equity is not subject to remeasurement and its subsequent payment is accounted for through equity. The change in fair value of contingent consideration classified as an asset or liability, as a financial instrument that is in the scope of IFRS 9 Financial Instruments, must be recognized through profit or loss in accordance with IFRS 9. Contingent consideration that is not within the scope of IFRS 9 is measured at fair value at the balance sheet date, and changes in fair value are recognized through profit or loss.

Goodwill is initially recognized at the cost represented by the excess of the aggregate of the consideration paid and the amount recognized for non-controlling interests over the identifiable net assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the aggregate consideration paid, the Group reassesses whether it has correctly identified all assets acquired and all liabilities assumed and revises the procedures used to determine the amounts to be recognized at the acquisition date. If the reassessment still results in a fair value of the net assets acquired in excess of the consideration, the difference (gain) is recognized through profit or loss.

After initial recognition, goodwill is measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated from the date of acquisition to each cash-generating unit of the Group that is expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the assets of that unit, the goodwill associated with the disposed asset is included in the carrying amount of the asset when determining the gain or loss on disposal. Goodwill associated with the divested business is determined based on the amounts of the divested business and the retained portion of the cash-generating unit.

During 2023, the transactions under common control that were completed between CAAB and Drivalia were those related to the acquisition of Drivalia Lease España SAU, Drivalia Lease UK Ltd, and Drivalia Lease Polska Sp. z o.o.

Business combinations between companies under common control are excluded from the scope of IFRS 3 and, in the absence of a reference standard, they are accounted for by referring to Assirevi preliminary guidelines no. 1 and 2 (OPI 1 - "Accounting treatment of "business combinations of entities under common control" in the separate and consolidated financial statements" and OPI 2 - "Accounting treatment of mergers in the separate financial statements"). These guidelines consider the economic significance of such transactions with reference to the impacts on cash flows for the Group. Transactions carried out, if they do not have a significant influence on future cash flows, are recognized on a going concern basis. This is in accordance with IAS 8, paragraph 10, which requires, in the absence of a specific standard, to make use of one's judgment in applying an accounting policy in order to provide relevant, reliable, prudent information that reflects the economic substance of the transaction.

A.2 – PART ON THE MAIN FINANCIAL STATEMENT ITEMS

SUMMARY OF THE MAIN IAS/IFRS APPLIED

Vehicles
The item "Vehicles" mainly includes vehicles leased to third parties and company-owned vehicles for use by employees.

Vehicles are recognized at historical cost less accumulated depreciation in accordance with IAS 16 and are capitalized on the basis of
- the acquisition price;
- all expenses inherent in putting the vehicle into use and considered a permanent addition to the vehicle when the contract begins;
- delivery costs.

Leased assets are depreciated on a straight-line basis over the life of the lease, up to their residual value. The contract duration typically ranges from 3 to 4 years.

Depreciation begins when the asset is included in the production cycle, which, for leased assets, is the moment they are delivered to customers.

When the rental contract terminates, the relevant assets are reclassified under "Inventories" at their carrying amount. The residual values of assets, where the Company bears the risk, are reviewed and adjusted quarterly if necessary, to ensure the most accurate calculation of provisions.

This calculation is based on a comparison between the market value (Eurotax) provided by an external industry provider for each model/version/series and the residual value of the asset at the end of the contract. This comparison also considers internal sales statistics from the past 24 months.

Any temporary and non-recurring factors that may affect the residual value assessment (e.g., legislative changes, government scrappage campaigns, government bonuses for the purchase of "environmentally friendly" used vehicles, etc.) are reviewed by a special committee. This committee may decide to adjust the parameters used in the calculation to better reflect future market conditions.

Upon termination of the rental contract, the relevant assets are reclassified under “Inventories” at their carrying amount.

Other tangible assets
In other tangible assets, plant and machinery are recognized at historical cost, net of related accumulated depreciation and accumulated impairment losses, in accordance with IAS 16. This cost includes the cost of replacing part of machinery and plant at the time it is incurred, if it complies with the recognition criteria. Where periodic replacement of significant parts of plant and machinery is necessary, the Company depreciates them separately based on their specific useful lives.

Similarly, upon major overhaul, the cost is included in the carrying amount of the plant or machinery as in the case of replacement, where the criteria for recognition is met. All other repair and maintenance costs are recognized in the income statement when incurred.

The present value of the cost of decommissioning and removal of the asset at the end of its use is included in the cost of the asset if the criteria for recognition for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset.

The carrying amount of an item of plant and machinery and any significant component initially recognized is derecognized upon disposal (i.e., on the date the acquirer obtains control) or when no future economic benefit is expected from its use or disposal.

The gain/loss arising on derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) is recognized through profit or loss when the item is derecognized.

Residual values, useful lives and depreciation methods for plant and machinery are reviewed at each reporting date and, where appropriate, adjusted prospectively.

Rights of Use
Leased assets (as lessee)
Pursuant to IFRS 16, the Company:
- recognizes right-of-use lease assets and lease liabilities in the statement of financial position, initially measured at the present value of future lease payments, with the right-of-use asset adjusted for the amount of any advance or accrued lease payments in accordance with IFRS 16;
- recognizes the amortization of right-of-use assets and interest on lease liabilities through profit or loss;
- separates the total amount of cash paid into principal (presented as part of financing activities) and interest (also presented as part of financing activities) in the cash flow statement.

The standard applies to all types of contracts containing a lease, i.e., contracts that provide the lessee with the right to control the use of an identified asset for a certain period (period of use) in return for consideration.

Lease liabilities
The lease liability is presented separately within the statement of financial position

Lease payments included in the measurement of lease liabilities consist of:
- fixed lease payments (including fixed payments in substance), net of any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease inception date;
- the amount the lessee expects to have to pay as security for the residual value;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options;
- the lease termination penalty payments, if the lease term reflects the exercise of an option to terminate the lease.

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Right-of-use assets
Right-of-use assets include the initial valuation of the corresponding lease liability, lease payments made on or before the lease commencement date, and any initial direct costs. Thereafter, they are valued at cost less accumulated depreciation and impairment losses.

When the Company has an obligation to incur the costs of decommissioning and removing a leased asset, restoring the site where it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured in accordance with IAS 37.

The costs are included in the related right of use. The right of use is amortized over the shorter of the term of the lease and the useful life of the underlying asset. If a lease contract transfers ownership of the underlying asset or the cost of the right of use reflects the Company’s intention to exercise a purchase option, the related right of use is amortized over the useful life of the underlying asset. Amortization begins on the lease commencement date.

Right-of-use assets are shown on a separate line in the statement of financial position.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition triggering such payments occurs and are included in “other expenses” in the income statement.

Short-term leases and low-value asset leases
The Company applies the exemption for the recognition of short-term leases related to machinery and equipment (leases that have a term of 12 months or less from the inception date and do not contain a purchase option).

The Company also applied the exemption for low-value asset leases in reference to leases related to office equipment whose value is considered low. Lease payments related to short-term leases and low-value asset leases are recognized as expenses on a straight-line basis over the lease term.

In accordance with IFRS 16, rights of use are tested for impairment in accordance with IAS 36 - Impairment of Assets.

The Company has adopted the following approach:
- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- adjusted the right-of-use of the asset at the date of initial application of IFRS 16 by the amount of the provision for onerous leases recognized under IAS 37 in the statement of financial position immediately prior to the date of initial application, as an alternative to performing an impairment test;
- chose not to recognize assets and liabilities for right-to-use leases for which the lease term ends within 12 months of the initial application date;
- excluded initial direct costs from the right-of-use measurement at the date of initial application;
- used an ex-post evaluation to determine the lease term when the contract contains options to extend or terminate the lease

Goodwill
Goodwill represents the positive difference between the acquisition cost and the fair value of assets and liabilities acquired in business combinations.

According to IAS 36 - Impairment of Assets - goodwill must be subjected to annual impairment testing to verify the recoverability of the amount. At each reporting date, therefore, the Group performs the test by estimating the recoverable amount of goodwill and comparing it with the carrying amount to see if the asset is impaired.

Criteria for estimating Value in use
Value in use was determined by estimating the present value of future cash flows expected to be generated. The analytical forecast period included a five-year time frame. The flow from the last analytical forecast period was projected in perpetuity (through the use of perpetuity annuity formula, with an appropriate growth rate “g” for the purpose of the so-called “Terminal Value”. The “g” rate was determined by assuming the medium-term euro area in-

flation rate as the growth factor and constant over time).

Cash flows from financial assets/liabilities represent part of the Company's core business. In other words, the recoverable amount is affected by these cash flows and therefore must also include financial assets/liabilities.

In view of this, it can be considered with good approximation that the cash flows coincide with the expressed profitability and therefore it was assumed that Free Cash Flow (FCF) corresponds to the Net Result.

Determination of the discount rate for cash flows
In the determination of Value in use, the cash flows were discounted at a rate reflecting current market conditions, time value of money and asset-specific risks.

The discount rate used was estimated considering only the cost of equity (Ke), consistent with the way in which cash flows are determined, which, as noted above, include cash flows from financial assets and liabilities.

The cost of capital was then determined using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is calculated as the sum of the return on risk-free investments and a risk premium, which in turn depends on the specific riskiness of the business (meaning both the riskiness of the operating segment and the geographical riskiness represented by so-called "country risk").

Other intangible assets
Intangible assets acquired separately are initially recognized at cost, while those acquired through business combinations are recorded at fair value at the date of acquisition, in accordance with IAS 38.

After initial recognition, intangible assets are recorded at cost less accumulated amortization and any accumulated impairment losses. Internally produced intangible assets, with the exception of development costs, are not capitalized and are recognized in the income statement for the year in which they are incurred.

The useful life of intangible assets is either finite or indefinite.

Intangible assets with finite useful lives are amortized over their useful lives and are tested for impairment whenever there are indications of possible losses in value. The amortization period and amortization method for an intangible asset with a finite useful life is reconsidered at least at each fiscal year-end.

Changes in the expected useful life or the manner in which the future economic benefits associated with the asset will be realized are recognized through changes in the amortization period or method, as appropriate, and are considered changes in accounting estimates.

Amortization expense for intangible assets with finite useful lives is recognized in the income statement for the year in the cost category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives are not amortized, but are tested annually for impairment, both at the individual level and at the cash-generating unit level.

The assessment of indefinite useful life is reviewed annually to determine whether this classification continues to be sustainable. If it is not sustainable, the change from indefinite useful life to finite useful life is applied on a prospective basis. An intangible asset is derecognized upon disposal (i.e., on the date the acquirer obtains control) or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising from the elimination of the asset (calculated as the difference between the proceeds from disposal and the carrying amount of the asset) is included in the income statement.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets - initial recognition and measurement
Upon initial recognition, financial assets are classified, as appropriate, according to the subsequent measurement methods, i.e., amortized cost, fair value through other comprehensive income (OCI), and fair value through profit or loss.

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model the Company uses to manage them.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

For a financial asset to be classified and measured at amortized cost or fair value recognized in OCI, it must generate cash flows that depend solely on principal and interest on the amount of principal to be repaid (so-called 'solely payments of principal and interest [SPPI]).

This measurement is referred to as the SPPI test and is performed at the instrument level. Financial assets whose cash flows do not meet the above requirements (SPPI) are classified and measured at fair value through profit or loss.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will come from the collection of contractual cash flows, the sale of financial assets, or both.

Financial assets that are classified and measured at amortized cost are held as part of a business model whose objective is to own financial assets for the purpose of collecting contractual cash flows while financial assets that are classified and measured at fair value recognized in OCI are held as part of a business model whose objective is achieved by both the receipt of contractual cash flows and the sale of financial assets.

The purchase or sale of a financial asset that requires delivery within a time frame generally established by regulation or market conventions (so-called standardized sale or regular way trade) is recognized on the trade date, i.e., the date on which the Company undertook to buy or sell the asset.

Financial assets - subsequent measurement
For the purpose of subsequent measurement, financial assets are classified into four categories:
- financial assets at amortized cost;
- financial assets at fair value through other comprehensive income;
- financial assets at fair value through other comprehensive income without recycling of accumulated gains and losses at the time of derecognition (equity instruments);
- financial assets at fair value through profit or loss.

Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognized through profit or loss when the asset is derecognized, modified, or revalued.

Financial assets at fair value
For assets measured at fair value through OCI, interest income, changes in exchange rate differences, and impairment losses, together with reversals, are recognized through profit or loss and are calculated in the same way as financial assets measured at amortized cost.

The remaining changes in fair value are recognized in OCI. Upon derecognition, the cumulative change in fair value recognized in OCI is recycled through profit or loss.

Financial assets at fair value through profit or loss
Financial instruments at fair value through profit or loss are recognized in the statement of financial position at fair value and net changes in fair value recognized in the income statement.

Financial assets - derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognized

first (removed from the Company's statement of financial position) when:

- the rights to receive cash flows from the asset are extinguished;
- the Company has transferred to a third party the right to receive cash flows from the asset or assumed a contractual obligation to pay them in full and without delay and (a) transferred substantially all the risks and rewards of ownership of the financial asset, or (b) neither transferred nor retained substantially all the risks and rewards of the asset, but transferred control of it.

In cases where the Company has transferred the rights to receive cash flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it assesses whether and to what extent it has retained the risks and rewards inherent in ownership.

In the event that it has neither transferred nor retained substantially all of the risks and rewards or has not lost control over it, the asset continues to be recognized in the Company's financial statements to the extent of its remaining involvement in the asset. In this case, the Company also recognizes an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Company.

When the entity's residual involvement is a security over the transferred asset, the involvement is measured based on the lower of the amount of the asset and the maximum amount of consideration received that the entity may have to repay.

Financial assets - impairment
The Company records an expected credit loss (ECL) provision for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows the Company expects to receive, discounted at an approximation of the original effective interest rate. Expected cash flows include those arising from the enforcement of collateral held or other credit enhancements that are integral to the contract terms.

Expected losses are recognized in two stages. For credit exposures where there has been no significant increase in credit risk since initial recognition, the Company recognizes credit losses resulting from possible default events within the next 12 months (12-month ECL).

For credit exposures where there has been a significant increase in credit risk since initial recognition, the Company recognizes the expected losses over the remaining life of the exposure in full (Lifetime ECL), regardless of when the default event is expected to occur.

For trade receivables and contract assets, the Company applies a simplified approach to calculating expected losses. Therefore, the Company does not monitor changes in credit risk but fully recognizes the expected loss at each reporting date.

Financial liabilities - initial recognition and measurement
Financial liabilities are classified upon initial recognition as financial liabilities at fair value through profit or loss, as loans and borrowings, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognized at fair value plus, in the case of mortgages, loans and debt, transaction costs directly attributable to them.

The Company's financial liabilities include trade and other payables, mortgages and loans, including overdrafts.

Financial liabilities - subsequent measurement
For subsequent measurement purposes, financial liabilities are classified into two categories:

- financial liabilities at fair value through profit or loss;
- financial liabilities at amortized cost (loans and borrowings).

Financial liabilities at fair value through profit or loss include liabilities held for trading and financial liabilities initially recognized at fair value through profit or loss.

Liabilities held for trading are all those assumed with the intention of extinguishing or transferring them in the short term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in a hedging relationship.

Gains or losses on liabilities held for trading are recognized through profit or loss. Financial liabilities are designated at fair value through profit or loss from the date of initial recognition, only if the criteria of IFRS 9 are met. Upon initial recognition, the Company has not designated financial liabilities at fair value through profit or loss.

Financial liabilities at amortized cost
After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized through profit and loss when the liability is settled, as well as through the amortization process.

Amortized cost is calculated by recognizing the discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. Amortization at the effective interest rate is included in borrowing costs in the income statement.

The sub-items Due to banks, Due to customers, and Securities outstanding include financial instruments (other than held-for-trading liabilities and liabilities measured at fair value) representing the various forms of funding from third parties. Specifically, Securities outstanding reflects bonds issued by Group companies and notes issued by vehicle companies as part of receivable securitization transactions.

Financial liabilities - derecognition
A financial liability is derecognized when the obligation underlying the liability is extinguished, canceled, or fulfilled. Where an existing financial liability is exchanged for another from the same lender, on substantially different terms, or the terms of an existing liability are substantially changed, such exchange or change is treated as a derecognition of the original liability, accompanied by the recognition of a new liability, with any differences between the carrying amounts recognized through profit or loss.

Derivative financial instruments
Derivative financial instruments are used for hedging purposes to reduce foreign exchange risk, interest rate risk and the risk of changes in market prices, in accordance with IAS 39.

Transactions that, in accordance with the risk management policies put in place by the Company are able to meet the requirements of the standard for hedge accounting treatment, qualify as hedges, specifically cash flow hedges.

Derivative financial instruments may be accounted for in accordance with the established hedge accounting treatment only when, at the inception of the hedge, there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, such effectiveness can be reliably assessed, and the hedge is highly effective for all reporting periods for which it is designated.

When derivative financial instruments qualify for hedge accounting, the following applies.

Cash flow hedge: if a derivative financial instrument is designated as a hedge for exposure to variability in future cash flows of an asset or liability or a highly likely transaction that could affect the financial results, the effective portion of the gain or loss on the derivative financial instrument is recognized directly in equity as "Expected cash flow hedge reserve".

The cumulative gain or loss is recognized through profit or loss in the same period in which the related economic effect of the hedged transaction is recognized and is recorded as an adjustment to the hedged item. The gain or loss associated with a hedge (or portion of a hedge) that has become ineffective is recognized immediately through profit or loss.

If a hedging instrument or hedging relationship is terminated, but the hedged transaction has not yet been realized, the cumulative gain or loss, which up to that point has been recognized in the appropriate equity reserve, is recognized through profit or loss when the related transaction is realized in correlation with the recognition of the economic effects of the hedged transaction.

If the hedged transaction is no longer considered likely, the cumulative unrealized gains or losses recognized in equity are immediately recognized through profit or loss.

Derivative financial instruments with a positive fair value are classified as assets in the Statement of financial position (Item Derivative financial instruments) or as liabilities (Item Derivative financial instruments) if the fair value is negative.

Where hedge accounting cannot be applied, gains or losses arising from the measurement of the derivative instrument are recognized immediately through profit or loss.

Inventories
Inventories are measured at the lower of cost and net realizable value in accordance with IAS 2. Costs incurred in bringing each asset to its present location and condition are recognized as follows:

- raw materials: purchase cost calculated using the FIFO method;
- finished and semi-finished goods: direct cost of materials and labor plus a share of production overheads, defined on the basis of normal production capacity, excluding financial expenses.

Net realizable value is the estimated normal selling cost in the ordinary course of business, less estimated completion costs and estimated costs to realize the sale.

Cash and cash equivalents
Cash and cash equivalents and short-term deposits, as defined by IAS 7, include cash on hand and demand and short-term deposits, highly liquid deposits with a maturity of three months or less, which are readily convertible into a given amount of money and subject to an insignificant risk of changes in value.

Provisions
Provisions are made when the Company is faced with a current obligation (legal or constructive) resulting from a past event, an outlay of resources to meet that obligation is probable, and a reliable estimate of its amount can be made, in accordance with IAS 37.

When the Company considers that a provision will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognized separately and distinctly in assets if, and only if, it is practically certain.

In such a case, the cost of any provision is presented in the income statement net of the amount recognized for the indemnity.

If the effect of the time value of money is significant, provisions are discounted using a pre-tax discount rate that reflects, where appropriate, the risks specific to the liabilities. When the liability is discounted, the increase in the provision due to the passage of time is recognized as a finance charge.

Post-employment benefits
Defined benefit plans
Defined benefit plans are pension plans determined based on employees' salary and years of service. The Company's obligation to contribute to employee benefit plans and the related current service cost are determined using an actuarial valuation under IAS 19 revised referred to as the "Projected Unit Credit" method.

The net cumulative amount of all actuarial gains and losses is recognized in equity (within Valuation Reserves) and in other comprehensive income.

The amount recognized as a liability in defined benefit plans is the present value of the related obligation, taking into account costs to be recognized in future years for employee service in previous years.

The rate used to discount obligations related to post-employment benefits varies depending on the country/ currency of denomination of the liability and is determined on the basis of market returns, as of the balance sheet date, of bonds of leading companies with an average maturity consistent with that of the liability itself.

Defined contribution plans
Contributions made to a defined-contribution plan are recognized as an expense in the income statement in the period in which employees render the related service.

Until December 31, 2006, Italian employees were entitled to defined benefit plans called "TFR."

With Law No. 296 of December 27, 2006, and subsequent decrees ("Pension Reform") issued in early 2007, the rules and TFR were changed.

Starting with contributions accrued as of January 1, 2007 and not yet paid as of the reporting date, with reference to entities with more than 50 employees, post-employment benefits in Italy are recognized as defined contribution plans.

Contributions accrued up to December 31, 2006 are still recognized as defined benefit plans and accounted for according to actuarial assumptions.

Revenues
Revenues from contracts with customers are recognized when they are received and it is therefore certain that future benefits will be received and that those benefits can be reliably quantified. As such, they are recognized when title to the goods or services is transferred to the customer in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services.

Rental income is recognized in accordance with IFRS 15 on a straight-line basis over the life of the rental.

When customers make an initial payment (downpayment) at the beginning of the rental agreement, the payments are recognized in the Statement of financial position and recognized in the income statement on a straight-line basis over the term of the rental agreement

Sale of good
Revenues from the sale of assets are recognized when title to the asset passes to the customer, generally upon delivery depending on the terms applied. The Company considers whether the contract includes other promises that represent performance obligations.

In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, non-monetary consideration, and consideration payable to the customer (if any).

Provision of services
Repair and maintenance services: Revenues for routine and non-routine maintenance services are recognized in the income statement based on the historical analysis of maintenance curves, as adjusted to the current composition of the fleet.

Maintenance curves are updated periodically in order to better identify the cost profile that best fits each class of vehicle.

For rental contracts still outstanding, expected losses are recognized immediately as an expense when it is likely that the total contract cost will exceed the total contract revenue. In contrast, income from such services is recognized only at the end of the contract. Revenue from manufacturer subsidy: The manufacturer's subsidy is an extra-discount that is given to Drivalia by automakers upon reaching pre-determined minimum purchase volumes of vehicles of the brands produced by the automaker.

Criteria and procedures for recognizing the extra-discount are governed by a supply agreement signed between Drivalia and the relevant automaker.

Costs
Costs are recorded in the accounts when they are incurred. Costs directly attributable to financial instruments measured at amortized cost and determinable from inception, regardless of when they are settled, flow to the income statement through application of the effective interest rate.

Impairment losses are recognized in the income statement in the year in which they are recognized.

Taxes
Current and deferred taxes were accounted for in accordance with IAS 12.

Current taxes
Current tax assets and liabilities for the year are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate the amount are those enacted, or substantially in effect, at the balance sheet date in the countries where the Company operates and generates its taxable income.

Current taxes related to items recognized directly in equity are also recognized in equity and not through profit or loss.

Deferred taxes
Deferred taxes are calculated by applying the liability method to temporary differences at the balance sheet date between the tax bases of assets and liabilities and the corresponding carrying amounts.

Deferred tax liabilities are recognized on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial result nor the tax result;
- the reversal of taxable temporary differences, associated with equity investments in subsidiaries, associates and joint ventures, can be controlled, and it is likely that it will not occur in the foreseeable future.

Deferred tax assets are recognized in relation to all deductible temporary differences and unused tax credits and tax losses carried forward, to the extent that it is probable that sufficient future taxable income will be available to allow the utilization of deductible temporary differences and tax credits and tax losses carried forward, except where:

- the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the financial result nor the tax result;
- in the case of deductible temporary differences associated with investments in subsidiaries, associates, and joint ventures, deferred tax assets are recognized only to the extent that it is probable that they will reverse in the foreseeable future and that there will be sufficient taxable income to allow recovery of such temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available in the future to allow all or part of that credit to be utilized.

Unrecognized deferred tax assets are reexamined at each reporting date and are recognized to the extent that it becomes probable that sufficient taxable income will be available in the future to allow the recovery of such deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which such assets are realized or such liabilities are settled, considering the rates in effect and those already enacted, or substantially in effect, at the reporting date.

Deferred taxes related to items recognized outside the income statement are also recognized outside the income statement and, therefore, in equity or comprehensive income, consistent with the item to which they relate.

The Company offsets deferred tax assets and deferred tax liabilities if and only if there is a legal right to offset current tax assets and current tax liabilities, and the deferred tax assets and liabilities refer to income taxes owed to the same taxing authority by the same taxpayer or by different taxpayers who intend to settle current tax assets and liabilities on a net basis or realize the asset and settle the liability simultaneously, with reference to each future period in which the deferred tax assets and liabilities are expected to be settled or recovered.

Indirect taxes
The net amount of indirect tax to be recovered from or paid to the Tax Authority is entered on the statement of financial position as either a receivable or a payable

Costs, revenues, assets and liabilities are recognized, after indirect taxes, such as value-added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect tax to be recovered from or paid to the Tax Authority is entered on the statement of financial position as a receivable or a payable, as the case may be.

Risks and uncertainties associated with the use of estimates
In accordance with IAS/IFRS, the preparation of the Group's financial statements requires the directors to make discretionary judgments, estimates, and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, expenses, and revenues recognized in the financial statements, as well as on the disclosure of contingent assets and liabilities.

The preparation of such estimates involves the use of available information and the adoption of subjective judgments, also based on historical experience, used for the purpose of making reasonable assumptions for the recognition of transactions.

By their nature, the estimates and assumptions used may vary from year to year and, therefore, it is not to be ruled out that in subsequent years the amounts entered in the financial statements may vary as a result of changes in the subjective assessments used. In particular, estimation processes have been adopted to support the carrying amount of some of the most significant items recorded in the financial statements as of and for the year ended December 31, 2023, as required by the aforementioned accounting standards and reference regulations.

These processes are largely based on estimates of the future recoverability of the carrying amounts in the financial statements in accordance with the rules dictated by current regulations and have been carried out on a going concern basis.

The estimates and assumptions are reviewed regularly and updated periodically. In the event of different trends in the elements considered, the actual values may differ from the original estimates and require to be consistently modified; in such circumstances, changes are recognized in the income statement for the period in which they occur or in subsequent periods.

The main assumptions that, as of the reporting date, required the use of subjective judgments by management are discussed below:

- Loss allowance for trade receivables and financial assets
  - for trade receivables and contract assets under IFRS 15 as well as for lease receivables, IFRS 9 provides a simplified approach in order to avoid the need for entities to monitor changes in credit risk as required by the general model.
  - For trade receivables, IFRS 9, paragraph 5.5.15 requires that the loss allowance be determined with reference to the entire life of the receivable (i.e., lifetime expected credit losses). This avoids the need to monitor credit risk from the time of initial recognition.
  - In accordance with the standard, the Drivalia Group has opted to adopt the simplified approach for calculating the loss allowance for rental receivables.
  - To determine the lifetime expected credit loss, IFRS 9 proposes the use of a matrix showing the different loss allowance rates to the various receivables grouped according to their characteristics (e.g., geographic area, product, customer, etc.).

- For each category, receivables are subdivided on the basis of their seniority (receivables past due less than 30 days, receivables past due more than 30 days, but less than 90 etc.), and for each seniority class a loss allowance rate is applied.
- Determination of the fair value of financial instruments to be used for financial reporting purposes; in particular, the use of valuation models for recognizing the fair value of financial instruments;
- the assessment of the recoverability of the amount of goodwill and other intangible assets;
- the measurement of personnel provisions and provisions for risks and charges;
- the estimates and assumptions on the recoverability of deferred tax assets.

Deferred tax assets are recognized to the extent that it is probable that there will be taxable profit in the future such that the losses can be utilized.

Significant estimation by management is required to determine the amount of tax assets that can be recognized based on the level of future taxable profits, the timing of their occurrence, and applicable tax planning strategies.

The Group considers that the conditions exist to recognize related deferred tax assets by virtue of the financial and business plans approved by management and the related future taxable profits generated.

- **Determining the recoverable amount of Property, plant and equipment**
  Residual value refers to the value of the vehicle when the relevant rental contract expires. In reference to long-term rental, the risk on the residual values of rented vehicles is generally borne by the rental company, unless specific agreements are made with third parties, and arises from the difference between the market value of the vehicle at the end of the rental and the carrying amount of the asset itself.

In reference to short-term rental, the risk on residual values of rented vehicles occurs when the vehicle is disposed of, which can occur at any time, following strategic and commercial considerations. Trends in the used-vehicle market can pose risks for those who own and operate vehicles in the medium to long term.

Drivalia and its subsidiaries have long defined and adopted Group-wide guidelines aimed at defining and monitoring residual values on an ongoing basis.

The model for calculating residual value provisions is updated quarterly so as to allow for the most appropriate measurement of hedges. Today there are no particular critical issues inherent in the risk on the residual values of the operating fleet.

PART B
NOTES TO THE CONSOLIDATED BALANCE SHEET

A breakdown of the main items in the Statement of financial position is provided below. Amounts are expressed in thousands of euros.

As already reported in Part A - Section 1, to which reference is made for further information, the amounts referable to January 1, 2022 have not been included and/or commented on as they are considered immaterial.

ASSETS

CURRENT ASSETS

TANGIBLE ASSETS

1. VEHICLES
This item amounted to €2,263,989 thousand with an increase of €1,908,098 thousand over the previous year due to the expansion of the operated fleet. This item breaks down as follows.

1.1 VEHICLES: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Owned vehicles	**564**	**2,292**	**(1,728)**
Gross value	853	2,292	(1,439)
Accumulated depreciation	(289)	-	(289)
Leased vehicles	**2,263,425**	**353,599**	**1,909,826**
Gross value	2,884,356	385,467	2,498,889
Accumulated depreciation	(620,931)	(31,868)	(589,063)
Total Vehicles	**2,263,989**	**355,891**	**1,908,098**
Gross value	**2,885,209**	**387,759**	**2,497,450**
Accumulated depreciation	**(621,220)**	**(31,868)**	**(589,352)**

The above item includes:
- own cars, mainly company cars and vehicles allocated to company personnel in the amount of €564 thousand (net of accumulated depreciation);
- cars and commercial vehicles rented to third parties for a total of €2,263,425 thousand (net of accumulated depreciation).

1.2 VEHICLES: Annual changes
The table below shows the changes in this item for the year.

DESCRIPTION	OWN VEHICLES	LEASED VEHICLES	TOTAL
Opening balance, gross	**2,292**	**385,467**	**387,759**
Accumulated depreciation	-	(31,868)	(31,868)
Opening balance, net	**2,292**	**353,599**	**355,891**
Acquisitions	-	2,280,876	2,280,876
Disposals	(1,763)	(194,453)	(196,216)
Impairments	-	(7)	(7)
Impairment reversals	-	235	235
Depreciation	-	(184,467)	(184,467)
Foreign exchange differences	-	764	764
Other changes	35	6,878	6,913
Closing balance, net	**564**	**2,263,425**	**2,263,989**
Accumulated depreciation	(289)	(620,931)	(621,220)
Closing balance, gross	**853**	**2,884,356**	**2,885,209**

Acquisitions for the year refer to new purchases made in 2023 and the acquisition of the new companies.

Disposals refer mainly to the sale of vehicles.

2. OTHER TANGIBLE ASSETS

This item amounted to €89,752 thousand, an increase of €81,539 thousand from the previous year, mainly due to the acquisition of the new European rental companies. The table below shows its breakdown:

2.1 OTHER TANGIBLE ASSETS: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Land and Buildings	**4,022**	**2,065**	**1,957**
Gross value	6,949	3,996	2,953
Accumulated depreciation	(2,927)	(1,931)	(996)
Plant and machinery	**7,068**	**4,250**	**2,818**
Gross value	14,346	7,053	7,293
Accumulated depreciation	(7,278)	(2,803)	(4,475)
Industrial and commercial equipment	**6,897**	**1,867**	**5,030**
Gross value	8,372	1,905	6,467
Accumulated depreciation	(1,475)	(38)	(1,437)
Other property, plant and equipment	**71,765**	**31**	**71,734**
Gross value	71,765	31	71,734
Accumulated depreciation	-	-	-
Total property, plant and equipment	**89,752**	**8,213**	**81,539**
Gross value	**101,432**	**12,985**	**88,447**
Accumulated depreciation	**(11,680)**	**(4,772)**	**(6,908)**

2.2 OTHER TANGIBLE ASSETS: Annual changes

The table below shows the changes in this item for the year.

DESCRIPTION	LAND AND BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	OHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
Opening balance, gross	**3,995**	**7,054**	**1,905**	**31**	**12,985**
Accumulated depreciation	(1,930)	(2,804)	(38)	-	(4,772)
Opening balance, net	**2,065**	**4,250**	**1,867**	**31**	**8,213**
Acquisitions	2,401	4,054	5,618	6,658	18,731
Disposals	(24)	(77)	(843)	-	(944)
Impairments	-	-	-	-	-
Impairment reversals	-	-	-	-	-
Depreciation	(122)	(1,059)	(328)	-	(1,509)
Foreign exchange differences	-	15	-	-	15
Other changes	(298)	(115)	583	65,076	65,246
Closing balance, net	**4,022**	**7,068**	**6,897**	**71,765**	**89,752**
Accumulated depreciation	(2,927)	(7,278)	(1,475)	-	(11,680)
Closing balance, gross	**6,949**	**14,346**	**8,372**	**71,765**	**101,432**

The change was due mainly to the acquisition of the new companies.

INTANGIBLE ASSETS

3. RIGHTS OF USE

As required by IAS/IFRS, in particular IFRS 16, the Group has opted to use the exemption from the application of the standard for lease contracts of 12 months or less or for low-value assets. Therefore, leases longer than 12 months are accounted for under this item unless the underlying asset is of low value.

The item amounts to €18,264 thousand, an increase of €11,364 thousand compared to the previous year. The table below shows its breakdown.

3.1 RIGHTS OF USE: Breakdown

DESCRIPTION	TOTALE 12/31/23	TOTALE 12/31/22	CHANGE
Buildings	**-**	**-**	**-**
Gross value	-	-	-
Accumulated amortization	-	-	-
Plant and machinery	**-**	**-**	**-**
Gross value	-	-	-
Accumulated amortization	-	-	-
Other assets	**18,264**	**6,900**	**11,364**
Gross value	32,879	14,136	18,743
Accumulated amortization	(14,615)	(7,236)	(7,379)
Assets under construction and advance payments	**-**	**-**	**-**
Gross value	-	-	-
Accumulated amortization	-	-	-
Total Rights of use	**18,264**	**6,900**	**11,364**
Gross value	**32,879**	**14,136**	**18,743**
Accumulated amortization	**(14,615)**	**(7,236)**	**(7,379)**

This item relates mostly to leases contracts, falling under IFRS 16, which the Group has entered into and which are used for the operating leases of the Companies. These contracts generally have a term of more than 12 months.

3.2 RIGHTS OF USE: Annual Changes

The table below shows changes in this item for 2023.

DESCRIPTION	BUILDINGS	PLANT AND MACHINERY	OTHER ASSETS	ASSETS UNDER CONSTRUCTION AND ADVANCES	TOTAL
Opening balance, gross	**-**	**-**	**14,136**	**-**	**14,136**
Accumulated amortization	-	-	(7,236)	-	(7,236)
Opening balance, net	**-**	**-**	**6,900**	**-**	**6,900**
Acquisitions	-	-	18,677	-	18,677
Disposals	-	-	-	-	-
Impairments	-	-	-	-	-
Impairment reversals	-	-	-	-	-
Amortization	-	-	(7,369)	-	(7,369)
Foreign exchange differences	-	-	56	-	56
Other changes	-	-	-	-	-
Closing balance, net	**-**	**-**	**18,264**	**-**	**18,264**
Accumulated amortization	-	-	(14,615)	-	(14,615)
Closing balance, gross	**-**	**-**	**32,879**	**-**	**32,879**

4. GOODWILL
Goodwill as of December 31, 2023 amounted to €93,030 thousand and consisted of:

- €34,661 thousand in Goodwill generated in 2022 as a result of the acquisitions of Drivalia UK Ltd, Drivalia France S.A.S., Drivalia España S.L.U. and Drivalia Lease, Succursale au Maroc;
- €58,369 thousand in Goodwill generated in 2023 as a result of the acquisitions of Drivalia Lease Belgium S.A, Drivalia Lease Espana S.a.U, Drivalia Lease UK L.t.d, Drivalia Lease Norge A.S., Drivalia Lease Ireland L.t.d, Drivalia Lease Czech Republic s.r.o, Drivalia Lease Finland Oy, Drivalia Lease Polska Spz o.o, and Drivalia Lease Nederland B.V..
- Goodwill related to the 2023 acquisitions was preliminarily recognized on the date of acquisition of the above companies, pending the completion of the Purchase Price Allocation process, which will be completed within 12 months of the respective acquisition dates, in accordance with IFRS3.

Goodwill impairment test

In accordance with IAS 36, all intangible assets with indefinite useful lives must be tested for impairment at least annually, and in any case, whenever indicators of impairment are detected, to verify the recoverability of the amount. In view of the particular macroeconomic environment (e.g., Russo-Ukraine conflict, rising interest rates, the shortage of raw materials, particularly semiconductors), the Group considered it appropriate to test its goodwill for impairment as of December 31, 2023.

In conducting the impairment test as of December 31, 2023, account was taken of the following:

- provisions of the applicable international accounting standard, IAS 36;
- recommendations issued in a letter jointly signed by Bank of Italy, Consob and Ivass dated March 3, 2010;
- recommendations of the Organismo Italiano di Valutazione (O.I.V.) contained in the document titled "Goodwill impairment testing in a time of economic and financial crisis" dated June 14, 2012, as well as the exposure draft of Discussion paper no. 1/2022 "Impairments test of non-financial assets (ISA 36) following the war in Ukraine" dated June 13, 2022;
- various statements published by ESMA on the subject, most recently the one published on May 13, 2022 "Public Statement - Implications of Russia's invasion of Ukraine on half-yearly financial reports" (ESMA32-63-1277)

Definition of CGUs

For the purpose of impairment testing of goodwill, which does not independently generate cash flows except in combination other business activities, it is necessary to preliminarily attribute this asset to organizational units that are relatively autonomous in management profile, capable of generating flows of financial resources independent of those produced by other areas of activity, but interdependent within the organizational unit that generates them. Such organizational units are referred to as cash generating units (CGUs).

IAS 36 requires correlating the level at which goodwill is tested with the level of internal reporting at which management monitors the accretion and reduction dynamics of that amount.

The CGUs identified are the individual companies.

Criteria to estimate the recoverable amount of CGUs

Under IAS 36, the amount of any impairment is determined by the difference between the carrying amount of the CGU, identified based on the criteria described above, and its recoverable amount, whichever is lower. The recoverable amount is defined as the greater of the:

- Value in Use or the present value of future cash flows expected to originate from the continued use of a specific asset or CGU;
- Fair Value, less selling costs, which is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties.

The Value in Use of CGUs was determined by estimating the present value of future cash flows expected to be generated by CGUs. The analytical forecast period included a five-year time frame. The cash flow of the last analytical forecast year was projected in perpetuity (through the use of a perpetuity annuity formula, with an appropriate growth rate "g", to calculate the so-called "Terminal Value." The "g" rate was set as equal to the medium-term inflation rate in the euro area and held constant over time).

Determination of the discount rate for cash flows

In determining Value in Use, cash flows were discounted at a rate reflecting current market conditions, time value of money and asset-specific risks.

The discount rate used, since it is a financial enterprise, was estimated from the "equity side" perspective, i.e., by considering only the cost of equity (Ke), consistent with the way in which cash flows are determined, which, as noted above, includes cash flows from financial assets and liabilities.

The cost of capital was then determined using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is determined as the sum of the return on risk-free investments and a risk premium, which in turn depends on the specific riskiness of the asset (meaning both the riskiness of the segment and the geographical riskiness represented by so-called "country risk").

Criteria to estimate Value in Use

Value in Use was determined by estimating the present value of expected future cash flows. The analytical forecast period included a five-year time frame. The cash flow of the last analytical forecast year was projected in perpetuity (through the use of a perpetuity annuity formula, with an appropriate growth rate "g", to calculate the so-called "Terminal Value." The "g" rate was set as equal to the medium-term inflation rate in the euro area and held constant over time).

Cash flows from financial assets/liabilities are part of the Company's core business. In other words, the recoverable amount is affected by these flows and therefore must also include financial assets/liabilities.

In view of this, it can be considered with good approximation that the cash flows correspond to reported profits, and therefore it was assumed that Free Cash Flow (FCF) corresponds to Net Result.

Determination of the discount rate for cash flows

In determining Value in Use, cash flows were discounted at a rate reflecting current market conditions, time value of money and asset-specific risks.

The discount rate used was estimated from the "equity side" perspective, i.e., by considering only the cost of equity (Ke), consistent with the way in which cash flows are determined, which, as noted above, includes cash flows from financial assets and liabilities.

The cost of capital was then determined using the "Capital Asset Pricing Model" (CAPM). Based on this model, the cost of capital is determined as the sum of the return on risk-free investments and a risk premium, which in turn depends on the specific riskiness of the asset (meaning both the riskiness of the segment and the geographical riskiness represented by so-called "country risk").

The components of the Ke discount rate are shown below:

- the discount rate of 9.86% was calculated as the cost of capital, considering a risk-free rate of 2.18%, a company risk premium of 6.34%, and a beta of 1.21;
- For the purpose of terminal value calculation, the growth rate is estimated to be 2.3%.

Results of the Impairment Test

Goodwill is tested for impairment at least once a year or more frequently when circumstances indicate that the carrying amount may be impaired.

As of the balance sheet date, there are no conditions or findings as a result of testing that are indicative of impairment.

The recoverable amounts and carrying amounts are shown below:

CGU	GOODWILL	CARRYING AMOUNT	RECOVERABLE AMOUNT	EXCESS OVER CARRYING AMOUNT
Drivalia S.p.A.	-	-	-	-
Drivalia France S.A.S.	13.7	23.3	30.9	7.6
Drivalia Spain SLU	7.3	19.9	46.3	26.4
Drivalia UK	8.4	17.7	108.5	90.8
Drivalia Portugal SA	5.4	16.6	26.4	9.8
Drivalia Lease Norge AS	6.4	23.1	30.5	7.4
Drivalia Lease Finland Oy	1.6	69.8	100.6	30.8
Drivalia Lease Ireland Ltd	17.3	58.8	78.7	19.9
Drivalia Lease Czech Reupublic s.r.o.	33.0	114.1	159.9	45.8
Total	**93.0**	**343.3**	**581.7**	**238.4**

Sensitivity analyses were also developed by simulating a change in the significant parameters of the impairment test to account for possible deterioration in economic market conditions. At the end of this analysis, the recoverable amount was found to be in line with the carrying amount.

5. OTHER INTANGIBLE ASSETS

This item amounted to €13,244 thousand, an increase of €7,416 thousand compared to the previous year. The table below shows its breakdown.

5.1 OTHER INTANGIBLE ASSETS: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Industrial patent and intellectual property rights	**48**	**-**	**48**
Gross value	57	-	57
Accumulated amortization	(9)	-	(9)
Concessions, licenses, trademarks and similar rights	**117**	**117**	**-**
Gross value	117	-	117
Accumulated amortization	-	117	(117)
Other intangible assets	**5,210**	**4,201**	**1,009**
Gross value	15,844	7,300	8,544
Accumulated amortization	(10,634)	(3,099)	(7,535)
Assets under construction and advances	**7,869**	**1,510**	**6,359**
Gross value	7,869	1,510	6,359
Accumulated amortization	-	-	-
Total other intangible assets	**13,244**	**5,828**	**7,416**
Gross value	**23,887**	**8,810**	**15,077**
Accumulated amortization	**(10,643)**	**(2,982)**	**(7,661)**

Assets under construction and advances refer to ICT investments for implementations and new platforms that will be activated during 2024.

5.2 OTHER INTANGIBLE ASSETS: Annual changes

The table below shows the annual changes in this item for the period.

DESCRIPTION	DIRITTI DI BREVETTO INDUSTRIA-LE E OPERE DELL'INGEGNO	CONCES-SIONS, LICENSES, TRADEMARKS AND SIMILAR RIGHTS	OTHER INTANGIBLE ASSETS	ASSETS UN-DER CON-STRUCTION AND ADVAN-CES	TOTAL
Opening balance, gross	**-**	**-**	**7,300**	**1,510**	**8,810**
Accumulated amortization	-	117	(3,099)	-	(2,982)
Opening balance, net	**-**	**117**	**4,201**	**1,510**	**5,828**
Acquisitions	57	-	2,057	6,412	8,526
Disposals	-	-	-	(53)	(53)
Impairments	-	-	-	-	-
Impairment reversals	-	-	-	-	-
Amortization	(9)	-	(1,048)	-	(1,057)
Foreign exchange differences	-	-	-	-	-
Other changes	-	-	-	-	-
Closing balance, net	**48**	**117**	**5,210**	**7,869**	**13,244**
Accumulated amortization	(9)	-	(10,634)	-	(10,643)
Closing balance, gross	**57**	**117**	**15,844**	**7,869**	**23,887**

6. INVESTMENTS

Investments amounted to €17 thousand and included equity investments in non-consolidated companies.

8. TAX ASSETS AND LIABILITIES

Deferred tax assets, amounting to €19,748 thousand, as shown below, increased by €16,867 thousand compared to the previous year.

Deferred tax liabilities, amounting to €84,542 thousand, as shown below, rose by €84,446 thousand compared with the previous year.

8.1 TAX ASSETS AND LIABILITIES: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Deferred tax assets	**19,748**	**2,881**	**16,867**
through profit or loss	18,585	2,881	15,704
through equity	1,163	-	1,163
Deferred tax liabilities	**84,542**	**96**	**84,446**
through profit or loss	59,211	96	59,115
through equity	25,331	-	25,331

8.2 TAX ASSETS AND LIABILITIES:
Annual changes

DESCRIPTION	THROUGH PROFIT OR LOSS	THROUGH EQUITY	TOTAL	THROUGH PROFIT OR LOSS	THROUGH EQUITY	TOTAL
1. Opening balance	**2,881**	**-**	**2,881**	**96**	**-**	**96**
2. Increases	**25,904**	**1,163**	**27,067**	**68,289**	**25,331**	**93,620**
2.1 Deferred tax assets/liabilities recognized in the year	20,736	-	20,736	68,153	25,282	93,435
(a) relating to previous fiscal years	18,087	-	18,087	52,211	25,282	77,493
(b) due to change in accounting policies	-	-	-	-	-	-
c) other	2,649	-	2,649	15,942	-	15,942
2.2 New taxes or increases in tax rates	911	-	911	-	-	-
2.3 Other increases	4,257	1,163	5,420	136	49	185
3. Decreases	**(10,200)**	**-**	**(10,200)**	**(9,174)**	**-**	**(9,174)**
3.1 Deferred tax assets/liabilities derecognized during the year	(10,200)	-	(10,200)	(9,174)	-	(9,174)
(a) reversals	(8,681)	-	(8,681)	(9,174)	-	(9,174)
(b) write-offs due to supervening unrecoverability	-	-	-	-	-	-
c) due to change in accounting policies	-	-	-	-	-	-
d) Other	(1,519)	-	(1,519)	-	-	-
3.2 Reductions in tax rates	-	-	-	-	-	-
3.3 Other decreases	-	-	-	-	-	-
4. Closing balance	**18,585**	**1,163**	**19,748**	**59,211**	**25,331**	**84,542**

NON-CURRENT ASSETS

10. INVENTORIES
The item Inventories, amounting to €25,957 thousand, refers to vehicles that have ended their contractually stipulated rental period and are intended for sale.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Goods on consignment	-	-	-
Vehicles held for sale	25,957	-	25,957
Total Inventories	**25,957**	**-**	**25,957**

11. TRADE RECEIVABLES
This item amounted to €416,060 thousand, reflecting an increase of €275,651 thousand compared to the previous year. The table below shows its breakdown:

11.1 TRADE RECEIVABLES:
Breakdown

DESCRIPTION	TOTALE 12/31/23	TOTAL 12/31/22	CHANGE
Vehicle rental receivables	182,531	46,542	135,989
Credit loss allowance	(14,190)	(3,150)	(11,040)
Receivables for finance leases	115,985	-	115,985
Credit loss allowance	(837)	-	(837)
Other receivables	132,571	97,017	35,554
Total trade receivables - net	**416,060**	**140,409**	**275,651**
of which from related parties	**7,591**	**884**	**6,707**

11.2 CHANGES IN CREDIT LOSS ALLOWANCE

Changes in the credit loss allowance in 2023 are shown below:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22
Opening balance	**3,150**	**-**
Increases	**12,019**	**3,335**
Loss allowance for the year	4,122	2,590
Losses on disposal	-	-
Other changes	7,897	745
Decreases	**(142)**	**(185)**
Impairment reversals	-	-
from changes in value	-	-
from recoveries	-	-
Gains on disposal (-)	-	-
Write-offs	(109)	-
Other changes	(33)	(185)
Total	**15,027**	**3,150**

Trade receivables are noninterest-bearing and generally come due in 30 to 90 days.

12. OTHER CURRENT RECEIVABLES AND ASSETS

This item amounted to €663,488 thousand, an increase of €316,092 thousand compared to the previous year, due to a general increase in the receivables included under Other receivables. In particular, there is mainly an increase of €314,042 thousand related to insurance claims and Chartis deposit premiums.

The table below provides a breakdown of this item:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Due from employees	33	27	6
Due from social security institutions	2	3	(1)
Due from insurance companies	180	-	180
Security deposits	2,220	355	1,865
Other receivables	661,053	347,011	314,042
Total Other receivables and current assets	**663,488**	**347,396**	**316,092**

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents decreased by €9,804 thousand compared to December 31, 2022. The decrease is mainly due to the use of liquidity accumulated at the end of the previous year.

The following table provides details on the cash and cash equivalents held by the Company:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Bank and post office deposits	60,020	69,829	(9,809)
Cash and valuables on hand	52	47	5
Total cash and cash equivalents	**60,072**	**69,876**	**(9,804)**

14. DERIVATIVE FINANCIAL INSTRUMENTS

There were no derivative assets or derivative liabilities in 2022.

The item of Derivative assets amounted to €436 thousand. These are interest rate risk hedging derivatives.

The following table shows the details of derivative financial instruments:

DESCRIPTION	12/31/23 NOTIONAL VALUE	12/31/23 FAIR VALUE	12/31/22 NOTIONAL VALUE	12/31/22 FAIR VALUE
DERIVATIVE ASSETS	**-**	**-**	**-**	**-**
Trading derivatives	**566,060**	**243**	**-**	**-**
Hedging derivatives	**407,600**	**193**	**-**	**-**
Interest Rate Risk	407,600	193	-	-
Foreign Exchange Risk	-	-	-	-
Total derivatives assets	**973,660**	**436**	**-**	**-**
DERIVATIVE LIABILITIES	**-**	**-**	**-**	**-**
Trading derivatives	**-**	**-**	**-**	**-**
Hedging derivatives	**-**	**-**	**-**	**-**
Interest rate risk	-	-	-	-
Foreign exchange risk	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

This item includes derivative financial instruments utilized to manage interest rate risk. As of December 31, 2023, their notional value was €973,660 thousand and their fair value €436 thousand. The notional value of a derivative contract is the contractual amount conventionally defined. The fair value amount differs from the equity item “Cash flow hedge reserve” as it is accounted for net of the related accrued interest.

Interest differentials are charged to the income statement under financial income/expense for the year to which they pertain.

Derivative financial instruments entered into for the purpose of hedging interest rate risk are intended to transform contracted variable-rate liabilities into fixed-rate liabilities, in order to match them with the asset maturity profile, based on the average duration of the asset and the rate of return of the rental contracts.

All derivatives are entered into by Drivalia SpA and, in part, passed on to its subsidiaries, depending on the related hedging requirements.

The fair value of these instruments, all of which consist of Interest Rate Swaps, was determined on the basis of the present value of future cash flows derived from them, estimated on the basis of the appropriate yield curve as of December 31, 2023.

15. TAX RECEIVABLES

The item amounted to €3,409 thousand with an increase of €2,906 thousand compared to December 31, 2022.

The following table provides a breakdown of tax receivables:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Indirect tax receivables	-	-	-
Direct tax receivables	3,409	503	2,906
Total Tax receivables	**3,409**	**503**	**2,906**

LIABILITIES

17. NET FINANCIAL DEBT

Net borrowings amounted to €2,997,731 thousand, reflecting an increase of €2,240,895 thousand compared to the previous year. The following is a breakdown:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
A. Cash and valuables on hand	(52)	(47)	(5)
B. Bank and postal deposits	(60,020)	(69,829)	9,809
C. Securities	-	-	-
D. Cash and cash equivalents (A+B+C)	**(60,072)**	**(69,876)**	**9,804**
E. Current financial receivables	-	-	-
F. Current bank borrowings	2,871,444	799,696	2,071,748
G. Current portion of non-current debt	-	-	-
H. Other current borrowings	186,359	27,016	159,343
I. Current borrowings (F+G+H)	**3,057,803**	**826,712**	**2,231,091**
J. Net current borrowings (I-E-D)	**2,997,731**	**756,836**	**2,240,895**
K. Non-current bank borrowings	-	-	-
L. Bonds issued	-	-	-
M. Other non-current payables	-	-	-
N. Non-current borrowings (K+L+M)	**-**	**-**	**-**
O. Net borrowings (J+N)	**2,997,731**	**756,836**	**2,240,895**

17.1 NON-CURRENT AND CURRENT FINANCIAL LIABILITIES: Breakdown

The item amounted to €3,057,803 thousand with an increase of €2,231,091 thousand compared to last year.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Non-current financial liabilities for loan agreements and other	**-**	**-**	**-**
Long-term financial liabilities	**-**	**-**	**-**
Bank borrowings (portion over 12 months)	-	-	-
Other financial liabilities	-	-	-
Bonds issued	**-**	**-**	**-**
Liabilities for medium/long-term financial leases	**-**	**-**	**-**
Total non-current financial liabilities	**-**	**-**	**-**
Current financial liabilities for loan agreements and other	**-**	**-**	**-**
Short-term financial liabilities	**3,057,803**	**826,712**	**2,231,091**
Current accounts overdrafts	58,546	4,264	54,282
Bank borrowings (portion within 12 months)	2,871,444	799,696	2,071,748
Other financial liabilities	127,813	22,752	105,061
Liabilities for short-term finance leases	-	-	-
Total current financial liabilities	**3,057,803**	**826,712**	**2,231,091**
Total financial liabilities	**3,057,803**	**826,712**	**2,231,091**

The increase in Bank borrowings compared to 2022 is mainly due to the financing requirements necessary to cover the increase in business volumes in terms of the company fleet, which was expanded in 2023.

17.2 DETAIL OF MATURITIES OF FINANCIAL LIABILITIES

DESCRIPTION (REPAYMENT AT NOMINAL VALUE)	DUE BY DECEMBER 31 OF THE CURRENT YEAR						
	T+1	T+2	T+3	T+4	T+5	T+6	TOTAL
Bonds	-	-	-	-	-	-	-
Loans and other financial liabilities	-	-	-	-	-	-	-
Finance lease liabilities	-	-	-	-	-	-	-
Total non-current financial liabilities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Current financial liabilities	3,057,803	-	-	-	-	-	3,057,803
Total financial liabilities	**3,057,803**	**-**	**-**	**-**	**-**	**-**	**3,057,803**

18. CORPORATE DEFINED-BENEFIT PLANS

18.1 POST-EMPLOYMENT BENEFITS: Breakdown

This item amounted to €828 thousand, an increase of €379 thousand compared to the previous year.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Defined-benefit plans	725	365	360
Defined-contribution plans	-	-	-
Other long-term benefits	103	84	19
Total post-employment benefits	**828**	**449**	**379**

The liability related to post-employment benefits recognized in the Statement of Financial Position represents the present value of the defined benefit obligation, adjusted for actuarial gains and losses and past service costs not previously recognized. The provisions of defined benefit pension plans and the annual cost recognized in the income statement are determined by external actuaries using the Projected Unit Credit Method.

18.2 POST-EMPLOYMENT BENEFITS: Annual changes

The table below shows changes for the year.

DESCRIPTION	DEFINED-BENEFIT PLAN	OTHER LONG-TERM BENEFITS	TOTAL POST-EMPLOYMENT BENEFITS
A. Opening balance, net	**365**	**84**	**449**
B. Increases	**622**	**27**	**649**
B.1 Provisions for the year	286	27	313
B.2 Other changes	336	-	336
C. Decreases	**(262)**	**(8)**	**(270)**
C.1 Payments made	(209)	(8)	(217)
C.2 Other changes	(53)	-	(53)
D. Closing balance	**725**	**103**	**828**

18.3 POST-EMPLOYMENT BENEFITS: Changes in the actuarial liability

DESCRIPTION	DEFINED-BENEFIT PLAN	OTHER LONG-TERM BENEFITS	TOTAL POST-EMPLOYMENT BENEFITS
Opening actuarial liability	**365**	**84**	**449**
Service cost	(5)	-	(5)
Financial charges	(2)	-	(2)
Curtailment	-	-	-
Other costs	(10)	-	(10)
Employer contributions	180	-	180
Actuarial loss/(gain) from changes in demographic assumptions	-	-	-
Actuarial losses/(gains) from changes in financial assumptions	673	-	673
Actuarial losses/(gains) from experience	-	-	-
Actuarial losses/(gains) other	(226)	-	(226)
Disbursements	(23)	-	(23)
Other movements	(227)	19	(208)
Closing actuarial liability	**725**	**103**	**828**

19. PROVISIONS

This item amounted to €12,737 thousand and increased by €11,807 thousand compared to the previous year.

19.1 PROVISIONS: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Provision for taxes and tax risks	-	-	-
Provision for legal disputes	425	245	180
Provision for future risks and charges for operating leases	4,915	-	4,915
Other provisions for risks and charges	7,397	685	6,712
Total Provisions	**12,737**	**930**	**11,807**

The item "Provision for legal disputes" incorporates risks related to lawsuits with a probable risk of loss.

The item "Provision for future risks and charges for operating leases" mainly includes provisions for future maintenance and self-insurance related to assets under operating leases. The increase reflects significant development in both territorial and business volumes.

The item "Other provisions for risks and charges" includes litigation and provisions for employees.

19.2 PROVISIONS: Annual changes

The table below shows changes in this item for 2023:

DESCRIPTION	PROVISION FOR TAXES AND TAX RISKS	PROVISION FOR LEGAL DISPUTES	PROVISION FOR FUTURE RISKS AND CHARGES FOR OPERATING LEASES	OTHER PROVISIONS FOR RISKS AND CHARGES	TOTAL
A. Opening balance, net	**-**	**245**	**-**	**685**	**930**
B.Increases	**-**	**180**	**4,915**	**9,150**	**14,245**
Provisions for the year	-	5	1,797	6,049	7,851
Changes due to the passage of time	-	175	3,118	2,976	6,269
Changes due to modifications in the discount rate	-	-	-	-	-
Business combination transactions (mergers)	-	-	-	-	-
Other changes	-	-	-	125	125
C.Decreases	**-**	**-**	**-**	**(2,438)**	**(2,438)**
Utilization during the year	-	-	-	(2,438)	(2,438)
for release	-	-	-	-	-
for payments	-	-	-	(2,438)	(2,438)
Changes due to modifications in the discount rate	-	-	-	-	-
Other changes	-	-	-	-	-
D. Closing balance	**-**	**425**	**4,915**	**7,397**	**12,737**

With reference to supplementary defined-benefit pension funds, the determination of the actuarial values required by the application of IAS 19 “Employee Benefits” is carried out by an independent actuary, using the “Project Unit Credit Method,” as detailed in Part A - Accounting Policies.

20. TRADE PAYABLES

Total trade payables of €217,386 thousand increased by €119,875 thousand compared to the previous year, due to higher investments and costs incurred as a result of the expanded fleet.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Trade payables	162,638	89,491	73,147
Deferred income for operating leases	9,871	8,020	1,851
Other accrued expenses and deferred income	43,152	-	43,152
Other	1,725	-	1,725
Total trade payables	**217,386**	**97,511**	**119,875**

Attention is called to the terms and conditions of the liability listed above.

Trade payables relate to vehicle supplies, fleet lease payments, and commercial transactions within ordinary payment terms, all due within the year.

21. OTHER CURRENT LIABILITIES

Other current liabilities, amounting to €55,557 thousand, increased by €51,694 thousand compared to the previous year.

Payables to employees and social security institutions refer to sums owed to employees.

The item Other payables includes insurance premiums and purchase of equity interests.

The change is mainly related to activity related to the new acquisitions.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Payables for vehicles to be delivered	1,560	-	1,560
Payables to insurance companies	-	-	-
Payables to customers for security deposits	2,689	430	2,259
Payables to staff and social security institutions	7,910	1,734	6,176
Other liabilities	43,398	1,699	41,699
Total other current liabilities	**55,557**	**3,863**	**51,694**
of which to related parties	4,115	-	4,115

22. TAX PAYABLES

The item amounted to €9,079 thousand with an increase of €5,361 thousand compared to December 31, 2022 mainly due to IRAP and IRES payables.

The following table provides a breakdown of tax payables:

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Payables for indirect taxes	-	-	-
Direct tax liabilities	8,273	3,718	4,555
Other taxes	806	-	806
Total tax payables	**9,079**	**3,718**	**5,361**

PART C
NOTES TO THE CONSOLIDATED INCOME STATEMENT

A breakdown of the main income statement items is provided below.

Amounts are expressed in thousands of euros.

1. MARGIN ON LEASING CONTRACTS

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Revenue from leasing contracts	**450,977**	**205,756**	**245,221**
Operating lease payments	450,977	205,756	245,221
Lease contracts - financial management result	**(58,527)**	**(5,472)**	**(53,055)**
Financial expenses	(88,324)	(8,369)	(79,955)
Interest on bonds	-	-	-
Expenses for derivatives designated as hedging instruments	(211)	-	(211)
Interest expense to banks	(55,926)	(4,573)	(51,353)
Interest expense to other lenders	(12,934)	(205)	(12,729)
Other financial expenses	(19,253)	(3,591)	(15,662)
Financial income	29,797	2,897	26,900
Dividends from equity investments	-	-	-
Interest from customers	20,588	2,774	17,814
Interest from other financing	518	22	496
Income from derivatives designated as hedging instruments	353	-	353
Other financial income	8,338	101	8,237
Costs from leasing contracts - depreciation	**(193,481)**	**(23,225)**	**(170,256)**
Depreciation of operating leases	(184,467)	(22,091)	(162,376)
Fees paid on buy backs	(9,014)	(1,134)	(7,880)
Total other fleet costs and income	**(129,290)**	**(132,607)**	**3,317**
Other operating lease income	38,724	15,333	23,391
Other direct fleet costs	(168,014)	(147,940)	(20,074)
Total margin on leasing contracts	**69,679**	**44,452**	**25,227**

Revenue is recognized over the term of the rental period in accordance with the procedures outlined in the Revenue section of the accounting policies of this document. Revenue from any non-budgeted contracts is recognized as revenue in the period in which it accrues.

The increase in Margin on leasing contracts of €25,227 thousand was due to the combined effect of higher rental payments of €245,221 thousand, greater leased vehicle depreciation expenses of €170,256 thousand, lower net fleet-related expenses in the amount of €3.317 thousand and the increase in net financial expenses of €53,055 thousand, mainly due to the rise in interest rates compared to the previous year as a result of the change in financial market conditions and the increase in financial liabilities.

2. MARGIN ON SERVICES

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Revenue from services	**75,390**	**16,830**	**58,560**
Service fees on operating leases	58,171	16,557	41,614
Insurance recoveries and claims	1,006	-	1,006
Other income from services	16,213	273	15,940
Service costs	**(58,143)**	**(14,957)**	**(43,186)**
Costs for services on vehicles	(33,451)	(41)	(33,410)
Costs for commercial services	(24,051)	(14,916)	(9,135)
Other service costs	(641)	-	(641)
Total margin on services	**17,247**	**1,873**	**15,374**

The item is mainly composed of revenues and ancillary costs, related to maintenance services provided to customers in conjunction with car rental.

The change related to Margin on services of €15,374 thousand is mainly due to the net effect of the increase in service fees of €58,560 thousand and the increase in vehicle and commercial service costs of €43,186 thousand.

3. MARGIN ON CARS SOLD

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Revenue from sale of vehicles	**39,690**	**12,467**	**27,223**
Gain on sale of leased assets	33,300	11,611	21,689
Releases from provisions for residual values	353	-	353
Other revenue	6,037	856	5,181
Costs of selling vehicles	**(16,870)**	**(9,586)**	**(7,284)**
Losses on sale of leased assets	(12,937)	(9,351)	(3,586)
Provisions for residual values	(247)	(235)	(12)
Logistics costs	(3,265)	-	(3,265)
Other costs	(421)	-	(421)
Total margin on car sales	**22,820**	**2,881**	**19,939**

The Margin on car sales rose by €19,939 thousand, mainly due to the increase in Revenue from car sales of €27,223 thousand.

4. PERSONNEL COSTS

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Wages and salaries	(23,721)	(11,159)	(12,562)
Social security contributions	(5,162)	(1,938)	(3,224)
Defined-benefit plans	(286)	(9)	(277)
Defined-contribution plans	(1,237)	(413)	(824)
Other long-term plans	(19)	(14)	(5)
Other costs	(6,714)	(2,537)	(4,177)
Total personnel costs	**(37,139)**	**(16,070)**	**(21,069)**

Personnel costs increased by €21,069 thousand compared to the previous year as a result of the increase in the Group's workforce, from 411 to 846 employees, following the new corporate acquisitions during 2023.

The item Wages and salaries shows salaries and incentives (clerical staff and managers) amounting to €23,721 thousand.

The item Social security contributions shows contributions for employees in the amount of €5,162 thousand. The item Defined contribution plans reflects contributions made by the Company to supplementary pension funds.

The item Other costs mainly includes labor costs for external personnel and incentive costs for sales personnel.

5. OTHER OPERATING COSTS

Total Other operating costs increased by €3,768 thousand compared to the previous year.

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Net provisions for risks and charges	**(50)**	**53**	**(103)**
Other operating costs	**(4,420)**	**(755)**	**(3,665)**
IT services	(1,848)	(257)	(1,591)
Technical, legal, administrative and professional services	(2,205)	(495)	(1,710)
Charges and provisions for indirect taxes and levies	(367)	(3)	(365)
Other costs	-	-	-
Total other operating costs	**(4,470)**	**(702)**	**(3,768)**

6. AMORTIZATION, DEPRECIATION, AND IMPAIRMENTS

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Amortization of rights of use of third-party assets	(7,369)	(7,384)	15
Depreciation of other property, plant and equipment	(1,509)	(370)	(1,139)
Amortization of intangible assets	(1,055)	(799)	(256)
Total amortization, depreciation and impairments	**(9,933)**	**(8,553)**	**(1,380)**

This amounted to €9,933 thousand, with an increase of €1,380 thousand compared to December 31, 2022.

7. CREDIT LOSS

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Provisions for losses on current and non-current financial assets	(6)	-	(6)
Impairment of current and non-current financial assets	-	-	-
Impairment reversals on current and non-current financial assets	4,383	-	4,383
Credit loss allowance	(8,106)	(2,718)	(5,388)
Impairment of trade receivables	-	-	-
Impairment reversals on trade receivables	3,700	207	3,493
Total credit loss	**(29)**	**(2,511)**	**2,482**

The item amounted to €29 thousand, with a decrease of €2,482 thousand compared to December 31, 2022.
The item Credit loss allowance includes provisions for bad debts, in accordance with the simplified IFRS 9 approach as defined already in this document, in the amount of €8,106 thousand as well as credit collection costs.

8. NON-RECURRING REVENUE (EXPENSES)

Non-recurring expenses exceeded non-recurring revenue by €5,863 thousand, reflecting costs related to administrative, legal, tax, and due diligence consultancy related to the new corporate acquisitions made during the year.

10. INCOME TAXES

10.1 INCOME TAXES: Breakdown

DESCRIPTION	TOTAL 12/31/23	TOTAL 12/31/22	CHANGE
Current taxes for the year	(12,330)	(7,459)	(4,871)
Current taxes of previous years	410	(172)	582
Total current taxes	**(11,920)**	**(7,631)**	**(4,289)**
Change in deferred tax assets	564	1,213	(649)
Change in deferred taxes	(6,000)	(31)	(5,969)
Total taxes on income from continuing operations	**(17,356)**	**(6,449)**	**(10,907)**
Taxes on income from discontinued operations/Non-current assets held for sale	-	-	-
Total income taxes	**(17,356)**	**(6,449)**	**(10,907)**

Income taxes for the year amounted to €17,356 thousand, an increase of €10,907 thousand over the previous year.

10.2 INCOME TAXES: Reconciliation between statutory and effective tax rate

The reconciliation between the effective and the statutory tax rate, determined on the basis of current tax rates in Italy, is as follows:

DESCRIPTION	TOTAL 12/31/23
Tax on income from continuing operations at statutory rate,	(31,652)
Effect of wholly or partially nondeductible expenses - increases	(3,566)
Effect of fully or partially nontaxable income - decreases	19,380
Consolidation effect	-
Effective taxes on income from continuing operations, excluding IRAP (a)	**(15,838)**
IRAP - tax charge at statyutory rate	(3,883)
Effect of charges that do not contribute to the formation of the tax base	(2)
Effect of income that does not contribute to the formation of the tax base	1,770
IRAP - Effective tax expense (b)	**(2,115)**
Adjustment of taxes for previous years (c)	**597**
Total effective tax expense (a+b+c)	**(17,356)**

PART E
RELATED-PARTY TRANSACTIONS

RELATED-PARTY TRANSACTIONS: BALANCE SHEET ITEMS

	SHAREHOL-DERS	OTHER RELATED PARTIES	KEY EXECUTIVE MANAGERS	TOTAL
Current assets				
Cash and cash equivalents	-	10,662	-	10,662
Other receivables and current assets	101,301	48,575	-	149,876
Trade receivables	-	7,591	-	7,591
Financial derivative assets	-	56,174	-	56,174
Total Assets	**101,301**	**123,002**	**-**	**224,303**
Current financial payables	-	2,263,193	-	2,263,193
Trade payables	-	9,322	-	9,322
Other current liabilities	747	3,368	-	4,115
Total Liabilities	**747**	**2,275,883**	**-**	**2,276,629**

(€/000)

RELATED-PARTY TRANSACTIONS: INCOME STATEMENT ITEMS

	SHAREHOLDERS	OTHER RELATED PARTIES	KEY EXECUTIVE MANAGERS	TOTAL
Gross operating margin	-	(46,659)	-	(46,659)
Operating costs	-	(39,940)	(15)	(39,955)
Total	**-**	**(86,599)**	**(15)**	**(86,614)**

(€/000)

All transactions were carried out in the interest of the Company, were part of ordinary operations, and were settled at arm's length, i.e., at the terms that would be applied between two independent parties.

Related-party transactions were generally carried out under conditions equivalent to those applied for transactions with independent third parties.

Intercompany transactions were carried out following assessments of mutual benefit at arm's length. In preparing the Consolidated Financial Statements, transactions and outstanding balances with intercompany related parties are eliminated.

Transactions with Other related parties were all with counterparties of the Crédit Agricole S.A. Group.

OTHER INFORMATION

FEES TO INDEPENDENT AUDITORS
Fees for independent auditing services rendered totaled €784 thousand net of VAT, Consob contribution and reimbursement of expenses.

PricewaterhouseCoopers

SERVICE PROVIDER	CLIENT	AUDIT SERVICE	AUDIT-RELATED SERVICES	NON-AUDIT SERVICES	TOTAL (€/000)
PricewaterhouseCoopers	Drivalia España S.L.U.	20	-	-	20
PricewaterhouseCoopers	Drivalia France S.A.S.	40	-	-	40
PricewaterhouseCoopers	Drivalia Lease Czech Republic	84	-	-	84
PricewaterhouseCoopers	Drivalia Lease Danmark A/S	40	-	-	40
PricewaterhouseCoopers	Drivalia Lease España S.A.U.	68	-	-	68
PricewaterhouseCoopers	Drivalia Lease Finland	63	-	-	63
PricewaterhouseCoopers	Drivalia Lease Hellas SM S.A.	38	12	-	50
PricewaterhouseCoopers	Drivalia Lease Norge	53	-	-	53
PricewaterhouseCoopers	Drivalia Lease Polska Sp z o.o.	58	-	-	58
PricewaterhouseCoopers	Drivalia Portugal S.A.	34	-	-	34
PricewaterhouseCoopers	Drivalia S.p.A.	80	15	3	98
	Total	**578**	**27**	**3**	**608**

Other independent auditors

SERVICE PROVIDER	CLIENT	AUDIT SERVICE	TOTAL (€/000)
			28
EY	Drivalia Lease UK Ltd.	71	71
Fairhurst	Drivalia UK Ltd	28	28
Deloitte	Drivalia Lease Ireland Ltd	49	49
	Total	**176**	**176**

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES
The following tables provide details of guarantees given and commitments made by the Parent Company, Drivalia S.p.A., representing the most significant component of the Group's overall exposure. These off-balance-sheet commitments, guarantees and contingent liabilities consist of the following:

DESCRIPTION	2023	2022	CHANGE
Personal guarantees received	729,893	729,893	-
Assets received under lease	50,377,703	218,287,734	(167,910,031)
Sureties of third parties for loans	-	-	-
Insurance sureties in favor of airport operators (APT) or suppliers	-	109,350	(109,350)
Third-party sureties in favor of airport operators (APT) or suppliers	2,519,203	1,879,854	639,349
Total	**53,626,799**	**221,006,831**	**(167,380,032)**

Amounts in €

Personal guarantees received
This item includes the value of surety policies issued to the Company to guarantee the proper performance of obligations arising from the mandate contracts entered into for the operation of the car rental business.

Assets received under lease
This item includes the value of cars leased from Leasys S.p.A..

Insurance sureties to airport operators
The insurance sureties issued in favor of airport operators to guarantee the proper and exact fulfillment of the sub-concession contracts signed that were present in 2022 have been fully replaced by bank sureties as of December 31, 23.

Third-party sureties in favor of airport operators and suppliers
These are sureties issued by credit institutions in favor of:
- Airport operators to guarantee the proper and exact fulfillment of the sub-concession contracts signed (€ 1,567,863);
- Other guarantees issued in relation to the fulfillment of obligations under contracts with suppliers and agents (€951,340).

Guarantees issued by the Company in favor of subsidiaries

DESCRIPTION	2023	2022	CHANGE
Guarantees issued	98,750,000	-	98,750,000
Total	**98,750,000**	**-**	**98,750,000**

Amounts in €

These are Guarantees issued by Drivalia Spa during 2023 as follows:
- Drivalia Lease Czech Republic S.r.o. €19,750,000 issued by Bank ING Bank N.V., Prague branch of ING Group;
- Drivalia Lease Czech Republic S.r.o. €79,000,000 issued by Bank Všeobecná úverová banka, a.s. of the Intesa Group.

PART F
LEASING INFORMATION

SECTION 1 - LESSEE

In accordance with the provisions of paragraphs 51-59 of IFRS 16, additional information is provided below on leases where the Drivalia Group is the lessee.

An analysis of the contracts falling within the scope of IFRS 16 has identified property leases as the most significant for the Group. These are mainly premises for office use.

There are no subleases.

In accordance with the exemptions allowed by the standard, the Drivalia Group has elected not to apply IFRS 16 to contracts with a total term of less than or equal to 12 months and to contracts where the value of the underlying asset when new is less than or equal to €5,000. In this case, payments related to such leases are recognized as an expense, similar to what has been done in the past.

SECTION 2 - LESSOR

The Drivalia Group provides finance and operating leases in the markets in which it operates, with the aim of supporting the automotive business of the CA Auto Bank Group and its partner companies. In the leasing sector, the Drivalia Group's offering is designed for both large companies and SMEs, as well as professionals and individuals.

As a lessor, the Group manages the risk associated with the rights it retains over the underlying assets through:
- buy-back agreements;
- collateral: security deposits;
- collateral: security deposits.

In the case of contracts where the Group companies directly bear the risk of the residual value of the contract, as there is no buy-back agreement with the dealer or manufacturer, quarterly monitoring is performed in order to establish provisions for residual value.

PART G
SEGMENT REPORTING

Operating and financial data by operating segment are reported in accordance with IFRS 8. In accordance with this standard, it should be specified that the Group's business is substantially developed in Europe and that the reportable geographical business segments identified are Italy and Abroad. However, performance reports that make distinctions by foreign geographical area are not subject to periodic management reporting.

Below is the breakdown of the business by geographic area:

SEGMENT REPORTING (€M)	TOTAL 12/31/23	ABROAD 12/31/23	ITALY 12/31/23
Rental margin	109.7	84.5	25.2
Net operating costs	(51.5)	(39.9)	(11.6)
Cost of risk	(0.0)	2.7	(2.8)
Non-recurring income/(expense)	(5.9)	(0.1)	(5.8)
Profit before taxes	**52.3**	**47.3**	**5.0**
Income taxes	(17.4)	(12.8)	(4.6)
Net result	**35.0**	**34.5**	**0.4**

SEGMENT REPORTING (€M)	TOTAL 12/31/23	ABROAD 12/31/23	ITALY 12/31/23
Rental margin	49.2	27.1	22.1
Net operating costs	(25.3)	(15.0)	(10.4)
Cost of risk	(2.5)	(0.2)	(2.3)
Non-recurring income/(expense)	0.0	0.0	-
Profit before taxes	**21.4**	**11.9**	**9.4**
Income taxes	(6.4)	(3.2)	(3.3)
Net result	**14.9**	**8.8**	**6.2**

All intercompany transactions between Group companies are eliminated for consolidation purposes.

PART H
OTHER INFORMATION

RECONCILIATION BETWEEN DRIVALIA SPA'S EQUITY AND CONSOLIDATED EQUITY

	SHAREHOLDERS' EQUITY	OF WHICH: RESULT FOR THE PERIOD
Equity and Result for the Period of Drivalia S.p.A.	**263,823**	**84,076**
Equity and Result for the Period of the consolidated companies net of the portion attributable to Non-controlling interests	**406,469**	**34,886**
Consolidation Adjustments:	**(440,758)**	**(84,006)**
Elimination of the carrying amount of consolidated equity investments	(441,920)	-
Intercompany dividends	-	(84,000)
Other consolidation adjustments	1,162	(6)
Equity and Result for the Period attributable to the Shareholders of Drivalia S.p.A.	**229,534**	**34,956**

(€/000)

COUNTRY BY COUNTRY PUBLIC DISCLOSURE

Data as of December 31, 2023

List of Drivalia Group Companies by location and nature of business conducted, pursuant to Article 89 of Directive 2013/36/EU of the European Parliament and of the Council (CRD IV)

COUNTRY	COMPANY	NATURE OF THE BUSINESS
BELGIUM	Drivalia Lease Belgium S.A.	NON-FINANCIAL
DENMARK	Drivalia Lease Danmark A/S	NON-FINANCIAL
FINLAND	Drivalia Lease Finland Oy	NON-FINANCIAL
FRANCE	Drivalia France S.A.S.	NON-FINANCIAL
GREECE	Drivalia Lease Hellas SM S.A.	NON-FINANCIAL
ITALY	Drivalia S.p.A.	NON-FINANCIAL
IRELAND	Drivalia Lease Ireland Ltd.	NON-FINANCIAL
MOROCCO	Drivalia Lease, Succursale au Maroc	NON-FINANCIAL
NORWAY	Drivalia Lease Norge AS	NON-FINANCIAL
NETHERLANDS	Drivalia Lease Nederland B.V.	NON-FINANCIAL
POLAND	Drivalia Lease Polska Sp z o.o.	FINANCIAL
PORTUGAL	Drivalia Portugal S.A.	NON-FINANCIAL
UNITED KINGDOM	Drivalia Lease UK Ltd.	FINANCIAL
UNITED KINGDOM	Drivalia UK Ltd	NON-FINANCIAL
CZECH REPUBLIC	Drivalia Lease Czech Republic s.r.o.	NON-FINANCIAL
CZECH REPUBLIC	Fleet Insurance Plan s.r.o.	NON-FINANCIAL
SPAIN	Drivalia España S.L.U.	NON-FINANCIAL
SPAIN	Drivalia Lease España S.A.U.	FINANCIAL

COUNTRY	COMPANY	NATURE OF THE BUSINESS	RENTAL MARGIN (€/000)	NUMBER OF EMPLOYEES ON A FULL-TIME EQUIVALENT BASIS	PROFIT OR LOSS BEFORE TAX (€/000)
BELGIUM	Drivalia Lease Belgium S.A.	NON-FINANCIAL	(13)	0	(144)
DENMARK	Drivalia Lease Danmark A/S	NON-FINANCIAL	3,127	12	1,914
FINLAND	Drivalia Lease Finland Oy	NON-FINANCIAL	12,215	104	5,851
FRANCE	Drivalia France S.A.S.	NON-FINANCIAL	3,519	77	(3,379)
GREECE	Drivalia Lease Hellas SM S.A.	NON-FINANCIAL	6,332	7	4,096
ITALY	Drivalia S.p.A.	NON-FINANCIAL	25,223	110	5,012
IRELAND	Drivalia Lease Ireland Ltd.	NON-FINANCIAL	10,881	80	8,619
MOROCCO	Drivalia Lease, Succursale au Maroc	NON-FINANCIAL	421	3	188
NORWAY	Drivalia Lease Norge AS	NON-FINANCIAL	3,299	64	1,188
NETHERLANDS	Drivalia Lease Nederland B.V.	NON-FINANCIAL	4	1	(158)
POLAND	Drivalia Lease Polska Sp z o.o.	FINANCIAL	109	2	(3)
PORTUGAL	Drivalia Portugal S.A.	NON-FINANCIAL	3,212	38	978
UNITED KINGDOM	Drivalia Lease UK Ltd.	FINANCIAL	2,742	5	5,439
UNITED KINGDOM	Drivalia UK Ltd	NON-FINANCIAL	11,761	90	7,181
CZECH REPUBLIC	Drivalia Lease Czech Republic s.r.o. (*)	NON-FINANCIAL	17,203	177	8,205
SPAIN	Drivalia España S.L.U.	NON-FINANCIAL	5,237	76	1,669
SPAIN	Drivalia Lease España S.A.U.	FINANCIAL	4,474	0	5,656

(*) includes data of the subsidiary Fleet Insurance Plan s.r.o.

Turin, March 28, 2024
On behalf of the Board of Directors.
The Chief Executive Officer

Paolo Manfreddi

Paolo Manfreddi

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31ST, 2023

DRIVALIA S.P.A.

Sole-shareholder company

Registered Office: Corso Orbassano 367, Turin, Italy

Share Capital €50,000,000.00 fully paid-up

Company Register - Turin Office No. 05406791003

Management and coordination pursuant to article 2497 of the Italian Civil Code CA Auto Bank Spa

Report of the Board of Statutory Auditors

To the Sole Shareholder,

The Board of Statutory Auditors was appointed in its current composition by the sole shareholder at the Shareholders' Meeting of March 25, 2021 and remains in office until the date of the Shareholders' Meeting called to approve the Financial Statements as of and for the year ended December 31, 2023.

The Board of Statutory Auditors hereby reports on the activities carried out in the fulfillment of its duties and the results of the fiscal year. It outlines its observations regarding the Financial Statements as of and for the year ended December 31, 2023, in accordance with the provisions of article 2429 of the Italian Civil Code, and with respect to the first Consolidated Financial Statements of the Drivalia Group as of and for the year ended December 31, 2023.

The approach of this report is the same as the one used for the previous year and is guided by the Law and the "Rules of Conduct of the Board of Statutory Auditors - Principles of Conduct of the Board of Statutory Auditors of Unlisted Companies," issued by the CNDCEC.

Drivalia Spa - a wholly owned subsidiary of CA Auto Bank Spa, which is in turn a subsidiary of Credit Agricole - continued to pursue in 2023 the expansion plans launched in 2022, through acquisitions and the establishment of new companies. In particular:

Drivalia Lease Nederland B.V.

On May 17, 2023, Drivalia S.p.A. established Drivalia Lease Nederland B.V. in the Netherlands, thus holding 100% of the share capital of the newly incorporated company.

Drivalia Lease Belgium S.A.

On May 24, 2023, Drivalia S.p.A. established Drivalia Lease Belgium S.A. in Belgium, thus holding 100% of the share capital of the newly formed company.

Drivalia Lease España SAU

On June 16, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease España SAU.

Drivalia Lease UK Ltd

On June 16, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease UK Ltd.

ALD Automotive AS (Drivalia Lease Norge AS)

On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of ALD Automotive AS, a company organized under Norwegian law, later renamed Drivalia Lease Norge AS.

Merrion Fleet Management Ltd (Drivalia Lease Ireland Ltd.)

On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of Merrion Fleet Management Ltd, a company organized under Irish law, which will be renamed Drivalia Lease Ireland Ltd upon approval by the Central Bank of Ireland.

LeasePlan Finland Oy (Drivalia Lease Finland Oy)

On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of LeasePlan Finland Oy, a company organized under Finnish law, later renamed Drivalia Lease Finland Oy.

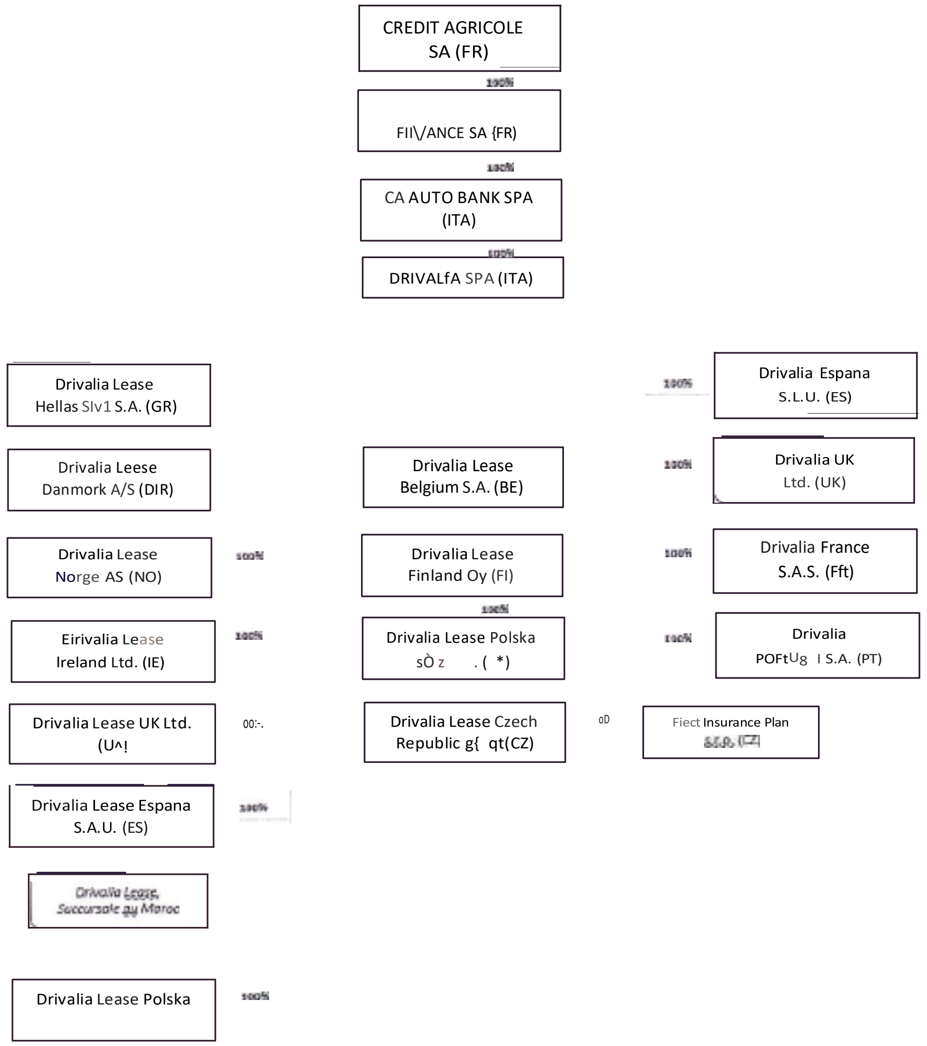
LeasePlan Česká Republika s.r.o. (Drivalia Lease Czech Republic s.r.o.)

On August 1, 2023, Drivalia S.p.A. acquired from a third party all the shares outstanding of LeasePlan Česká Republika s.r.o., a company organized under Czech law, subsequently renamed Drivalia Lease Czech Republic s.r.o., which in turn holds 100% of the share capital of Fleet Insurance Plan s.r.o..

Drivalia Lease Polska Sp. z o.o.

On November 20, 2023, Drivalia S.p.A. acquired from CA Auto Bank S.p.A. all the shares outstanding of Drivalia Lease Polska Sp. Z o.o.

As a result of the described corporate transactions, the situation of the Drivalia Group is as follows:



Lastly, again with reference to corporate actions, the Board of Statutory Auditors notes that on July 18, 2023, at the Extraordinary General Meeting of Drivalia SpA, the shareholders resolved to increase the share capital from €1,807,750 to €50,000,000 through a cash injection of €150,000,000 made by the sole shareholder, CA Auto Bank SpA. The Company has, therefore, issued 48,192,250 shares with a par value of €1 and allocated the excess amount of €101,807,7S0 to the share premium reserve.

The Board of Statutory Auditors acknowledges that, in the last fiscal year, the Company expanded its mobility service offering along three different business lines: short-term and medium-term rental, car sharing, and, as of 2022, long term rental.

This integrated mobility offering aims, according to Management, to provide a full range of services for customers who are increasingly oriented toward tailored solutions.

In particular, as described in the Report on operations, it is noted that with reference to:

- *Short-Term and Medium-Term Rental*: total revenues from car rental in 2023 amounted to €187 million, an increase of 23% over the revenues recorded as of December 31, 2022 (€152 million).
- *Car Sharing:* the electric free floating Car Sharing service re-branded from "E-Go! Drivalia" to "E+Share Drivalia" is active in Turin, Milan and Rome. The Company generated revenues of approximately €5.7 million. For the subscription and pay-per-use services provided, a total of more than 900 electric Fiat 500s have been deployed in the three cities.
- *Long-Term Rental:* Long-term rental activities, introduced in the last quarter of 2022, entail the rental of cars and commercial vehicles for more than 12 months to a broad customer base of private consumers, small and medium-sized companies, large enterprises, and public institutions. During 2023, the Company collected about 8,300 orders and concluded, with the delivery of the vehicle to the final customer, more than 5,000 contracts. The revenue generated by the Company during the year amounted to €15.6 million.

The Company operates with full management autonomy by adhering to the general strategic and operational guidelines set by the Parent Company. CA Auto Bank Spa is the company that, pursuant to article 2497 of the Italian Civil Code, exercises Management and Coordination activities. In particular, these guidelines are embodied in a Code of Conduct adopted at the Group level and in the development of general funding, human resource management and communication policies. In addition, Group coordination involves the provision of certain services by pooling existing expertise in the Parent Company, CA Auto Bank Spa.

As of 2023, the Company has no longer availed itself of the option not to prepare its consolidated financial statements.

SUPERVISORY ACTIVITIES UNDER ARTICLE 2403 OF THE ITALIAN CIVIL CODE

During the year ended December 31, 2023, the Board of Statutory Auditors operated according to the procedures established in articles 2403 et seq. of the Italian Civil Code, overseeing – with powers of inspection and control – compliance with the law, the Articles of Association, respect for the principles of proper administration and, in particular, the adequacy and proper functioning of the organizational, administrative and accounting structure adopted by the Company.

First, it should be noted that, in light of the Parent Company's instructions, the meetings of the sole shareholder, meetings of the Board of Directors, and meetings of the Board of Statutory Auditors, and respective tasks, were held via video and audio conferencing.

As for the institutional activities for which it is responsible, in accordance with the principles and rules of conduct of the CNDCEC, the Board of Statutory Auditors notes that it attended all meetings of the corporate bodies, periodically acquiring timely and appropriate information from the Management Body on the Company's general performance of operations, foreseeable trends, and the most significant transactions due to their size or characteristics.

The Board of Statutory Auditors continued to gain more in-depth information to ascertain continued compliance with the provisions of the law and the Articles of Association and the principles of proper administration; it also carried out direct checks on the timely fulfilment of certain administrative, corporate and tax obligations.

The Board of Statutory Auditors obtained news and information mainly from the staff of the administrative function and from other areas of company operations.

The Board of Statutory Auditors periodically requested from the head of the Processes Compliance department and the Supervisory Board, pursuant to Legislative Decree 231/2001, a summary of their respective activities and their most significant aspects.

The Board of Statutory Auditors made periodic contact and exchanged information with representatives of the independent auditing firm.

The auditors did not report – nor did the Board of Statutory Auditors have other opportunities to become aware of – any facts deemed improper or any noteworthy irregularities or omissions.

Responsibility for compliance with the law and the Articles of Association lies with the Company's Management Body. The Board of Statutory Auditors verified the compliance of corporate acts and resolutions of the corporate bodies with the law and the provisions of the Articles of Association. The methods, procedures and tools adopted by the Company in carrying out its business activities did not reveal any significant critical issues, facts or situations that could lead to their being considered non-compliant with the law and Articles of Association.

The Board of Statutory Auditors did not detect any atypical or unusual transactions with third parties, with Group companies, or with other related parties, nor did it receive any indications to that effect from the Board of Directors.

The Board of Statutory Auditors was able to verify that the obligations required of the Board of Directors were properly fulfilled within the terms of the law.

As for related-party transactions, the Notes to the Financial Statements provide adequate and appropriate disclosures on the nature of business dealings with other Group companies, which are settled at arm's length.

The supervisory activity did not reveal any significant critical issues, facts or situations which could suggest that the Board of Directors does not act with due care. it is reasonable to believe that the actions implemented by the Company's Management Body comply with the law and the Articles of Association, and are not manifestly imprudent, risky in terms of conflict of interest or conflict with the resolutions adopted by the sole shareholder's meeting, or such as to compromise the integrity of the Company's assets. In particular, the Board of Directors adopted a process inspired by the principle of informed decision-making.

The Board of Statutory Auditors gained knowledge of and supervised the adequacy of the Company's organizational structure, including by gathering information from department heads. We have no particular observations to submit to the sole shareholder in this regard. By obtaining information from the heads of the respective departments and examining the documentation submitted to us, we were able to ascertain compliance with best practices, the adequacy of the organizational structure in relation to the size of the company and the aspects for which it is responsible, as well as the adequacy of the internal control system.

The Board of Statutory Auditors assessed and supervised the adequacy of the administrative and accounting system, as well as its reliability in being able to correctly represent transactions, by obtaining information from department heads and examining company documents. We have no particular observations to report in this regard. In fact, the periodic checks carried out during FY 2022 did not bring to light any critical elements in the functioning of the administrative system, which, in the opinion of the Board of Statutory Auditors, should be considered overall reliable and able to correctly represent Company transactions.

With regard to the adequacy of the internal control system, no particularly critical situations or facts emerged from the supervisory activity. Overall, the internal control system is adequate for the specific characteristics and size of the Company. In particular, the Board of Statutory Auditors verified the adequacy of the internal control system and periodically monitored the effectiveness and updates of the work carried out by the Company's officers, from which no particular aspects or problems emerged. Through specific meetings with the Supervisory Board, it took note of the findings and assessments of the internal audit checks carried out in accordance with Legislative Decree 231/2001. The Organizational, Management and Control Model pursuant to Legislative Decree 231/2001 is periodically updated according to the new types of offences provided for by the legislation and is disseminated by way of specific training activities.

The Company does not own, nor did it own during the year, any shares of the parent company, nor did it carry out any transactions on shares of the parent company, including through trust companies and intermediaries.

The Board of Statutory Auditors notes that during the year, no complaints pursuant to Article 2408 of the Italian Civil Code were filed, nor were there any cases pursuant to Articles 2406 and 2409 of the Italian Civil Code or that required further investigation or mention herein.

OBSERVATIONS ON THE FINANCIAL STATEMENTS

The Board of Statutory Auditors monitors the financial statements to ensure compliance with the law and Articles of Association; it is responsible for verifying that the Board of Directors complies with the procedural rules regarding the drafting, filing and publication of the financial statements. In this regard, it is noted that:

- the financial statements, submitted in compliance with Article 2429 of the Italian Civil Code, are made up of the Balance Sheet, Income Statement, Cash Flow Statement and Notes to the Financial Statements, accompanied by the Management Report;
- the financial statements, as required by Articles 2423 and 2423-*bis* of the Italian Civil Code, have been prepared on a going concern basis, in accordance with the general principles of prudence, accrual and relevance, and taking into account the substance of the transaction and contract;
- the amounts of each item were compared with the comparable figure from the previous year;
- the accounting policies used for drafting the Financial Statements at 31 December 2023 are consistent with those used when drafting the Financial Statements at 31 December 2022;
- the Balance Sheet and Income Statement comply with the provisions of Articles 2424, 2424-*bis*, 2425 and 2425-*bis* of the Italian Civil Code
- the format of the Cash Flow Statement complies with the provisions of article 2425*ter* of the Italian Civil Code and the document has been prepared in accordance with Accounting Standard OIC 10;
- at the balance sheet level, the Financial Statements show total assets of €1,592,325,736 and equity of €263,735,294, including net income for the period of €84,121,537 and payables totaling €1,313,928,374;

  at the income statement level, the Financial Statements show production value of €242,522,069, total production costs of €197,199,597 and a pre-tax income of €88,706,324;
- below, key financial and operating highlights are provided:

BALANCE SHEET			
Description/year	2023	2022	Changes
Intangible fixed assets	10,905,030	4,3 19,392	(24)%
Tangible fixed assets	800,389,919	477,708,082	68%
Financial fixed assets	531,283,830	10 1,839,027	422%
Total fixed assets	* 1,342,578,T79	583,866,501	129.95%
Inventories	3,369,008	I,815,369	85.58%
Receivables	220,555,3741	122, 192,35 1	80%
Short-term financial assets	1,697,275	0	0%
Cash and cash equivalents	8,076,589	24,089,638	(66)%
Current assets	233,698,613	148,097,358	57.80%
Accruals and deferrals	16,048,344	11.328.254	41.67%
TOTAL ASSETS	1,592,325,736	743,292,113	1 14.23%
Equity	263,7 35,254	31,Z 63,399	746%
Provisions for risks and charges	6, 177,30 t	6,809,160	(9)%
Severance indemnities	335,3 1 4	364,680	(8)%
Payables	1,313,928,374	701,742,759	87"%
Accruals and deferrals	8, 1 49,453	3,2 12, 1 1 5	1 56%
TOTAL LIABILITIES AND EQUITY	1,592,320,736	743,292,1 13	1 14.23%

INCOME STATEMENT			
Description/year	2023	2022	Changes
Production value	242,522,069	168,331,157	44%
Production costs	(197,199,597)	(153,719,064)	28%
Difference between production value and costs	" 45,322,472	14,612,093	210%
Financial income and expenses	43,338,179	(3,882,051)	(1216)%
Adjustments to financial asset	15,673	0	0%,
Income before taxes	88,706,324	1 0,730,042	727%
Income tax	(4,584,787]	(3,244,079)	41%
Net income (loss) for the year	84, 12 1,537	7,485,963	1024%

- finally, the Notes to the Financial Statements report the information regarding grants and contributions received from Government Authorities of the Italian State and/or state-owned companies, as per article 1, paragraph 125, Law 124/17n the Notes to the Financial Statements the accounting policies followed have been indicated; such policies, as mentioned above, are in accordance with the law and the accounting standards adopted;
- the Notes to the Financial Statements contain the information required by articles 2427 and 2427 bis of the Italian Civil Code and are complete and comply with the requirement of clarity of information;
- finally, the Notes to the Financial Statements report the information regarding grants and contributions received from Government Authorities of the Italian State and/or state-owned companies, as per article 1, paragraph 125, Law 124/17;
- to the best of the Board of Statutory Auditors' knowledge, in the preparation of the financial statements the Board of Directors did not use the departure provided for by article 2423, paragraph 5, of the Italian Civil Code;
- pursuant to article 2426 paragraph 1 sub-paragraph 5 of the Italian Civil Code, the Board of Statutory Auditors expressed its consent to the inclusion on the asset side of the balance sheet of capitalized start-up and expansion costs, net of the related accumulated depreciation, totaling €52,243. This item refers to the purchase in 2020 of the electric car sharing business from Blue Torino Srl and the notary fees incurred for the deeds of acquisition of the shares;
- pursuant to article 2426 paragraph 1 sub-paragraph 6 of the Italian Civil Code, the Board of Statutory Auditors expressed its consent to the recognition of goodwill, net of the related accumulated amortization, on the assets side of the balance sheet for €139,739. This item also refers to the purchase in 2020 of the electric car sharing business from Blue Torino Srl. In this regard, it should be noted, by way of mere reference, that it will not be possible to distribute dividends out of reserves for more than the net amount of the two items capitalized under assets pursuant to article 2426, paragraph 1, sub-paragraphs 5) and 6), Italian Civil Code;
- specific charges and estimated risks, which may result in Company obligations, have been assessed when determining the relevant provisions and have been mentioned within the notes to the financial statements, together with significant contingent liabilities, which are carefully examined in the Notes to the Financial Statements;
- the Notes to the Financial Statements include the disclosure required by article 2497-bis of the Italian Civil Code, paragraph 4, which is reflected by the tables reflecting financial and operating highlights derived from CA Auto Bank Spa's accounts prepared in accordance with IAS/IFRS;
- adequate information is provided in the Notes to the Financial Statements on the nature and value of personal guarantees received by the Company, assets received under lease, guarantees issued by credit institutions in favor of airport management companies, as well as guarantees issued by the Company in favor of two subsidiaries to credit institutions;
- with regard to existing relations with the Parent Company and with related parties, the Board confirms that the information produced in the Notes to the Financial Statements is comprehensive;
- the Report on operations complies with the laws in force, with the facts illustrated in the financial statements and with the information available to the Board of Statutory

Auditors; the information disclosed is considered to fully comply with the relevant provisions of article 2428 of the Italian Civil Code, and provides a clear, comprehensive and rational illustration of the Company's situation, significant events, strategic transactions, operating performance and outlook. Finally, the Report on operations includes information on environmental sustainability and safety, human resource management policies, funding policy and treasury activities, and, finally, the operation of the Internal Control System, with particular reference to: i) Internal Control System; ii) Internal Audit department, (iii) Risk and Permanent Control department; (iv) Compliance department; (v) Bodies involved in overseeing the internal control system: SB and Board of Statutory Auditors.

- for the purpose of the proper fulfillment of the obligations to file with the Companies Register the financial statements approved by the sole shareholder's meeting, it is noted that the Board of Directors will avail itself of the authority provided by article 3, paragraph 2, Prime Minister's Decree of December 10, 2008 concerning the exemption from the conversion of the document to XBRL format;
- the financial statements correspond to the facts and information of which the Board has become aware in discharging its duties.

Lastly, it is acknowledged that oversight activities were carried out during 2023 in accordance with the strict prevention and safety protocols adopted by the Company, and that no significant facts emerged from it that would require disclosure in this report

* * *

In the opinion of the Board of Statutory Auditors, the Financial Statements as a whole have been prepared clearly and give a true and fair view of the financial position and results of operations of the Company for the year ended December 31, 2023, in accordance with the rules governing their preparation.

The Board of Statutory Auditors, in consideration of the foregoing and taking into account that the audits carried out by PricewaterhouseCoopers Spa on the Financial Statements - as noted in the report issued on April 12, 2024 - do not reveal any issues, states that nothing prevents the approval of the Financial Statements as of December 31, 2023, as prepared.

The Board of Statutory Auditors also acknowledges the compliance with the Law and the Articles of Association of the proposal for the allocation of the result for the year, amounting to €84,121,537, formulated by the Board of Directors in the Financial Statements, as provided for in article 2427, paragraph 1, no. 22) septies, Italian Civil Code.

OBSERVATIONS ON THE CONSOLIDATED FINANCIAL STATEMENTS

As a result of the legislative amendments to Article 41 of Legislative Decree 127/91, which made the preparation of the Board of Statutory Auditors' report on the consolidated financial statements optional—mandating only that of the independent auditor - for the purpose of providing additional information to shareholders and third parties, the Company, starting in the current fiscal year 2023, has chosen not to exempt itself from preparing the Consolidated Financial Statements Package. Consequently, it has prepared the financial statements for the Drivalia Group.

The Board of Statutory Auditors has verified the formation of the consolidation scope and the alignment of the reporting dates of the financial statements of the companies included in the consolidation scope.

It is acknowledged that the consolidated financial statements of the Drivalia Group as of December 31, 2023, have been prepared in accordance with the International Accounting Standards (IAS/IFRS), as endorsed by the European Commission pursuant to European Union Regulation No. 1606 of July 19, 2002, and transposed in Italy by Legislative Decree No. 38 of February 28, 2005, along with the relevant interpretations (Standing Interpretations Committee SIC and International Financial Reporting Interpretations Committee - IFRIC) issued by the International Accounting Standards Board (IASB) and in force at the close of the fiscal year.

The financial statements submitted by the subsidiaries to the parent company for the purpose of forming the consolidated financial statements have been examined by the supervisory bodies and/or entities of the individual companies, in accordance with their respective regulations, and by the Board of Statutory Auditors as part of the procedures followed for the audit of the consolidated financial statements.

The scope of consolidation, illustrated in the Notes to the Financial Statements, contains the list of companies included as of December 31, 2023. These companies total 17 (including the consolidating company).

The amounts of consolidated equity and profit attributable to non-controlling interests have been recorded in the line items of the financial statements "Consolidated equity attributable to non-controlling interests" and "Net profit (loss) for the year attributable to non-controlling interests." Specifically, total equity amounted to €229.53 million, with consolidated net profit for the year, after tax, amounting to €34.96 million.

Responsibility for the preparation of the consolidated financial statements lies with the Company's Board of Directors, and it is the responsibility of the auditing firm PricewaterhouseCoopers Spa to express a professional, audit-based opinion on them. This opinion was issued on April 12, 2024, without qualification.

In light of the controls performed and the information provided by the independent auditors, it is considered that the definition of the scope of consolidation, the choice of consolidation methods, and the procedures followed for their application have enabled the clear representation of the financial position and operating performance, in accordance with the formats required by the relevant law.

The Report on operations and the Notes to the Financial Statements provide comprehensive information regarding the consolidated companies as a whole, the operating results and financial position, necessary clarifications on assets and liabilities, and a complete and clear picture of the situation.

The Notes to the Financial Statements clearly illustrate the accounting policies adopted in determining the financial position and operating performance. They adequately indicate the composition of and changes in the amount of assets and liabilities recorded in the statement of financial position, as well as the items of the income statement, and comply with all current regulations.

The application of these criteria, without any exceptions, has enabled a correct representation of the consolidated financial position and performance from a global perspective.

Lastly, we would like to remind you that, with the approval of the financial statements for the year ending December 31, 2023, this Board of Statutory Auditors will be reaching the end of its term of office. Thanking you for the trust you have placed in us, we invite you to adopt the appropriate resolutions regarding the new composition of the Board of Statutory Auditors..

Turin, April 12, 2024

The Board of Statutory Auditors

Luca Ambroso

Giovanni Miglietta

Vittorio Sansonetti

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31ST, 2023

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Independent Auditors' Report

Pursuant to Article 14 of Legislative Decree No. 39 of January 27, 2010.

To the Shareholders of Drivalia SpA

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Drivalia Group (hereinafter also referred to as the "Group"), which comprise the statement of financial position as of December 31, 2023, the income statement, the statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and the notes to the financial statements, which include relevant information on the accounting standards applied.

In our opinion, the consolidated financial statements give a true and fair view of the Group's financial position as of December 31, 2023, and of its results of operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities under those standards are further described in the section Responsibility of the auditing company for the audit of the consolidated financial statements in this report. We are independent with respect to Drivalia SpA in accordance with the ethics and independence rules and standards applicable in Italian law to the audit of financial statements. We consider that we have acquired sufficient and appropriate audit evidence on which to base our opinion.

Other aspects

The data presented for comparative purposes in the consolidated financial statements have not been audited. "Part A - Accounting Policies" in the notes to the financial statements explains why Drivalia SpA did not prepare consolidated financial statements as of December 31, 2022, utilizing the exemption authority provided by Article 27 of Legislative Decree 127/1991.

PricewaterhouseCoopers SpA

Registered office: Milan 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Share Capital Euro 6.890.000,00 fully paid-in. Tax Code, VAT Code and Milano Monza Brianza Lodi Companies Register no. 12979880155 Entered under no. 119644 Of the Registry of Independent Auditors – Other Offices: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Girnma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40124 Via Luigi Carlo Farini 12 Tel. 051 6186211- **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311- **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811- **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** S0121Via dei i\liille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - Torino 10122 Corso Palestro 10 Tel. 011556771- Trento 38122 Viale della Costituzione 33 Tel. 0461 237004 - Tre-..iso 31100 Viale Feli.ssent 90 Tel. 0422 696911- Trieste 34125 Via Cesare Battisti 18 Tel. 040 3480781 - Udine 33100 Via Poscolle 43 Tel. 0432 25789 - Varese 21100 Via Albuzzi 43 Tel. 0332 285039 - Verona 37135 Via Francia 21/C Tel. 045 8263001 - Vicenza 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Responsibility of directors and the board of statutory auditors for the consolidated financial statements

The directors are responsible for preparing consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. They are also responsible, in accordance with the law, for determining and implementing the necessary internal controls to enable the preparation of financial statements that are free from material misstatement, whether due to fraud, unintentional conduct or events.

The directors are responsible for assessing the Group's ability to continue to operate as a going concern and, in preparing the consolidated financial statements, for the appropriateness of the use of the going concern assumption, as well as for adequate disclosure in this regard. The directors shall use the going concern assumption in the preparation of the consolidated financial statements unless they have assessed that conditions exist for the liquidation of the parent company Drivalia SpA or for discontinuing operations, or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for supervising, within the terms of the law, the process of preparing the Company's financial reporting.

Responsibility of the auditing company for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud, error, or unintentional events, and to issue an audit report that includes our opinion. Reasonable assurance is defined as a high level of assurance, which, however, does not guarantee that an audit performed in accordance with International Standards on Auditing (ISA Italia) will always detect a significant error, if any. Errors may arise from fraud or unintentional conduct or events and are considered significant if they could reasonably be expected, individually or in the aggregate, to influence the economic decisions made by users based on the consolidated financial statements.

In performing our audit in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- We identified and assessed the risks of material misstatement of the consolidated financial statements due to fraud or unintentional conduct or events; we defined and performed audit procedures in response to those risks; and we acquired sufficient and appropriate audit evidence on which to base our opinion. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement resulting from unintentional conduct or events, because fraud may involve collusion, falsification, intentional omissions, misleading representations, or the override of internal control;

- We acquired an understanding of internal control relevant to the audit for the purpose of designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We assessed the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the directors, including the related disclosures;
- We reached a conclusion on the appropriateness of the directors' use of the going concern assumption and, based on the evidence obtained, on whether a material uncertainty exists with respect to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit 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 evidence obtained up to the date of our report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We assessed the presentation, structure, and content of the annual financial statements as a whole, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We have obtained sufficient and appropriate audit evidence about the financial information of the enterprises or the different economic activities conducted within the Group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising, and performing the Group's audit. We remain solely responsible for the audit opinion on the consolidated financial statements.

We communicated to those responsible for governance activities, identified at an appropriate level as required by ISA Italia, among other issues, the planned scope and timing of the audit and the significant findings that emerged, including any significant deficiencies in internal control identified during the course of the audit.

Report on other laws and regulations

Opinion pursuant to Article 14(2)(e) of Legislative Decree 39/2010

The directors of Drivalia SpA are responsible for the preparation of the Drivalia Group's report on operations as of December 31, 2023, including its consistency with the related consolidated financial statements and its compliance with the law.

We have performed the procedures specified in Auditing Standard (SA Italy) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Drivalia Group as of and for the year ended December 31, 2023, and on their compliance with the law, as well as to issue a statement on any significant errors.

In our opinion, the report on operations is consistent with the consolidated financial statements of the Drivalia Group as of and for the year ended December 31, 2023, and is prepared in accordance with the law.

With reference to the statement referred to in Article 14(2)(e) of Legislative Decree 39/2010, based on the knowledge and understanding of the company and its environment acquired during the audit, we have nothing to report.

Florence, April 12, 2024

PricewaterhouseCoopers SpA

Marco Mancini
(Independent
Auditor)

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Drivalia S.p.A.
Corso Orbassano 367 - 10137 - Turin - Italy
www.drivalia.com