

THIS NOTICE IS IMPORTANT AND REQUIRES THE IMMEDIATE ATTENTION OF NOTEHOLDERS. IF NOTEHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR OWN INDEPENDENT PROFESSIONAL ADVISERS AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (IF THEY ARE IN THE UNITED KINGDOM), OR FROM ANOTHER APPROPRIATELY AUTHORISED INDEPENDENT FINANCIAL ADVISER (IF THEY ARE NOT) IMMEDIATELY.

GEDESCO TRADE RECEIVABLES 2020-1 DESIGNATED ACTIVITY COMPANY

(a designated activity company limited by shares incorporated under the laws of Ireland with registered number 654510 and having its registered office in Ireland)

(the Issuer)

EUR15,000,000 Class B Notes due 2026 ISIN: XS2085674112

EUR15,000,000 Class C Notes due 2026 ISIN: XS2085674203

EUR7,500,000 Class D Notes due 2026 ISIN: XS2085674542

EUR7,500,000 Class E Notes due 2026 ISIN: XS2085677057

EUR15,000,000 Class F Notes due 2026 ISIN: XS2085677214

EUR15,000,000 Class Z Notes due 2026 ISIN: N/A

(the Notes)

Reference is made to the master definitions schedule signed by, amongst others, the Issuer and U.S. Bank Trustees Limited as Note Trustee and Security Trustee and dated 20 March 2020 (the **MDS**).

Unless otherwise defined in this notice, terms used in this call shall have the meanings set out in the MDS.

We refer to the notice to Noteholders dated 31 May 2024 (the **Notice**). Further to the Notice, the Issuer confirms that a conference call for Noteholders was held on Friday 26 July 2024 (the **Call**). This notice sets out a summary of the information provided to Noteholders on the Call.

The purpose of the Call was to give an overview of the current status of the securitisation (the **Transaction**) and to provide Noteholders with certain information relating to the Transaction and potential actions which the Noteholders might want to consider.

On the Call, the Issuer outlined:

- the Issuer's understanding of the status of the portfolio of receivables owned by the Issuer (the **Portfolio**);
- the Issuer's understanding of the status of the Sellers, Gedesco Services Spain S.A.U. (the **Original Servicer**) and certain other Gedesco-related entities (together, the **Gedesco Group**);
- actions taken by the Issuer to date;
- certain potential routes for realisation of funds for the benefit of the Noteholders; and
- next steps.

The Issuer, at the request of the Note Trustee and the Security Trustee, also informed Noteholders that in accordance with standard practice:

- neither the Note Trustee nor the Security Trustee is providing Noteholders with any legal, business, tax or other advice in respect of the Call or any actions that Noteholders may consider following the Call; nor does the Note Trustee or the Security Trustee accept any responsibility for any information discussed on the Call by parties or persons other than the Note Trustee or the Security Trustee;
- each Noteholder is solely responsible for making its own independent appraisal of all matters as are considered relevant by such Noteholder and Noteholders are encouraged to seek, or consider seeking, independent legal, tax or other advice as they may consider appropriate; and
- subject to the detailed provisions of the Transaction Documents (in particular, in relation to instruction thresholds and indemnification, pre-funding or security requirements), Noteholders are welcome to contact the Note Trustee to raise queries or provide draft instructions in respect of any particular course of action that Noteholders wish to propose.

The information imparted during the Call came from the following sources:

- a report prepared for the Issuer by Copernicus Servicing, S.L. (the **Servicer**) (the **Servicer Report**) and other information provided by the Servicer;
- information provided by Leopoldo Pons Concursal, the insolvency administrator appointed in the insolvency procedures discussed below (the **Insolvency Administrator**) to Spanish counsel to the Issuer (the **Spanish Counsel**);
- information provided to the Issuer by Spanish Counsel on potential court actions which are pending or available in Spain (Note that by referencing any advice, the Issuer does not waive any confidentiality, privilege or the like in such advice save to the extent expressly set out in this notice); and
- information in the public domain which the Issuer understands to be verified.

For the avoidance of doubt, the Issuer was not providing Noteholders with any legal, business, tax or other advice in respect of the matters discussed on the Call or any actions that Noteholders may consider following the Call. Each Noteholder is solely responsible for making its own independent appraisal of all matters as are considered relevant by such Noteholder and Noteholders are encouraged to seek, or consider seeking, independent legal, tax or other advice as they may consider appropriate.

OVERVIEW OF THE PORTFOLIO

The Servicer has provided the Issuer with a high-level analysis of the Portfolio by way of the Servicer Report. The analysis is based upon, amongst other things, an initial reconciliation of the portfolio by the Servicer and a preliminary solvency estimation based on information from the commercial register conducted by an independent expert hired by the Insolvency Administrator of the Original Servicer, Pagaralia, S.L.U. (**Pagaralia**), and Gedesco Factoring, S.L.U. (**Gedesco Factoring**) and together with the Original Servicer and Pagaralia, the **Insolvent Companies**).

Based upon the Servicer Report, the Issuer understands that the Portfolio consists of Receivables with 285 borrowers with an aggregate outstanding balance of €80,127,528.71. The top 10 borrowers account for 54% of the Portfolio by aggregate balance and the top 40 borrowers account for 90% of the Portfolio by aggregate balance.

The Issuer understands that a lot of the underlying documentation relating to the Portfolio is missing. According to the information the Issuer has been provided with, many of the Receivables are alleged to be ineligible for the securitisation (e.g. transactions with related parties), or are alleged to be non-existent, already paid or otherwise irrecoverable. The aggregate amount of the allegedly ineligible, non-existent or irrecoverable Receivables appears to be very significant and, as a result, potential recoveries in respect of such Receivables are uncertain and will be dependent on factors which are presently difficult to ascertain.

Currently, there are a total of 160 borrowers with an aggregate balance of €7,756,435 which are subject to judicial proceedings in Spain. Based upon information provided by the Servicer, which the Issuer understands is, in turn, based upon the information available today (and that may substantially change in the future) from the independent expert of the Insolvency Administrator, the Issuer understands that recoveries from the Portfolio subject to judicial proceedings could total as little as circa €1 million - and even this €1 million may be difficult to recover in practice.

The potential recovery from the remainder of the Portfolio is uncertain, for the reasons outlined and because the Servicer does not have much of the underlying documentation relating to relevant Receivables.

PROCEEDINGS IN SPAIN RELATING TO THE GEDESCO GROUP

The Issuer then discussed the proceedings in Spain relating to the Gedesco Group.

According to the information the Issuer has been provided with, there has been a de facto closure of the Gedesco Group companies and an alleged transfer, which is alleged to be wrongful, of the business and assets of these companies to Toro Finance, S.L. (“**Toro**”). It is alleged that there have been wrongful transfers of money or assets from the insolvent companies to other parties. The Issuer notes that the Insolvency Administrator has accused Mr. Aynat (former director of Grupo Gedesco) of making at least €336.6 million allegedly disappear from the Insolvent Companies

The Insolvent Companies – all parties to whom the Issuer has exposure, either in their capacity as Sellers or as the Original Servicer – have entered into insolvency proceedings in Spain. Gedesco Finance (**Gedesco Finance**), the parent company of the previous Insolvent Companies, has also entered into insolvency proceedings in Spain.

The various insolvency proceedings are being conducted before two different courts:

- (i) Commercial Court No. 2 of Valencia: in case of (a) Pagaralia; (b) Gedesco Finance; and (c) Gedesco Factoring (the **First Insolvency Proceedings**); and
- (ii) Commercial Court No. 4 of Valencia: in case of Gedesco Services (the **Second Insolvency Proceedings**), and together with the First Insolvency Proceedings, the **Insolvency Proceedings**).

Criminal proceedings against the former directors of the Gedesco Group have been opened in Spain by JZI, majority shareholder of Gedesco Finance (the **Criminal Proceedings**).

The Issuer noted that it has joined the First Insolvency Proceedings and could join the Second Insolvency Proceedings as well as the Criminal proceedings as a civil party. Currently the Issuer is taking no active part in these proceedings. The Issuer explained the rationale for joining these proceedings, in particular being provided with information which is filed in the proceedings, as well as potentially taking a more active role in the proceedings to potentially realise claims against various parties.

The Issuer noted that whilst the Issuer may still benefit from recoveries made by the Insolvency Administrator if it takes no action in the Insolvency Proceedings or Criminal Proceedings referenced below, advice from Spanish Counsel is that this may be a lower sum than if the Issuer actively participates and pursues actions in the Insolvency Proceedings and the Criminal Proceedings.

The Issuer summarised for Noteholders the high level advice that it has received from Spanish counsel as to the nature of certain actions which the Issuer, subject to further analysis, may be able to take in the Insolvency Proceedings and Criminal Proceedings. In this discussion, the Issuer outlined some available courses of action identified by Spanish Counsel should the Noteholders wish the Issuer to take an active rather than a passive role in the relevant proceedings. The Issuer stressed that it is not in a position at present to recommend particular means of active participation, as that would have to be the subject of further review, analysis and advice by Spanish counsel.

NEXT STEPS

The Issuer is not in a position to say what substantive action is recommended, as that would have to follow a review of information and further analysis by Spanish counsel. Whether an independent strategy should be formulated to maximise recoveries needs to be assessed in light of the scope and development of the Insolvency Proceedings and Criminal Proceedings.

The Issuer noted that it could take action in the Insolvency Proceedings and/or the Criminal Proceedings, but doing so will incur a higher level of fees, costs and expenses. Given the limited cash left in the structure, it is highly likely that any Noteholder wishing the Issuer to take legal action will need to fund the relevant proceedings. But this may result in a greater recovery for Noteholders. The Issuer noted that the prime business of the call and any follow up, is that the Issuer needs to know:

(a) whether Noteholders would prefer the Issuer to play a largely passive role, letting the Criminal Proceedings and the Insolvency Proceedings take their course, engaging the Issuer's Spanish counsel for limited purposes of reporting to Noteholders on relevant matters as they occur without involvement in the development of those proceedings; or

(b) whether Noteholders want the Issuer to take a more active role. This would involve the Issuer instructing its Spanish counsel to engage with the Insolvency Administrator, and to actively participate in the Insolvency Proceeding and the Criminal Proceedings, prepare an analysis based on information which thereby becomes available, with a view to making substantive recommendations to shape the course of those actions, supporting recovery processes and actively taking steps to maximise potential recoveries.

The Issuer invited any Noteholder who would like to discuss next steps with the Issuer to contact the Issuer to discuss next steps. Similarly, any Noteholder who did not join the Call but would

like to discuss next steps with the Issuer is also invited to contact the Issuer using the following contact details:

GTR2020-1@cscgfm.com

This announcement is released by Gedesco Trade Receivables 2020-1 Designated Activity Company and may contain inside information for the purposes of Article 7 of the Market Abuse Regulation (EU) 596/2014 (**MAR**). For the purposes of MAR and Article 2 of Commission Implementing Regulation (EU) 2016/1055, this announcement is made by CSC Capital Markets (Ireland) Limited (Company Secretary) at Gedesco Trade Receivables 2020-1 Designated Activity Company.

GEDESCO TRADE RECEIVABLES 2020-1 DESIGNATED ACTIVITY COMPANY

2 August 2024