



# SUMMARY

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# I. MANAGEMENT REPORT

## 1. H1 2023 HIGHLIGHTS

### STRONG FINANCIAL PERFORMANCE

- Consolidation of LeasePlan from 22 May 2023
- Undisputed leadership in the multinational segment: commercial franchise increasing from more than 320 clients to more than 550 clients
- Strong net income (Group share): EUR 564.5 million<sup>1</sup>
- Reduction in depreciation costs<sup>2</sup> boosting leasing contract margin: EUR +315.3 million in H1 2023 vs. EUR +62.7 million in H1 2022
- Used car sales result per unit<sup>3</sup> at a high level: EUR 2,887<sup>4</sup> before the impact of reduction in depreciation costs, vs. EUR 3,212 in H1 2022
- Integration and transaction costs impacting operating expenses
- Result from discontinuing operations: EUR -91.3 million, related to the disposal of ALD Russia
- CET 1 ratio at 12.5% as at end June 2023

## 2. FINANCIAL REVIEW ON FIRST SIX MONTHS OF 2023

In an economic environment marked by the continued rise in interest rates to tame inflation, economies slowed down during the first half of 2023. While supply and logistics chains continued to ease, allowing new car deliveries in Europe to recover from last year's low levels, the production of new cars remained well below pre-Covid levels. Against this backdrop, ALD | LeasePlan continues to expect that the used car market will normalize gradually, with the exceptionally favourable supply/demand situation lasting until mid-2024 instead of end 2023, i.e. longer than previously anticipated.

### Creation of the undisputed leader in an industry where size matters

The LeasePlan acquisition represents a step-up change, which propels the combined entity to the position of unrivalled leader in the operational leasing industry, where scale is crucial. ALD | LeasePlan ranks #1 multi-brand leasing player in 29 countries, including the top European markets, and operates a 3.4 million<sup>5</sup> fleet, twice the size of its nearest competitor. With direct presence in 44 countries, ALD | LeasePlan's geographical coverage is the largest in the industry.

<sup>1</sup> Before deduction of interest on AT1 capital

<sup>2</sup> Reduction in depreciation costs compared to the contractual costs in relation to vehicles whose sales proceeds are forecast to be in excess of their net book value and for which depreciation has been adjusted or stopped

<sup>3</sup> Management information, on ALD's sales. No profit assumed on LeasePlan's sales pending Price Purchase Allocation exercise

<sup>4</sup> Including the impact of depreciation adjustments from prior quarters, UCS result per unit was EUR 1,974 in H1 2023

<sup>5</sup> As at 30 June 2023, excluding ALD Russia, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland and Luxembourg

It enjoys a strong foothold in Western Europe and is well positioned in promising emerging markets all over the world.

In line with its commitment to lead the transition to sustainable mobility, ALD | LeasePlan operates the #1 multi-brand EV<sup>6</sup> fleet worldwide, with 428 thousand EVs as at 30 June 2023. Drawing on the broadest range of partnerships in the EV ecosystem and its unique capacity to address customers' needs, ALD | LeasePlan will continue shaping the transformation of the industry.

The combined entity firmly ranks #1 in the multinational segments, thanks to first-rate geographical coverage and long-standing commercial relationships. The client franchise in this category has risen from 320 clients for ALD alone to 550 clients for the combined entity, with associated fleet under management increasing from 378 thousand to 610 thousand vehicles as at 30 June 2023.

The reinforced leadership positions, strong risk management, combined with the solid capital structure and potential for synergies from the acquisition have been recognized by credit rating agencies, which have awarded ALD | LeasePlan the best debt credit ratings among multi-brand leasing companies. Ratings were upgraded to the single A category just after the closing of the acquisition, allowing for more competitive funding costs and greater access to funding providers, both of which are essential in the sector. A new rating was assigned by Moody's, namely A1, while S&P and Fitch have both upgraded their senior unsecured debt ratings to A-, corresponding to a 2-notch and 1-notch improvements respectively.

#### First objectives achieved according to plan

The integration of LeasePlan began immediately after closing, with teams of the combined entity joining forces to execute a thorough action plan. A number of objectives are already achieved only 60 days into the integration, in line with plans. Execution of the plan will continue at the same rapid pace, so that the first synergies can be delivered by the end of the year.

As the LeasePlan acquisition was finalized a few months later than originally planned, ALD | LeasePlan now expects that annual run-rate synergies will be achieved by 2026 instead of 2025.

#### ✓ Commerce

ALD | LeasePlan is committed to offering a seamless service and to ensuring the highest level of customer satisfaction and therefore has arranged for a single team to face those clients which

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<sup>6</sup> Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs)

were previously served by both entities. Having received very positive feedback, it expects low attrition within this client segment.

At the same time, sales teams have been trained on the full range of products (LCVs<sup>7</sup>, Flex, multimodality...) to capitalize on strengths and complementarities and take advantage of the multiple cross-selling opportunities offered by the combination.

### ✓ **Procurement**

Procurement is one of the main sources of synergies for the combined entity, prompting ALD | LeasePlan to start renegotiating the terms and conditions with its suppliers, leveraging on its scale. This proved successful so far, with bonus improvements already agreed by several OEMs. More recently, the first joint global tender was launched on tyres. With 4 million units purchased per annum, ALD | LeasePlan is in a strong position to improve its purchasing conditions.

ALD | LeasePlan is on track to secure at least EUR 30 million of annual procurement savings by the end of 2023. This amount would progressively materialize through the income statement in 2024.

### ✓ **Overheads**

Digital & IT are key in the integration process. ALD | LeasePlan already started the convergence of IT tools and the streamlining of processes and will launch the local integration of IT by the end of the year. These initiatives will enable materializing cost synergies as from next year.

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<sup>7</sup> Light commercial vehicles

## STRONG FINANCIAL RESULTS AND ROBUST COMMERCIAL PERFORMANCE

### Consolidated income statement

in EUR million	Q2 2023 <sup>8</sup>	Q2 2022 <sup>9</sup>	Q Var.	H1 2023 <sup>8</sup>	H1 2022 <sup>9</sup>	Var.
Leasing contract revenues	1,758.7	1,205.8	45.9%	3,015.1	2,365.6	27.5%
Leasing Contract Costs - Depreciation	(1,217.7)	(882.1)	38.0%	(2,040.2)	(1,827.1)	11.7%
Leasing Contract Costs - Financing	(175.7)	(50.3)	249.2%	(265.6)	(95.7)	177.5%
Unrealised Gains/Losses on Financial Instruments	36.0	34.8	3.4%	59.1	36.8	60.6%
<b>Leasing Contract Margin</b>	<b>401.3</b>	<b>308.1</b>	<b>30.2%</b>	<b>768.3</b>	<b>479.6</b>	<b>60.2%</b>
Services Revenues	986.8	649.9	51.8%	1,702.6	1,208.5	40.9%
Cost of Services Revenues	(673.7)	(477.3)	41.2%	(1,215.5)	(875.8)	38.8%
<b>Services Margin</b>	<b>313.1</b>	<b>172.6</b>	<b>81.4%</b>	<b>487.1</b>	<b>332.7</b>	<b>46.4%</b>
<b>Leasing Contract and Services Margins</b>	<b>714.4</b>	<b>480.8</b>	<b>48.6%</b>	<b>1,255.4</b>	<b>812.2</b>	<b>54.6%</b>
Proceeds of Cars Sold	1,398.9	984.8	42.0%	2,526.0	2,003.2	26.1%
Cost of Cars Sold	(1,304.0)	(767.4)	69.9%	(2,240.7)	(1,570.5)	42.7%
<b>Used Car Sales result</b>	<b>94.9</b>	<b>217.4</b>	<b>-56.4%</b>	<b>285.4</b>	<b>432.7</b>	<b>-34.0%</b>
<b>Gross Operating Income</b>	<b>809.2</b>	<b>698.2</b>	<b>15.9%</b>	<b>1,540.8</b>	<b>1,244.9</b>	<b>23.8%</b>
Staff Expenses	(225.2)	(127.9)	76.0%	(361.9)	(244.1)	48.3%
General and Administrative Expenses	(115.2)	(72.6)	58.6%	(221.0)	(128.9)	71.5%
Depreciation and Amortisation	(31.2)	(15.6)	99.8%	(49.2)	(30.7)	60.0%
<b>Total Operating Expenses</b>	<b>(371.6)</b>	<b>(216.2)</b>	<b>71.9%</b>	<b>(632.1)</b>	<b>(403.7)</b>	<b>56.6%</b>
<i>Cost/Income ratio (excl CSR)</i>	<i>52.0%</i>	<i>45.0%</i>	<i>7 bps</i>	<i>50.3%</i>	<i>49.7%</i>	<i>0.6 bps</i>
Impairment Charges on Receivables	(15.7)	(11.0)	42.7%	(24.5)	(18.9)	29.4%
Other income	8.6	0.0	na	8.6	0.0	na
Non-Recurring Income (Expenses)	20.6	(0.0)	na	(0.0)	(0.0)	na
<b>Operating Result</b>	<b>451.1</b>	<b>471.0</b>	<b>-4.2%</b>	<b>892.9</b>	<b>822.3</b>	<b>8.6%</b>
Share of Profit of Associates and Jointly Controlled Entities	0.8	0.2	296.4%	1.6	1.1	44.3%
<b>Profit Before Tax</b>	<b>451.9</b>	<b>471.2</b>	<b>-4.1%</b>	<b>894.4</b>	<b>823.4</b>	<b>8.6%</b>
Income Tax Expense	(109.8)	(116.6)	-5.8%	(235.4)	(208.9)	12.7%
Result for the period from discontinued operations	(91.3)	0.0	na	(91.3)	0.0	na
<b>Profit for the Period</b>	<b>250.8</b>	<b>354.6</b>	<b>-29.3%</b>	<b>567.7</b>	<b>614.5</b>	<b>-7.6%</b>
Non-Controlling Interests	1.7	(0.5)	na	3.2	1.7	86.5%
<b>Net income group share</b>	<b>249.1</b>	<b>355.1</b>	<b>-29.9%</b>	<b>564.5</b>	<b>612.8</b>	<b>-7.9%</b>

<sup>8</sup> ALD's Q2 23, and H1 223 results have been subjected to a limited review by ALD's Statutory Auditors

<sup>9</sup> Restated for IFRS 17, which applies from 1 January 2023

Continuing the positive trends of the previous quarters, total contracts for ALD | LeasePlan stood at 3,391 thousand as at end June 2023, up by 4.3%<sup>10</sup> compared to end June 2022, reflecting the dynamic commercial activity. LeasePlan's contribution amounted to 1,616 thousand contracts as at end June 2023.

Full-service leasing contracts reached 2,667 thousand units as at end June 2023, up +3.0% vs. end June 2022 on a like-for-like basis, with the order book continuously at a high level.

Fleet management contracts increased by +9.1% vs. June 2022, to reach 724 thousand vehicles. Year-on-year growth was primarily driven by a new banking partnership.

ALD | LeasePlan continued to play a key role in clients' transition towards sustainable mobility by leveraging their powerful EV offering (including charging). EV penetration of 32%<sup>11</sup> of new passenger car registrations in H1 2023 progressed significantly compared to the same period last year (25% EV penetration). This outstanding performance compares very favourably to the European market at 21%<sup>12</sup> in H1 2023. BEV<sup>13</sup> and PHEV<sup>14</sup> penetration stood at 19% and 13% respectively, well ahead of the market.

This robust commercial performance was achieved across a more balanced geographical portfolio. ALD | LeasePlan's diversification was enhanced by the acquisition of LeasePlan, with exposure to France, its largest market, reduced from 28% to 20% of total fleet. Similarly, the top 10 largest countries (including France) now account for 83% of total fleet, vs. 87% for ALD alone.

#### ✓ **Perimeter effect**

LeasePlan is consolidated from its acquisition date, 22 May 2023, i.e. for slightly more than a month in the H1 2023 income statement.

The disposal of 6 entities representing c. 3% of the total combined fleet, was agreed with antitrust authorities during the LeasePlan negotiation process. Consequently, as at 30 June 2023, ALD's entities in Portugal, Ireland and Norway (except NF Fleet Norway) and LeasePlan's entities in Czech Republic, Finland and Luxembourg are classified as assets held-for-sale under IFRS 5. The ALD entities do not represent a major line of business or geographical area of operations and therefore are reported in the continuing activities of the Group's income statement. LeasePlan entities do not contribute to the Group's H1 2023 income statement, as their assets and liabilities

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<sup>10</sup> On a like-for-like basis: excluding ALD Russia, LeasePlan USA, ALD entities held for sale in Portugal, Ireland, Norway (except NF Fleet Norway), Belarus and LeasePlan entities held for sale in Czech Republic, Finland and Luxembourg

<sup>11</sup> Management information, -in EU+: European Union, UK, Norway, Switzerland

<sup>12</sup> Source: ACEA

<sup>13</sup> Battery Electric Vehicles (BEVs)

<sup>14</sup> Plug-in Hybrids (PHEVs)

are recognized at fair value in the Purchase Price Allocation (PPA) exercise. These 6 entities were sold to Credit Agricole Consumer Finance and Stellantis on 1 August 2023 and hence were deconsolidated from that date.

✓ **New regulated status**

Upon closing of the acquisition of LeasePlan, which holds a banking license allowing it to raise deposits, ALD SA became a Financial Holding Company supervised by the European Central Bank and subject to new regulatory requirements. Under its regulated status, ALD | LeasePlan is able to optimize its capital structure thanks to layers of hybrid capital. Additional Tier 1 is accounted for in “shareholders’ equity” while Tier 2, subscribed by the company’s parent Societe Generale, is accounted for in “borrowings from financial institutions” in the financial statements.

✓ **Accounting considerations**

The Group applies the IFRS 3 “Business combinations” standard, whereby a Purchase Price Allocation (PPA) exercise is conducted. ALD | LeasePlan expects that the identification and recognition at fair value of acquired assets and liabilities will be finalized by end 2023. As a result, no profit on LeasePlan’s Used car sales was recognized since the acquisition in the H1 2023 income statement, as the rental fleet of LeasePlan will be assessed at fair value. Provisional goodwill as at 30 June 2023 is expected to be impacted in the full-year 2023 financial statements.

Additionally, the harmonization of accounting policies and estimates across the Group is underway.

ALD | LeasePlan recorded strong H1 2023 financial results, supported by continued highly favourable used car prices and the consolidation of LeasePlan since 22 May 2023, despite the ramp-up of integration costs and the negative impact of the disposal of ALD Russia.

Taken together, Leasing contract and Services margins (Total margins) reached EUR 1,255.4 million in H1 2023, an increase of 54.6%<sup>15</sup> compared to H1 2022. Out of this amount, the contribution of LeasePlan since its acquisition on 22 May 2023 was EUR 170.1 million<sup>16</sup>. ALD total margins were stable vs. the same period last year, when adjusted for reduction in depreciation costs and non-operating items, and up by 4.5% on a like-for-like basis<sup>17</sup> excluding the cost of Tier 2 debt<sup>18</sup>.

Leasing contract margin was boosted by the reduction in depreciation costs (EUR +315.3 million vs. EUR +62.7 million in H1 2022). As a result of continued high estimated used car prices until

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<sup>15</sup> H1 2022 income statement was restated for IFRS 17, which applies from 1 January 2023

<sup>16</sup> Excluding non-operating items (mark to market of derivatives and hyperinflation in Turkey) totaling EUR +28.2 million

<sup>17</sup> Excluding LeasePlan, Fleetpool and ALD Russia

<sup>18</sup> EUR 11.3 million in H1 2023, related to the acquisition of LeasePlan



mid-2024, depreciation has been adjusted or stopped for those vehicles whose sales proceeds are forecast to be in excess of their net book value. The depreciation curve was modified in H1 2023, taking into account the most recent fleet revaluation exercise, performed at mid-year.

The reduction in depreciation costs equals the difference between the contractual amortization costs and the revised amortization cost. It anticipates in the Leasing contract margin part of Used car sales results which would otherwise be recorded later.

No reduction in depreciation cost was assumed on LeasePlan's portfolio due to the anticipation of fair value recognition in the context of the Purchase Price Allocation (PPA) exercise.

Non-operating items<sup>19</sup> impacting Leasing contract margin amounted to EUR +70.0 million (vs. EUR +47.9 million in H1 2022), comprising:

- Fleet revaluation exercise<sup>20</sup> of EUR +17.1 million (vs. EUR +40.5 million in H1 2022);
- Hyperinflation in Turkey<sup>21</sup> EUR +19.8 million (vs. EUR +39.5 million in H1 2022);
- Mark to market of derivatives<sup>22</sup> of EUR +33.1 million (vs. EUR -5.3m in H1 2022);
- There was no adjustment to the provision in Ukraine accounted for in H1 2023 (vs. a EUR -26.8 million provision in H1 2022).

At EUR +285.4 million in H1 2023, the contribution from Used car sales (UCS) result remained at a high level, albeit down from the historically high H1 2022 level (EUR +432.7m). The amount incorporates a negative impact of change in depreciation curve of EUR -132.0 million, as the positive impact of reduction in depreciation costs on Leasing contract margin in previous quarters anticipated some UCS profits. Due to continuing delays in car deliveries, some contracts were extended, which had a beneficial impact on UCS results.

There has been no profit recorded on LeasePlan's Used car sales since the acquisition in the H1 2023 income statement, due to the fair value recognition under the PPA. As a result, the current provisional goodwill was reduced accordingly.

UCS result per unit<sup>23</sup> on ALD's sales came in at EUR 1,974 per unit in H1 2023 vs. EUR 3,212 per unit in H1 2022. Had ALD not recorded any reduction in depreciation costs to reflect exceptionally high used car prices in previous quarters, UCS result per unit would have stood at EUR 2,887. In Q2

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<sup>19</sup> Hyperinflation in Turkey, mark to market of derivatives, fleet revaluation, provision in Ukraine

<sup>20</sup> Based on the expected roll-off of the fleet portfolio and deriving from the usual revaluation exercise

<sup>21</sup> As per IAS 29 "Financial Reporting in Hyperinflationary Economies"

<sup>22</sup> In relation to IRS and FX hedging

<sup>23</sup> Management information

2023, UCS result per unit amounted to EUR 1,346 per unit (EUR 2,614 without the impact of reduction in depreciation cost) vs. EUR 3,330 in Q2 2022.

Leveraging on its efficient remarketing platform, ALD sold 145 thousand units<sup>24</sup> in H1 2023 (not including 39 thousand vehicles sold by LeasePlan in May and June 2023) vs. 135 thousand in H1 2022. The volume increase, compared to the same period last year, is mainly driven by improved dynamics in new car deliveries.

As a result of the exceptionally high used car prices, ALD | LeasePlan's Gross Operating Income (GOI) reached EUR 1,540.8 million in H1 2023, up 23.8% vs. H1 2022. Excluding the net impact of the reduction in depreciation costs<sup>25</sup>, GOI would have increased by 14.8% vs. H1 2022.

Operating expenses amounted to EUR 632.1 million in H1 2023, vs. EUR 403.7 million in the same period last year. The H1 2023 amount includes: i) a scope effect of EUR +115.5 million due to the consolidation of LeasePlan and Fleetpool, ii) LeasePlan integration costs for EUR 85.0 million and iii) transactions costs in relation to the LeasePlan acquisition and the disposal of the remedies entities for EUR 26.0 million. The company's operating expenses include additional costs related to the new regulated status of ALD | LeasePlan.

As a result, the Cost/Income ratio (excl. UCS result) stood at 50.3% in H1 2023, vs. 49.7% in H1 2022.

Impairment charges on receivables came in at EUR 24.5 million in H1 2023, compared to EUR 18.9 million in H1 2022. The cost of risk<sup>26</sup> remained low at 13 bps compared to 16 bps in H1 2022.

Income tax expense increased to EUR 235.4 million, up from EUR 208.9 million in H1 2022. Effective tax rate came in at 26.3%, up from 25.4% in H1 2022.

Result from discontinued operations amounted to EUR -91.3 million and was related to the disposal of ALD Russia on 20 April 2023. This amount covers: i) EUR -72 million reclassification of accumulated translation reserves into the income statement at the closing of the sale of ALD Russia (with no impact on shareholders' equity); ii) EUR -29.2 million impairment of the net book value after tax and iii) EUR +9.9 million Q1 2023 net income reclassified from continued operations.

ALD | LeasePlan's net income (Group share)<sup>27</sup> was strong at EUR 564.5 million in H1 2023, although down by 7.9% from the historical high of EUR 612.8 million in H1 2022.

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<sup>24</sup> Management information

<sup>25</sup> Impact of reduction in depreciation costs, net of its impact on UCS results was EUR +183.3 million over H1 2023 vs. EUR +62.7m in H1 2022

<sup>26</sup> Annualized Cost of Risk as a % of arithmetic average of Earning Assets.

<sup>27</sup> Before deduction of interest on AT1 capital

Basic EPS	H1 2023	H1 2022
Existing shares	816,960,428	404,103,640
Shares allocated to cover stock options and shares awarded to staff	(1,114,336)	(1,045,448)
Treasury shares in liquidity contracts	(140,502)	(106,258)
<b>End of period number of shares</b>	<b>815,705,590</b>	<b>402,951,934</b>
<b>Weighted average number of shares used for EPS calculation (A)</b>	<b>606,426,927<sup>28</sup></b>	<b>441,858,650<sup>29</sup></b>
<i>in EUR million</i>		
Net income group share	564.5	612.8
Deduction of interest on AT1 capital	(10.9)	0
Net Income group share after deduction of interest on AT1 capital (B)	553.6	612.8
<b>Basic EPS (in EUR) (B/A)</b>	<b>0.91</b>	<b>1.39</b>

Diluted EPS	H1 2023	H1 2022
Existing shares	816,960,428	404,103,640
Shares issued for no consideration <sup>30</sup>	20,973,317	0
<b>End of period number of shares</b>	<b>837,933,745</b>	<b>404,103,640</b>
<b>Weighted average number of shares used for EPS calculation (A')</b>	<b>611,109,871<sup>28</sup></b>	<b>442,935,017<sup>29</sup></b>
<b>Diluted EPS (in EUR) (B/A')</b>	<b>0.91</b>	<b>1.38</b>

Diluted Earnings per share<sup>31</sup> amounted to EUR 0.91 in H1 2023, vs. EUR 1.38<sup>32</sup> in H1 2022. The change is distorted by the fact that the rights issue which financed the cash component of the LeasePlan acquisition price was settled in December 2022, while LeasePlan was consolidated only from 22 May 2023.

<sup>28</sup> Average number of shares weighted by time apportionment

<sup>29</sup> Adjusted for the rights issue in December 2022

<sup>30</sup> Assuming exercise of warrants, as per IAS 33

<sup>31</sup> After deduction of interest on AT1 capital (EUR 10.9m) and using the average number of shares weighted by time apportionment

<sup>32</sup> Adjusted for rights issue in 2022

## BALANCE SHEET AS AT 30 JUNE 2023

In EUR million	30 June 2023	31 Dec 2022 <sup>33</sup>
Earning assets	48,633	23,943
<i>o/w Rental fleet</i>	46,409	23,227
<i>o/w Financial lease receivables</i>	2,224	716
Long term invt. – Equity Reinvestment	244	280
Cash & balances at central banks	5,546	253
Intangibles (incl. goodwill)	2,925	745
Other	8,798	4,996
Assets of disposal group classified as held-for-sale	2,117	1,085
<b>Total Assets</b>	<b>68,264</b>	<b>31,302</b>
Shareholders' equity <sup>34</sup>	11,083	6,876
Minority interest	38	37
<b>Total Equity</b>	<b>11,121</b>	<b>6,912</b>
Deposits	11,448	0
Financial debt	35,626	19,874
Other liabilities	9,404	4,288
Liabilities of disposal group classified as held-for-sale	665	227
<b>Total liabilities and equity</b>	<b>68,264</b>	<b>31,302</b>

Total balance sheet increased from EUR 31.3 billion as at 31 December 2022 to EUR 68.3 billion as at 30 June 2023, driven by the consolidation of LeasePlan. ALD | LeasePlan expects to finalize the PPA exercise, whereby acquired assets and liabilities are identified and recognized at fair value, by the end of 2023. Consequently, the related impact on provisional goodwill<sup>35</sup> would be accounted for in the full-year 2023 financial statements.

Earning Assets, at EUR 48.6 billion<sup>36</sup>, more than doubled vs. the end of 2022, underpinned by the consolidation of LeasePlan as well as higher-value vehicles and the rising share of Electric Vehicles in the funded fleet. Total debt funding<sup>37</sup> stood at EUR 47.1 billion at the end of June 2023, up from EUR 19.9 billion at the end of 2022, of which 33% consisted of loans from Societe Generale, while 24% came from deposits.

As part of its active liquidity management strategy, ALD | LeasePlan continued to diversify its funding by issuing total of EUR 1,850 million bonds in H1 2023. The successful bond issues confirm the market's solid appetite for ALD | LeasePlan debt instruments. Outstanding senior unsecured bonds now rank as Senior Preferred obligations. In the future, the combined entity intends to issue only Senior Preferred bonds on the market, through ALD S.A. as sole issuer.

<sup>33</sup> Restated for initial application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" to insurance subsidiaries from 1 January 2023

<sup>34</sup> Including Additional Tier 1 (AT1)

<sup>35</sup> Provisional goodwill on LeasePlan: EUR 1.7 billion as at 30 June 2023

<sup>36</sup> Excluding earning assets of entities held for sale

<sup>37</sup> Excluding AT1 capital

The combined entity has access to ample short-term liquidity, with cash holdings at Central bank reaching EUR 4.0 billion and an undrawn committed Revolving Credit Facility of EUR 1.375 billion in place.

in EUR million	30 June 2023
Shareholders equity Group Share	11 083
AT1 capital	(1 245)
Dividend provision & interest on AT1 capital <sup>38</sup>	(280)
Goodwill and intangible	(2 675)
Deductions and regulatory adjustments	(97)
<b>Common Equity Tier 1 capital</b>	<b>6 787</b>
Additional Tier 1 capital	750
<b>Tier 1 capital</b>	<b>7 537</b>
Tier 2 capital	1 500
<b>Total capital (Tier 1 + Tier 2)</b>	<b>9 037</b>

<b>Risk-Weighted Assets</b>	<b>54 293</b>
Credit Risk-Weighted Assets	46 039
Market Risk-Weighted Assets	2 558
Operational-Risk Weighted Assets	5 696
Common Equity Tier 1 ratio	12.5%
Tier 1 ratio	13.9%
Total Capital ratio	16.6%

ALD | LeasePlan's risk-weighted assets (RWA) totalled EUR 54.3 billion<sup>39</sup> as at 30 June 2023 under CRR2/CRD5 rules, with credit risk-weighted assets accounting for 85% of the total.

ALD | LeasePlan has a Common Equity Tier 1 ratio of 12.5% and Total Capital ratio of 16.6% as at 30 June 2023.

### Guidance for 2023

Leveraging on the acquisition of LeasePlan, ALD | LeasePlan expects for the full-year 2023:

- ✓ **Funded fleet** growth<sup>40</sup> between 2% and 4% vs. end December 2022, on the back of continued dynamic commercial activity and high order book;
- ✓ **Used Car Sales result per unit** between EUR 1,200 and EUR 1,600 on average on ALD's reported sales and c. 290 thousand vehicles sold. This guidance includes the negative impact of reduction in depreciation costs in previous quarters and reflects a progressive

<sup>38</sup> The dividend provision assumes a payout ratio of 50% of Net Income group share, after deduction of interest on AT1 capital

<sup>39</sup> Standard approach applied on ALD; Internal Ratings-Based approach applied to certain LeasePlan exposures is currently under review, which could result in higher Risk-Weighted Assets

<sup>40</sup> On a like-for-like basis for the combined entity: excluding ALD Russia, LeasePlan USA and entities held for sale

normalization in a still favourable market. No UCS result is assumed on LeasePlan's Used car sales<sup>41</sup>;

- ✓ **Costs to achieve the integration and synergies<sup>42</sup>** between EUR 150 million and 180 million, unchanged vs. the previous estimate;

### 3. KEY STRATEGIC INITIATIVES & OPERATIONAL DEVELOPMENTS

#### Closing of the LeasePlan acquisition

On 22 May 2023, ALD completed the acquisition of 100% of LeasePlan, for a total consideration of EUR 4.9 billion<sup>43</sup>, paid through a combination of cash and ALD shares.

This transformative acquisition represents a step-change which positions the combined group as the leading global sustainable mobility player with a total fleet of 3.4 million<sup>44</sup> vehicles managed worldwide. By joining forces, ALD and LeasePlan will lead the way to net zero and further shape the digital transformation of the industry. The combined entity will leverage on scale and complementary capabilities to strengthen its competitiveness and deliver sustained growth, while generating EUR 440 million annual run rate synergies. With strong recurring margins and enhanced resilience through the economic cycle, ALD targets to achieve best-in-class efficiency and to provide attractive shareholder returns.

#### Regulated status

Following the closing of the acquisition of LeasePlan, which holds a banking license allowing it to raise deposits under the Dutch deposit guarantee scheme, ALD became a Financial Holding Company, a regulated institution supervised by the European Central Bank and subject to new requirements, including capital requirements.

#### Shareholding structure

In accordance with its commitment, Societe Generale will remain the long-term majority shareholder of ALD, with 52.6% of the capital and a 40-month lock-up period from closing. LeasePlan's former shareholders were attributed 30.75% of ALD's capital and are subject to a 12-month lock-up commitment from closing, while the free float represents 16.4%.

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<sup>41</sup> Under the Purchase Price Allocation exercise, LeasePlan's assets and liabilities are recognized at fair value as per IFRS 3 "Business combinations"

<sup>42</sup> Costs to achieve (CTA)

<sup>43</sup> Based on ALD's stock price of EUR 11.43 as at 22 May 2023, including warrants and estimated fair value of contingent consideration

<sup>44</sup> As at 30 June 2023, excluding entities held for sale

## Shareholder structure as at 30 June 2023:

	Number of shares	% of share capital	Number of voting rights	% of voting rights
Societe Generale	429,649,292	52.59%	859,298,584	69.00%
Arbejdsmarkedets Tillægspension	14,745,287	1.80%	14,745,287	1.18%
Lincoln Holding S.à r.l.	66,027,751	8.08%	66,027,751	5.30%
Lincoln Financing Holdings Pte. Limited.	77,755,523	9.52%	77,755,523	6.24%
<b>Total extended concert</b>	<b>588,177,853</b>	<b>72.00%</b>	<b>1,017,827,145</b>	<b>81.73%</b>
Abu Dhabi Investment Authority	33,302,633	4.08%	33,302,633	2.67%
Stichting Depository PGGM Private Equity Funds	12,592,014	1.54%	12,592,014	1.01%
Hornbeam Investment PTE Ltd	31,175,750	3.82%	31,175,750	2.50%
ELQ Investors VIII Ltd	2,098,669	0.26%	2,098,669	0.17%
Stubham Lodge Limited	29,780	0.00%	29,780	0.00%
Management of LeasePlan (MIP)	14,350,926	1.76%	14,350,926	1.15%
Treasury shares*	1,254,838	0.15%	-	0.00%
Free float	133,977,965	16.40%	133,977,965	10.76%
<b>TOTAL</b>	<b>816,960,428</b>	<b>100.00%</b>	<b>1,245,811,739</b>	<b>100.00%</b>

In case of warrant exercise, 26,310,039 new shares will be issued to the benefit of LeasePlan's former shareholders. Assuming that the current shareholders do not sell their shares, the capital structure would become as follows:

	Number of shares	% of share capital	Number of voting rights	% of voting rights
Societe Generale	429,649,292	50.95%	859,298,584	67.57%
Arbejdsmarkedets Tillægspension	17,183,555	2.04%	17,183,555	1.35%
Lincoln Holding S.à r.l.	76,946,042	9.12%	76,946,042	6.05%
Lincoln Financing Holdings Pte. Limited.	77,755,523	9.22%	77,755,523	6.11%
<b>Total extended concert</b>	<b>601,534,412</b>	<b>71.33%</b>	<b>1,031,183,704</b>	<b>81.09%</b>
Abu Dhabi Investment Authority	38,666,822	4.59%	38,666,822	3.04%
Stichting Depository PGGM Private Equity Funds	14,674,218	1.74%	14,674,218	1.15%
Hornbeam Investment PTE Ltd	36,330,945	4.31%	36,330,945	2.86%

ELQ Investors VIII Ltd	2,445,703	0.29%	2,445,703	0.19%
Stubham Lodge Limited	34,638	0.00%	34,638	0.00%
Management of LeasePlan (MIP)	14,350,926	1.70%	14,350,926	1.13%
Treasury shares*	1,254,838	0.15%	-	0.00%
Free float	133,977,965	15.89%	133,977,965	10.54%
<b>TOTAL</b>	<b>843,270,467</b>	<b>100.00%</b>	<b>1,272,121,778</b>	<b>100.00%</b>

## ALD governance

On 7 February 2023, the Board of Directors of ALD appointed Frédéric Oudéa as director, by cooptation, with immediate effect following the resignation of Karine Destre-Bohn.

Following the completion of the LeasePlan acquisition, ALD reinforced its governance by increasing the number of its Board of Directors from 10 to 12 members. ALD's Extraordinary Shareholder's Meeting convened on 22 May 2023 validated the following appointments:

- Hacina Py, Chief Sustainability Officer of Societe Generale, was appointed Member of the Board
- Mark Stephens, Partner at TDR Capital, was appointed Member of the Board.

The annual Shareholder Meeting held on 24 May 2023 validated the following change in the board of Directors:

- Appointment of Pierre Palmieri as Member of the Board, replacing Didier Hauguel who announced his intention to resign from his mandate
- Renewal of the mandates of Patricia Lacoste, Diony Lebot, Tim Albertsen and Frédéric Oudéa.

At the Board meeting held following the 24 May 2023 Shareholder Meeting:

- Pierre Palmieri was elected as Chair of the Board, replacing Diony Lebot, following recent changes to Societe Generale group's governance.
- Didier Hauguel was assigned a 2-year mandate as Non-Voting Member of the Board (in line with dispositions of Art 14 of the by-laws), with the specific mission to supervise the progress of the integration of LeasePlan, the transition of the Company to regulated status, and the overall effectiveness of the Company's new governance.
- New Internal regulations for the Board of Directors have been adopted, including a new organization with 5 specialized committees (Audit, Risk, Remuneration, Appointment, Strategy).



As a result of these changes, the composition of the Board of Directors of ALD is as follows:

- Pierre Palmieri, Chair of the Board & Chair of the Strategic Committee (COSTRAT)
- Tim Albertsen, Member of the Board and Chief Executive Officer
- Diony Lebot, Member of the Board
- Delphine Garcin-Meunier, Member of the Board
- Frédéric Oudéa, Member of the Board
- Benoit Grisoni, Member of the Board
- Xavier Durand, Independent member of the Board, Chair of the Risk Committee (CORISK)
- Patricia Lacoste, Independent member of the Board, Chair of the Remuneration Committee (COREM)
- Anik Chaumartin, Independent member of the Board, Chair of the Audit Committee (CACI)
- Christophe Perillat, Independent member of the Board, Chair of the Appointments Committee (CONOM)
- Hacina Py, Member of the Board
- Mark Stephens, Member of the Board

#### LeasePlan governance

On 22 May 2023, the following members of the LeasePlan Supervisory Board stepped down:

- Jos Streppel (Chairman)
- Stefan Orłowski
- Eric-Jan Vink

They were replaced by the following members:

- Tim Albertsen has been appointed Chair
- Odile de Saivre, Chief Executive Officer of Societe Generale Equipment Finance, was appointed Vice-chair
- Hélène Crinquant, Chief Administrative and Governance Officer of Societe Generale, was appointed Member of the Board.

The rest of LeasePlan Supervisory Board, composed of independent members, remains unchanged:

- Steven van Schilfgaarde
- Herta von Stiegel
- Paul Johannes Scholten.

#### ALD management

To lead the strategic development of the combined entity, Tim Albertsen, Chief Executive Officer of ALD SA, has created a new leadership team comprised of a General Management team and a newly formed Executive Committee.

The General Management team includes Tim Albertsen, Chief Executive Officer, John Saffrett, the current Group Deputy Chief Executive Officer of ALD SA and Berno Kleinherenbrink, previously Chief Commercial Officer and Cluster Director of LeasePlan, who was appointed Group Deputy Chief Executive Officer. As of September 1, 2023, the General Management team will be strengthened with the arrival of Patrick SOMMELET as Deputy Chief Executive Officer (DGA<sup>45</sup>) and Group Chief Financial Officer, replacing Gilles MOMPER, the Group's current Chief Financial Officer.

ALD SA's Executive Committee is composed as follows (in addition to the General Management team):

- Michel Alsemgeest was appointed Chief Digital and Information Officer
- Liza Hoesbergen was appointed Chief Legal and Corporate Affairs Officer
- Miel Horsten was appointed Chief Operating Officer, supervising Service & Operations, Procurement and Insurance
- Roderick Jorna was appointed Chief People Officer
- Annie Pin was appointed Chief Commercial Officer
- Laurent Saucié was appointed Chief Transformation and Integration Officer
- Hans van Beeck was appointed Chief Risk and Compliance Officer
- Gilles Bellemère was appointed Country Managing Director of France & Group Regional Director, supervising Algeria and Morocco
- Guillaume de Léobardy was appointed Chief Remarketing Officer & Group Regional Director, supervising Brazil, Chile, Colombia, Mexico and Peru
- Martin Koessler was appointed Group Regional Director, supervising Austria, Croatia, Germany, Hungary, Serbia, Slovenia and Switzerland
- Jeroen Kruisweg was appointed Group Regional Director, supervising Belgium, Denmark, India, Ireland, Finland, Luxembourg, Malaysia, Norway, Sweden and Thailand
- Philippos Zagorianakos was appointed Group Regional Director, supervising Belarus, Bulgaria, Czech Republic, Estonia, Greece, Latvia, Lithuania, Poland, Romania, Russia, Slovakia, Turkey, Ukraine and United Arab Emirates.

#### LeasePlan management

The following members of the LeasePlan Managing Board stepped down:

- Tex Gunning, Chief Executive Officer
- Toine van Doremalen, Chief Financial Officer
- Jochen Sutor, Chief Risk Officer

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<sup>45</sup> Directeur général adjoint

They were replaced by the following new members of LeasePlan Managing Board:

- Laurent Saucié, as Chief Executive Officer
- Marc Dierckx, who was appointed Chief Financial Officer
- Fred Weenig, who was appointed Chief Risk Officer.

In addition, Berno Kleinherenbrink was appointed Deputy Chief Executive Officer.

#### Disposal of ALD Russia

On 20 April 2023, ALD completed the disposal of its subsidiary ALD Russia to JSC Tsk. ALD Russia operated a 13,400 funded fleet as at 31 March 2023.

Impacts on the financial statements are detailed in section 4 of this half-year financial report.

#### Upgrade of debt credit ratings

Upon the acquisition of LeasePlan, S&P Global and Fitch Ratings both upgraded the senior unsecured debt ratings of ALD to A-, i.e. a 2-notch and 1-notch upgrade respectively. Moody's assigned a senior unsecured debt rating of A1, with a stable outlook. In July 2023, Fitch revised the outlook on the senior unsecured credit rating to "Positive" from "Stable".

The ratings of LeasePlan were aligned with those of ALD by all credit rating agencies.

## 4. RISK FACTORS

As described in ALD's factors of risk in Chapter 4 of the 2022 Universal Registration Document filed on 12 April 2023, the Group is subject to regulatory risk.

Upon closing of the LeasePlan acquisition, ALD has been granted the regulatory status of financial holding company (compagnie financière holding) and is now directly supervised by the European Central Bank (the "ECB") and by the Autorité de contrôle prudentiel et de résolution ("ACPR") in their respective areas of competence as a result of its classification as a "significant" financial institution.

The Group must comply with all legal obligations associated with ALD's new regulated status, in particular those described by the Order of the Minister of Finance and Public Accounts of the French Republic of 3 November 2014 relating to the internal control of companies in the banking, payment and investment services sector subject to the supervision of the Autorité de contrôle prudentiel et de résolution ("ACPR"). From a prudential perspective, ALD has to report Solvency, Leverage and Large Exposures ratios, together with other reporting obligations under the European Banking Authority's supervisory reporting frameworks, i.e. the common reporting (COREP) and financial reporting (FINREP) frameworks. ALD must carry out the Internal Capital

Adequacy Assessment Process (ICAAP) exercise on an annual basis and comply with Pillar 2 requirements that will be determined by the ECB in the context of its Supervisory Review and Evaluation Process (SREP).

As a result of the above, if the Group is unable to comply with all the obligations incumbent on it as a result of its change in regulated status, or if its supervisor deems the measures taken to comply with them to be insufficient, this could result in the need for the Group to mobilize human, material and financial resources to implement remediation plans to bridge the gaps, or to the obligation for the Group to increase its own funds or eligible liabilities resources at costs that could be detrimental for its financial situation, or, in case of repeated failure to comply with requirements, to the imposition of administrative and / or financial penalties by the supervision authorities or to a withdrawal of its regulatory status of financial holding company.

## 5. RELATED PARTY TRANSACTIONS

Related party transactions are described in Note 36 to the Group's consolidated financial statements for the financial year ended 31 December 2022 in ALD's 2022 Universal Registration Document and in Note 28 to the Group's interim consolidated financial statements for the six months ended 30 June 2023.

These transactions relate mainly to key management compensation, sales of goods and services, information technology services, premises, brokerage, insurance policy, corporate services, loans and tax consolidation.

There have not been any substantial changes in the related party transactions since that date.

## 6. EVENTS SUBSEQUENT TO 30 JUNE 2023

### Disposal of 6 ALD and LeasePlan entities

As part of the remedies agreed with antitrust authorities in the context of the LeasePlan acquisition, ALD entered into a share purchase agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and the Czech Republic, to Credit Agricole Consumer Finance and Stellantis on 22 March 2023.

The disposal of these entities was completed on 1 August 2023.

## II. STATUTORY AUDITORS' REVIEW REPORT ON THE HALF-YEARLY FINANCIAL INFORMATION

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

### **DELOITTE & ASSOCIES**

Tour Majunga  
6, place de la Pyramide  
92908 Paris-La Défense cedex  
S.A.S. au capital de € 2 188 160  
572 042 041 R.C.S. Nanterre

Société de Commissariat aux Comptes  
inscrite à la Compagnie Régionale de  
Versailles et du Centre

### **ERNST & YOUNG et Autres**

Tour First  
TSA 14444  
92037 Paris-La Défense cedex  
S.A.S. à capital variable  
438 476 913 R.C.S. Nanterre

Société de Commissariat aux Comptes  
inscrite à la Compagnie Régionale de  
Versailles et du Centre

## ALD

To the Shareholders,

In compliance with the assignment entrusted to us by your general meetings and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of ALD, for the period from 1 January to 30 June, 2023,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

## 1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRSs as adopted by the European Union applicable to interim financial information.

## 2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris-La Défense cedex and Paris-La Défense, 3 August 2023

The Statutory Auditors  
*French original signed by*

DELOITTE & ASSOCIES

ERNST & YOUNG et Autres

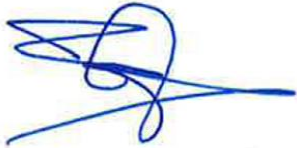
Pascal Colin

Vincent Roty

### III. STATEMENT OF THE PERSON RESPONSIBLE FOR THE HALF YEAR FINANCIAL REPORT

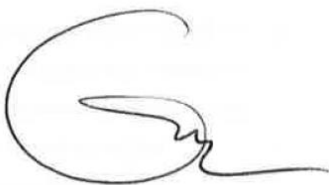
I certify, to the best of my knowledge, that the interim condensed financial statements for the six months ended 30 June 2023 have been prepared in accordance with applicable accounting standards and give a fair view of the assets, liabilities and financial position and profit or loss of the company and all the undertakings included in the consolidation, and that the interim management report, to be found in the first part of this Report, presents a fair review of the important events that have occurred during the first six months of the financial year, their impact on the financial statements, major related-party transactions, and a description of the principal risks and uncertainties for the remaining six months of the financial year.

Paris, 3 August 2023



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Mr Tim Albertsen  
Chief Executive Officer of ALD SA



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Person responsible for financial information  
Mr Gilles Momper  
Chief Financial Officer of ALD SA

## IV. INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

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# INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

(In EUR million)	Notes	For the six months period ended	
		June 30, 2023	June 30, 2022 <sup>(1)</sup>
Leasing contract revenues	11a,11d	3,015.1	2,365.6
Leasing contract costs - depreciation	11a	(2,040.2)	(1,827.1)
Leasing contract costs - financing	11a	(265.6)	(95.7)
Unrealised gains/losses on financial instruments and other <sup>(1)</sup>	11a	59.1	36.8
<b>Leasing contract margin</b>		<b>768.3</b>	<b>479.6</b>
Services revenues <sup>(1)</sup>	11b,11d	1,702.6	1,254.0
Cost of services revenues <sup>(1)</sup>	11b	(1,215.5)	(921.3)
<b>Services margin</b>		<b>487.1</b>	<b>332.6</b>
Proceeds of cars sold	11c,11d	2,526.0	2,003.2
Cost of cars sold	11c	(2,240.7)	(1,570.5)
<b>Used car sales result</b>		<b>285.4</b>	<b>432.7</b>
<b>GROSS OPERATING INCOME</b>		<b>1,540.8</b>	<b>1,244.9</b>
Staff expenses <sup>(1)</sup>		(361.9)	(244.1)
General and administrative expenses <sup>(1)</sup>		(221.0)	(128.9)
Depreciation and amortisation		(49.2)	(30.7)
<b>Total operating expenses</b>	<b>2.1</b>	<b>(632.1)</b>	<b>(403.7)</b>
Impairment charges on receivables	18	(24.5)	(18.9)
Other income/(expense)		8.6	-
<b>OPERATING RESULT</b>		<b>892.9</b>	<b>822.3</b>
Share of profit of associates and jointly controlled entities		1.6	1.1
<b>Profit before tax</b>		<b>894.4</b>	<b>823.4</b>
Income tax expense <sup>(1)</sup>	12	(235.4)	(208.9)
<b>Profit for the period from continuing operations</b>		<b>659.0</b>	<b>614.5</b>
Result after tax from discontinued operations	13	(91.3)	-
<b>Net income</b>		<b>567.7</b>	<b>614.5</b>
<b>Net income attributable to:</b>			
<b>Owners of the Company</b>		<b>553.6</b>	<b>612.8</b>
Holders of AT1 capital		10.9	-
Non-controlling interests		3.2	1.7

<sup>(1)</sup> Consolidated Income Statement for the period ended 30 June, 2022 has been restated due to initial application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" to insurance subsidiaries (see Note 3.2 for further details).

Earnings per share from net income attributable to the owners of the parent:		June 30, 2023	June 30, 2022 <sup>(2)</sup>
Basic earnings per share (in cents)	27	0.91	1.39
Diluted earnings per share (in cents)	27	0.91	1.38
<b>Earnings per share from continuing operations attributable to the owners of the parent:</b>			
Basic earnings per share (in cents)	27	1.06	1.39
Diluted earnings per share (in cents)	27	1.06	1.38

<sup>(2)</sup> At the end of 2022 ALD completed a share rights issue including bonus element which requires a retrospective restatement of the earnings per share. See Note 27 for further details.

## INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in EUR million)	Notes	For the six months period ended	
		June 30, 2023	June 30, 2022
<b>Net income</b>		<b>567.7</b>	<b>614.5</b>
<b>Items that may be reclassified subsequently to profit or loss</b>		<b>11.2</b>	<b>126.1</b>
Changes in cash flow hedges, before tax	21	30.9	24.4
Deferred tax on cash flow hedges		(9.3)	(4.2)
Net gain on debt instruments at fair value through other comprehensive income		2.0	(12.8)
Currency translation differences <sup>(1)</sup>		(12.3)	118.6
<b>Other comprehensive income for the period, net of tax</b>		<b>11.2</b>	<b>126.1</b>
<b>Total comprehensive income for the period</b>		<b>578.9</b>	<b>740.6</b>
<b>Attributable to</b>			
Owners of the Company		565.5	739.2
Holders of AT1 capital		10.9	
Non-controlling interests		2.6	1.4
<b>Total comprehensive income attributable to owners of the parent</b>			
- Continuing operations		656.8	739.2
- Discontinued operations		(91.3)	-

<sup>(1)</sup> EUR 72 million of positive impact on translation reserves movement due to disposal of ALD Russia (See Note 13)

# INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(in EUR million)	Notes	June 30, 2023	December 31, 2022 <sup>(1)</sup>
<b>ASSETS</b>			
Rental fleet	15	46,408.7	23,227.4
Other property and equipment		185.5	96.9
Right-of-use assets		259.7	132.2
Goodwill	2,16	2,362.8	618.6
Other intangible assets		562.5	126.6
Investments in associates and jointly controlled entities		39.1	7.9
Derivative financial instruments	21	511.5	118.9
Deferred tax assets <sup>(1)</sup>		282.7	118.9
Other non-current financial assets	17	326.2	206.0
<b>Non-current assets</b>		<b>50,938.8</b>	<b>24,653.5</b>
Inventories		717.4	395.3
Receivables from clients and financial institutions <sup>(1)</sup>	18	5,225.0	3,105.9
Current income tax receivable <sup>(1)</sup>		124.4	108.5
Other receivables, prepayments and contract assets <sup>(1)</sup>		2,813.4	1,359.3
Derivative financial instruments	21	167.3	10.0
Other current financial assets	17	614.1	331.6
Cash and cash equivalents	19	5,546.3	253.1
<b>Current assets</b>		<b>15,208.0</b>	<b>5,563.8</b>
Assets of disposal group classified as held-for-sale	10	2,117.1	1,085.0
<b>Total assets</b>		<b>68,263.8</b>	<b>31,302.3</b>
<b>EQUITY AND LIABILITIES</b>			
Share capital	22	1,225.4	848.6
Share premium	22	3,819.4	1,327.9
Other equity	22	110.0	(16.1)
Retained earnings and other reserves <sup>(1)</sup>		4,126.6	3,499.6
Net income <sup>(1)</sup>		553.6	1,215.5
<b>Equity attributable to owners of the parent</b>		<b>9,835.1</b>	<b>6,875.5</b>
AT1 capital	22	1,247.6	–
Non-controlling interests		38.0	36.8
<b>Total equity</b>		<b>11,120.7</b>	<b>6,912.3</b>
Borrowings from financial institutions	24	13,749.8	10,613.1
Bonds and notes issued	24	11,415.7	3,573.4
Deposits	25	4,140.5	–
Derivative financial instruments	21	570.5	78.1
Deferred tax liabilities		1,309.7	665.9
Lease liabilities		202.9	74.9
Retirement benefit obligations and long term benefits		29.9	13.9
Provisions <sup>(1)</sup>		255.4	45.5
<b>Non-current liabilities</b>		<b>31,674.4</b>	<b>15,064.9</b>
Borrowings from financial institutions	24	5,741.7	3,958.0
Bonds and notes issued	24	4,719.1	1,729.9
Deposits	25	7,307.9	–
Trade and other payables <sup>(1)</sup>	26	6,019.9	2,928.6
Lease liabilities		65.8	42.3
Derivative financial instruments	21	106.4	10.9
Current income tax liabilities <sup>(1)</sup>		307.1	172.4

Provisions <sup>(1)</sup>		536.3	255.8
<b>Current liabilities</b>		<b>24,804.2</b>	<b>9,098.0</b>
Liabilities of disposal group classified as held-for-sale	<b>10</b>	664.6	227.1
<b>Total liabilities</b>		<b>57,143.1</b>	<b>24,389.9</b>
<b>Total equity and liabilities</b>		<b>68,263.8</b>	<b>31,302.3</b>

<sup>(1)</sup> Consolidated Balance Sheet for the period ended 31 December, 2022 has been restated due to initial application of IFRS 17 “Insurance Contracts” and of IFRS 9 “Financial Instruments” to insurance subsidiaries (see Note 3.2 for further details).

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR million)	Attributable to equity holders of the company							Equity attributable to the owners of the parent	AT1 Capital	Non-controlling interests	Total equity
	Share capital	Share premium	Other equity	Translation reserves	Other reserves	Retained earnings	Net income				
<b>Balance as at January 1, 2022 (as previously stated)</b>	<b>606.2</b>	<b>367.0</b>	<b>(13.2)</b>	<b>(183.9)</b>	<b>3.4</b>	<b>3,159.3</b>	<b>873.0</b>	<b>4,811.8</b>	<b>-</b>	<b>33.8</b>	<b>4,845.6</b>
Restatement due to FTA of IFRS 17 <sup>(1)</sup>	-	-	-	-	-	6.7	-	6.7	-	-	6.7
<b>Balance as at January 1, 2022 (restated)</b>	<b>606.2</b>	<b>367.0</b>	<b>(13.2)</b>	<b>(183.9)</b>	<b>3.4</b>	<b>3,166.0</b>	<b>873.0</b>	<b>4,818.5</b>	<b>-</b>	<b>33.8</b>	<b>4,852.3</b>
Changes in cash flow hedges	-	-	-	-	20.2	-	-	20.2	-	-	20.2
Changes in fair value of debt instruments	-	-	-	-	(12.8)	-	-	(12.8)	-	-	(12.8)
Currency translation differences	-	-	-	119.0	-	-	-	119.0	-	(0.3)	118.6
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.0</b>	<b>7.4</b>	<b>-</b>	<b>-</b>	<b>126.4</b>	<b>-</b>	<b>(0.3)</b>	<b>126.1</b>
Net income	-	-	-	-	-	-	612.8	612.8	-	1.7	614.5
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>119.0</b>	<b>7.4</b>	<b>-</b>	<b>612.8</b>	<b>739.2</b>	<b>-</b>	<b>1.4</b>	<b>740.6</b>
Acquisition of treasury shares	-	-	(5.2)	-	-	-	-	(5.2)	-	-	(5.2)
Share-Based payments	-	-	-	-	1.4	-	-	1.4	-	-	1.4
Issue of treasury shares to employees	-	-	2.4	-	(2.4)	-	-	-	-	-	-
Dividends	-	-	-	-	-	(435.2)	-	(435.2)	-	(0.8)	(436.0)
Scope changes	-	-	-	-	-	-	-	-	-	3.0	3.0
Appropriation of net income	-	-	-	-	-	873.0	(873.0)	-	-	(0.0)	(0.0)
<b>Balance as at June 30, 2022</b>	<b>606.2</b>	<b>367.0</b>	<b>(15.9)</b>	<b>(65.0)</b>	<b>9.6</b>	<b>3,604.1</b>	<b>612.8</b>	<b>5,118.7</b>	<b>-</b>	<b>37.4</b>	<b>5,156.1</b>
Changes in cash flow hedges	-	-	-	-	25.1	-	-	25.1	-	-	25.1
Changes in fair value of debt	-	-	-	-	(2.4)	-	-	(2.4)	-	-	(2.4)
Actuarial gain/(loss) on post-employment benefit obligations	-	-	-	-	2.2	-	-	2.2	-	-	2.2
Currency translation differences	-	-	-	(75.4)	-	-	-	(75.4)	-	(0.3)	(75.7)
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75.4)</b>	<b>24.9</b>	<b>-</b>	<b>-</b>	<b>(50.5)</b>	<b>-</b>	<b>(0.3)</b>	<b>(50.7)</b>
Net income <sup>(1)</sup>	-	-	-	-	-	-	602.7	602.7	-	3.0	605.7
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(75.4)</b>	<b>24.9</b>	<b>-</b>	<b>602.7</b>	<b>552.2</b>	<b>-</b>	<b>2.7</b>	<b>554.9</b>
Proceeds from rights issue <sup>(2)</sup>	242.5	960.9	-	-	-	-	-	1,203.4	-	-	1,203.4
Acquisition of treasury shares	-	-	(0.2)	-	-	-	-	(0.2)	-	-	(0.2)
Share-Based payments	-	-	-	-	1.5	-	-	1.5	-	-	1.5
Dividends	-	-	-	-	-	-	-	-	-	(9.1)	(9.1)
<b>Balance as at December 31, 2022 (restated)</b>	<b>848.6</b>	<b>1,327.9</b>	<b>(16.1)</b>	<b>(140.4)</b>	<b>36.0</b>	<b>3,604.0</b>	<b>1,215.5</b>	<b>6,875.5</b>	<b>-</b>	<b>36.8</b>	<b>6,912.4</b>
Changes in cash flow hedges	-	-	-	-	21.7	-	-	21.7	-	-	21.7
Changes in fair value of debt instruments	-	-	-	-	2.0	-	-	2.0	-	-	2.0
Currency translation differences	-	-	-	(11.7)	-	-	-	(11.7)	-	(0.6)	(12.3)
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11.7)</b>	<b>23.7</b>	<b>-</b>	<b>-</b>	<b>11.9</b>	<b>-</b>	<b>(0.6)</b>	<b>11.3</b>

Net income	-	-	-	-	-	-	564.5	564.5	-	3.2	567.7
Transfer - interest on AT1 capital	-	-	-	-	-	-	(10.9)	(10.9)	10.9	-	-
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11.7)</b>	<b>23.7</b>	<b>-</b>	<b>553.6</b>	<b>565.5</b>	<b>10.9</b>	<b>2.6</b>	<b>579.0</b>
Shares issued <sup>(2)</sup>	376.8	2,491.5	-	-	-	-	-	2,868.3	-	-	2,868.3
Issue of warrants	-	-	128.1	-	-	-	-	128.1	-	-	128.1
Acquisition of treasury shares	-	-	(4.8)	-	-	-	-	(4.8)	-	-	(4.8)
Share-Based payments	-	-	-	-	1.3	-	-	1.3	-	-	1.3
Issue of treasury shares to employees	-	-	2.8	-	(2.8)	-	-	-	-	-	-
Dividends	-	-	-	-	-	(598.8)	-	(598.8)	-	(1.5)	(600.3)
Scope changes	-	-	-	-	-	-	-	-	513.0	-	513.0
Proceeds from AT1 capital	-	-	-	-	-	-	-	-	750.0	-	750.0
Interest coupon paid on AT1 capital	-	-	-	-	-	-	-	-	(26.3)	-	(26.3)
Appropriation of net income	-	-	-	-	-	1,215.5	(1,215.5)	-	-	-	-
<b>Balance as at June 30, 2023</b>	<b>1,225.4</b>	<b>3,819.4</b>	<b>110.0</b>	<b>(152.1)</b>	<b>58.1</b>	<b>4,220.6</b>	<b>553.6</b>	<b>9,835.1</b>	<b>1,247.6</b>	<b>38.0</b>	<b>11,120.7</b>

<sup>(1)</sup> See Note 3.2 for further details

<sup>(2)</sup> Including share issue costs

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

(in EUR million)	Notes	For the six months period ended	
		June 30, 2023	June 30, 2022 <sup>(1)</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax excluding discontinued operations		894.4	823.4
Profit before tax from discontinued operations		(88.7)	–
<b>Profit before tax</b>		<b>805.7</b>	<b>823.4</b>
<b>Adjustments for:</b>			
Rental Fleet	15	2,109.4	1,880.2
Other property, equipment and right-of-use assets		56.1	21.9
Intangible assets		22.1	11.2
Regulated prov., contingency and expenses provisions		10.2	24.4
Changes in insurance and reinsurance contract assets/liabilities		30.4	–
<b>Depreciation and provision</b>		<b>2,228.1</b>	<b>1,937.7</b>
(Profit)/loss on disposal of property and equipment		17.5	5.6
(Profit)/loss on disposal of intangible assets		28.5	4.2
<b>Profit and losses on disposal of assets</b>		<b>46.1</b>	<b>9.8</b>
FV of derivative and other financial instruments		39.3	5.3
Effect of hyperinflation adjustment		(23.8)	(42.0)
Interest Charges <sup>(1)</sup>	11a	268.5	95.7
Interest Income <sup>(1)</sup>		(628.2)	(445.9)
Net interest income		(359.7)	(350.2)
Other		107.3	0.3
Amounts received for disposal of rental fleet	15	2,894.5	1,998.5
Amounts paid for acquisition of rental fleet	15	(7,566.6)	(4,620.4)
Change in working capital		400.6	20.4
Interest Paid <sup>(1)</sup>		(232.1)	(37.6)
Interest Received <sup>(1)</sup>		662.4	453.0
Net interest paid		430.2	415.5
Income taxes paid		(120.1)	(99.6)
<b>Net cash inflow/(outflow) from operating activities (continuing activities)</b>		<b>(1,118.2)</b>	<b>98.7</b>
Net cash inflow/(outflow) from operating activities (discontinued operations)		18.5	–
<b>Net cash inflow/(outflow) from operating activities</b>		<b>(1,099.7)</b>	<b>84.5</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of other property and equipment		(33.8)	(19.5)
Acquisition of intangible assets		(85.1)	(27.2)
Acquisition of financial assets (non-consolidated securities)		(3.2)	–
Effect of change in group structure	2.1	1,984.4	16.4
Proceeds from sale of discontinued operations net of cash disposed		4.9	–
Long term investment		30.5	35.7
Loans and receivables from related parties		(580.8)	(187.5)
Other financial investment		18.9	17.9
<b>Net cash inflow/(outflow) from investing activities (continuing activities)</b>		<b>1,336.0</b>	<b>(164.2)</b>
Net cash inflow/(outflow) from investing activities (discontinued operations)		(0.1)	–
<b>Net cash inflow/(outflow) from investing activities</b>		<b>1,335.9</b>	<b>(164.2)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from borrowings from financial institutions		6,280.4	7,789.4
Repayment of borrowings from financial institutions		(3,098.7)	(7,702.7)
Proceeds from issued bonds		2,450.4	740.0
Repayment of issued bonds		(999.5)	(110.8)
Proceeds from deposits		1,247.9	–
Repayment of deposits		(1,141.7)	–
Proceeds from AT1 capital		750.0	–
Interest paid AT1 capital		(26.3)	–
Payment of lease liabilities		(32.7)	(13.6)
Dividends paid to company's shareholders	16	(598.8)	(435.2)
Dividends paid to minority interest		(1.5)	(0.8)
Increase/decrease in capital		(3.1)	–
Increase/decrease in treasury shares		(4.8)	(5.2)
<b>Cash flows from financing activities (continuing activities)</b>		<b>4,821.7</b>	<b>261.2</b>
Cash flows from financing activities (discontinued operations)		(4.0)	–
<b>Net cash inflow/(outflow) from financing activities</b>		<b>4,817.7</b>	<b>261.2</b>

<b>Exchange gains/(losses) on cash and cash equivalents</b>		<b>(13.2)</b>	<b>10.2</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>5,040.7</b>	<b>205.9</b>
Cash & cash equivalents at the beginning of the period	17	216.4	(75.7)
Cash & cash equivalents at the end of the period	17	5,257.1	130.2

<sup>(1)</sup> Consolidated statement of cash flows for the six months period ended June 30, 2022 has been restated due to initial application of IFRS 17 “Insurance Contracts” and of IFRS 9 “Financial Instruments” to insurance subsidiaries (see Note 3.2 for further details).



# NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1. GENERAL INFORMATION

ALD (“the Company”) and its subsidiaries (together “the Group”) is a service leasing and vehicle fleet management group with a fleet of more than 3,511,000 vehicles (3,469,000 excluding disposal groups held for sale, see Note 10). The Group provides financing and management services in 44 countries in the world including the following businesses:

**Full service leasing:** Under a full-service lease, the client pays the leasing company a regular monthly lease payment to cover financing, depreciation of the vehicle and the cost of various services provided in relation to the use of the vehicle (such as maintenance, replacement car, tyre management, fuel cards and insurance).

**Fleet management:** Fleet management services include the provision of outsourcing contracts to clients under which the vehicle is not owned by the Group but is managed by the Group and for which the client pays fees for the various fleet management services provided. These services are generally identical to those listed under the full-service leasing above, with the exception of the financing service, as the vehicle is owned by the client.

The company is a French « Société Anonyme » incorporated in Société Générale group. Its registered office is located at 1-3 Rue Eugène et Armand Peugeot Corosa 92500 Rueil-Malmaison.

The company is a subsidiary of the Société Générale group (52.59% ownership).

The interim condensed consolidated financial statements are presented in millions of Euros, which is the Group’s presentation currency and values are rounded to the nearest million, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

These interim condensed consolidated financial statements for the six months ended 30 June, 2023 were authorised for issue by ALD’s Board of Directors on 1 August, 2023.

## NOTE 2. MAJOR EVENTS OF THE PERIOD

### 2.1. ACQUISITION OF LEASEPLAN

On 22 May, 2023, following the approval of ALD’s shareholders and relevant regulatory authorities approvals, ALD acquired 100% of LeasePlan for a consideration of EUR 4,882 million, subject to a contingent additional consideration of an amount up to EUR 235 million in cash.

The consideration includes:

- a cash component: EUR 1,828 million financed via a capital increase of EUR 1,212 million, already completed in December 2022, and EUR 616 million of subordinated debt (Tier 2) fully subscribed by Société Générale;
- a share component: 251,215,332 newly created ALD shares, representing 30.75% of the total Combined Group's shares after the completion of the Acquisition, and before the exercise of warrants. The value of this share component amounts to EUR 2,871 million, based on the fair value of ALD's shares of EUR 11.43 at the completion date
- a warrant component: ALD has issued 26,310,039 warrants attached to ALD's shares (ABSA) for the benefit of LeasePlan's selling shareholders, so that their total shareholding would reach 32.91% in case of full exercise of warrants. These warrants were valued at EUR 128 million, as at 22 May, 2023. Main warrant characteristics are as follows:
  - 1 ordinary share at EUR 2.00 strike price
  - 1 ALD share for 1 warrant
  - Exercise: between 1 to 3 years after their issuance, only if ALD's share price increases by at least 30% compared to an agreed level
- contingent consideration: the Group assessed the fair value of the earn-out consideration for the determination of the Acquisition cost at EUR 55 million at the closing date of the transaction. In the Group financial statements, the contingent consideration is recorded as Trade and other payables as at 30 June 2023. The earn-out amount to be paid by the Group is dependent on the achievement of pre-agreed regulatory optimisation targets. The maximum possible earn-out to be paid to the vendor is EUR 235 million. Any variations of the earn-out fair value would be accounted through the income statement or through goodwill according to IAS 32 standard. The earn-out mechanism will last until 31 December 2024, subject to an additional 6-month period in certain limited circumstances, with potential payments every quarter.

On 22 March, 2023, the Group entered into a share agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and Czech Republic. These disposals have been initiated to honour the commitments made by ALD in the context of the clearance by the European Commission of the acquisition of LeasePlan, to address concentration risk in the countries concerned. As at 30 June, 2023, the Group has classified these entities as assets held for sale under IFRS 5. The disposal of these 6 entities was completed on 1 August 2023.

Before the completion, Société Générale held approximately 75.9% of the ALD share capital. Upon completion of the Acquisition, Société Générale remains the majority shareholder of ALD with a stake of 52.59% of the Combined Group. This stake may be reduced to 50.95% in the event of the exercise of the call option of the shares with warrants attached that have been granted to LeasePlan's former shareholders to allow them to increase their stake up to 32.91% of ALD's social capital. The former LeasePlan shareholders consortium led by TDR capital holds 30.75% of the combined entity, while the free float represents 16.4%.

Details of the Acquisition value are set out in the table below:

**(in EUR million)**

<b>Purchase price paid in ALD equity instruments<sup>(1)</sup></b>	<b>2,999.5</b>
<i>of which:</i>	
<i>Purchase price paid in ALD shares<sup>(1)</sup></i>	<i>2,871.4</i>
<i>Fair value of warrants attached to shares</i>	<i>128.1</i>

<b>Purchase price paid in cash</b>	<b>1,827.5</b>
<i>of which:</i>	
<i>Capital increase</i>	1,212.0
<i>Tier 2 subordinated debt</i>	615.5
<b>Total purchase price</b>	<b>4,827.0</b>
Contingent consideration <sup>(3)</sup>	55.0
<b>Total purchase price including contingent consideration</b>	<b>4,882.0</b>

<sup>(1)</sup>Excluding equity transaction costs amounting to EUR 11.3 million for the rights issues completed in December, 2022 and EUR 0.8 million for the capital increase in May, 2023

<sup>(2)</sup>of which 26,310,039 shares with warrants attached

<sup>(3)</sup>ALD estimate at the date of the acquisition

Due to the short timeline between LeasePlan's acquisition closing and publishing of the interim financial statements, the Group is still in the process of conducting a Purchase Price Allocation exercise to assign value to acquired assets and liabilities. The Group has recognised majority of the identifiable assets and liabilities at their carrying amounts as per LeasePlan's IFRS consolidated accounts. Preliminary goodwill was calculated on the basis of the difference between the purchase price and the acquired net assets.

The Group's management expects that, amongst others, fair value adjustments will be made on the fleet, services revenues and costs recognition and that the purchase price will also be allocated to newly identified intangible assets including customer relationships.

The Group expects to finalise the acquisition accounting in order to recognise the identifiable assets and liabilities of LeasePlan at their fair value for the annual financial statements of 2023.

On 30 June, 2023, the Group has recognised a provisional goodwill of EUR 1,744 million.

(in EUR million)	Temporary Allocation as at May 22, 2023
Rental fleet	20,603.3
Property, Plant and Equipment and Right-of-use assets	235.4
Intangibles	400.9
Receivables from clients and financial institutions	2,702.6
Cash & Cash equivalents	3,811.8
Non-current assets held for sale (net of liabilities) <sup>(1)</sup>	650.7
Financial debt	(23,348.1)
Net tax assets and liabilities	(504.9)
Net other assets and liabilities	(1,413.9)
<b>Fair value of assets and liabilities acquired<sup>(2)</sup></b>	<b>3,137.8</b>
<b>Total purchase price</b>	<b>4,882.0</b>
<b>Goodwill</b>	<b>1,744.2</b>

<sup>(1)</sup>Excluding intercompany debt

<sup>(2)</sup>Excluding AT1 capital (See Note 24)

## Impact of the transaction on the Group's net income and on the Group's key indicators for the six month period ended at June 30, 2023

(in EUR million)	For the six month period ended at June 30, 2023	
	ALD Group	of which LeasePlan activities <sup>(1)</sup>
Leasing contract margin	768.3	71.1
Services margin	487.1	127.2
Used car sales result	285.4	(0.0)
<b>GROSS OPERATING INCOME</b>	<b>1,540.8</b>	<b>198.3</b>
Total operating expenses	(632.1)	(123.8)
Impairment charges on receivables	(24.5)	(1.0)
Other income (expense)	8.6	8.6
<b>OPERATING RESULT</b>	<b>892.9</b>	<b>82.1</b>
Share of profit of associates and jointly controlled entities	1.6	0.6
<b>Profit before tax</b>	<b>894.4</b>	<b>82.7</b>
Income tax expense	(235.4)	(18.0)
<b>Profit for the period from continuing operations</b>	<b>659.0</b>	<b>64.7</b>
<b>Profit (loss) for the period from discontinued operations</b>	<b>(91.3)</b>	<b>0.0</b>
<b>Net income</b>	<b>567.7</b>	<b>64.7</b>
<b>Owners of the Company</b>	<b>553.6</b>	<b>61.6</b>
Holders of AT1 capital	10.9	3.1
Non-controlling interests	3.2	-

<sup>(1)</sup> For the period between acquisition date (22 May, 2023) and reporting date (30 June, 2023)

As at 30 June, 2023 the Group recorded EUR 16.7 million of transaction costs directly attributable to the Acquisition, EUR 9.3 million of costs incurred due to the disposal of remedies and EUR 85 million of LeasePlan integration costs in "Total operating expenses" (EUR 41.3 million of preparation costs associated with LeasePlan transaction as at 30 June, 2022).

LeasePlan accounts have been included in the Group consolidated financial statements since 22 May 2023. LeasePlan's total contribution to the Group's consolidated revenues and net income was respectively EUR 1,139.6 million and EUR 64.7 million for the first semester 2023. Would LeasePlan have been consolidated from 1 January, 2023, its 6 months contribution, based on a prorata temporis of the consolidated 1 month and 10 days, would amount to EUR 5,156.6 million to the consolidated revenue and EUR 292.9 million to the net income.

The combined entity is the leading multi-brand car leasing company worldwide, covering all customer categories with total fleet of 3.4 million vehicles (excluding the fleet of entities held for sale) and a direct presence in 44 countries. The integration of LeasePlan started immediately after the closing of the acquisition and is progressing smoothly according to plans. Leveraging on the respective strengths, complementarities and the enhanced scale, the combined entity targets to achieve substantial procurement and cost synergies, further improving its position in the industry and reinforcing its resilience through the economic cycle.

ALD and LeasePlan serve the same three client segments (large corporates, SMEs, individual consumers), but each of them has specific areas of leadership. LeasePlan has a network of large and very large

blue-chip international and national corporate clients and has been particularly strong in this segment in which there is limited customer overlap with ALD. ALD has developed a strong partnership network with more than 200 partners across a large spectrum of sectors. It has allowed the Company to rapidly develop its presence in the SME and individual consumers segments. This is expected to give the combined entity the best footprint across all segments.

ALD's funding mix and strong credit ratings benefit from the support of Société Générale, facilitating efficient access to external funding. LeasePlan is also an established issuer in the debt capital market. LeasePlan also relies on its deposit collection platforms in Germany and the Netherlands. The combined entity would therefore have an enlarged base of funding sources.

## **2.2. FINANCIAL HOLDING COMPANY STATUS**

LeasePlan currently has a banking license, allowing it to raise deposits under the Dutch deposit guarantee scheme, and is regulated by the European Central Bank (ECB). The Combined Group would maintain this access to deposits and the Group has obtained from ECB the regulated status as a Financial Holding Company ("FHC"), which has been applied from the Acquisition date. As the Group is being considered a Financial Holding Company under the article 517-1 of the French Code monétaire et financier, the recommendation n° 2017-02 issued by the Autorité des normes comptables, which relates to the reporting format for credit institutions and financing companies, would not apply. Instead, the Combined Group is subject to recommendation n° 2020-01 issued by the Autorité des normes comptables, which is the one currently applied to the Group. Therefore, the consolidated financial information is presented in accordance with the classification of transactions used to prepare the Group's annual consolidated financial statements, except for specific line items that have been added to the Group's presentation in relation to LeasePlan's items with no direct equivalent, i.e., deposits.

## **2.3. DISPOSAL OF SUBSIDIARY IN RUSSIA**

On 27 April, 2023, the Group completed the disposal of its subsidiary ALD Russia to JSC Tsk. The sale has received clearance from the relevant Russian regulatory authorities. ALD Russia was classified as held for sale in the Group's consolidated financial statements ending 31 December, 2022. The impacts of the sale are recorded in the income statement as at 30 June, 2023 under the caption "Result after tax from discontinued operations" (see Note 13 for further details).

## **NOTE 3. BASIS OF PREPARATION AND ACCOUNTING POLICY CHANGES**

### **3.1. BASIS OF PREPARATION**

The Group's interim condensed consolidated financial statements for the six months period ended 30 June, 2023 are prepared in accordance with International Financing Reporting Standards (IFRS) as adopted by the European Union.

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34, "Interim financial reporting", using the same accounting policies as those described in Note 3 of the audited annual consolidated financial statements for the year ended 31 December, 2022 except for policies included in section 3.2 below. Following the acquisition of LeasePlan, the majority of their

accounting policies are aligned to those of the Group. Any policy gaps have been identified by the Group and the full alignment will be completed within the 12 months of the Acquisition date.

Since interim condensed consolidated financial statements do not include all of the annual financial statement disclosures required under IFRS, they should be read in conjunction with the consolidated financial statements and accompanying notes for the year ended 31 December, 2022.

The primary statements include the following new captions:

(i) Income statement

- “Other income/ (expense)” currently include unrealised gains/losses on revaluation of equity instruments
- “Result after tax from discontinued operations” due to sale of operations in Russia (see Note 13)
- “Holders of AT1 capital” relating to the issuance of Tier 1 (AT1) debt (see Note 23)

(ii) Statement of cash flows

- Caption “Changes in insurance and reinsurance contract assets/liabilities” as a result of application of IFRS 17
- Caption of “Effect of hyperinflation adjustments” was included in the “Net increase/ (decrease) in cash and cash equivalents” in the Consolidated Statement of cash flows in previous accounting periods

(iii) Balance sheet

- New caption “Deposits” and “AT1 capital” as a result of acquisition of LeasePlan and the issuance of new debt instrument (see Note 2)

(iv) Statement of changes in equity

- Caption of “Other reserves” includes “Hedging reserve”, “Actuarial gain/(loss) reserve” and “Share-based payments” previously presented as separate items.

### **3.2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE AS FROM JANUARY 1, 2023**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December, 2022, except for the adoption of new standards effective as of 01 January, 2023. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments and interpretations apply for the first time in 2023, but do not have an impact on the interim condensed consolidated financial statements of the Group.

## **Initial Application of IFRS 17 “Insurance Contracts” and of IFRS 9 “Financial Instruments” to Insurance Subsidiaries**

IFRS 17 “Insurance Contracts”, issued on 18 May, 2017 and modified by the 25 June, 2020 and 9 December, 2021 Amendments, replaces IFRS 4 “Insurance Contracts” which allowed, in particular, insurance contracts to be recognised using methods set out by the local accounting regulations.

IFRS 17 is adopted from 1 January, 2023 and is applicable to Group’s insurance subsidiary ALD Re DAC based in Ireland that deals in the reinsurance business as well as LeasePlan insurance (acquired on 22 May, 2023) which is the LeasePlan group of insurance company. On that same date, ALD Re DAC started applying IFRS 9 “Financial Instruments” for the first time; this application had been delayed as a result of the possibilities offered by the Amendments to IFRS 17 and to IFRS 4 issued by the IASB on 25 June, 2020 and extended by Regulations (EU) 2017/1988 and 2020/2097 of the European Commission.

### **IFRS 17 “Insurance Contracts”**

IFRS 17 establishes specific principles for the recognition and measurement of insurance contracts issued and reinsurance contracts held by the Group. The insurance contracts issued to the customers of ALD are related to the lease services of vehicles and includes for example motor third party liabilities. The adoption of IFRS 17 did not change the classification of the Group’s insurance contracts. The Group was previously permitted under IFRS 4 to continue accounting using its previous local accounting policies.

Under IFRS 17, the Group’s insurance contracts issued, and reinsurance contracts held are all eligible to be measured by applying the premium allocation approach which is discussed below.

### **Classification and measurement model**

#### **Grouping of Contracts**

Under IFRS 17, the measurement of Insurance Contracts issued are aggregated into homogeneous portfolios, where the contracts are subject to similar risks and managed together. Each portfolio is then required to be disaggregated according to three levels of profitability:

- Onerous Contracts
- Profitable with no significant risk of becoming onerous; and
- Other profitable contracts.

The groups are determined upon initial recognition of the insurance contracts issued and each group must only contain contracts that are issued within the same 12-month period.

Similar requirements apply for Reinsurance Contracts except that the contracts are segregated according to two levels of profitability:

- Reinsurance Contracts held that are in a net gain position; and
- Reinsurance Contracts held that are in a net loss position.

#### **Measurement - Premium Allocation Approach (PAA)**

This is a simplified measurement approach permitted under the IFRS 17 standard where certain eligibility criteria are met:

- a) short-term contracts (12 months coverage or less);

- b) contracts where the coverage is greater than 12 months but the measurement of the liability for remaining coverage under the PAA would not differ materially to that measured using the General Model.

All contracts with 12 months coverage or less are automatically eligible whereas eligibility testing is required for contracts with coverage or greater than 12 months to support the justification outlined in (b) above.

ALD Re DAC have applied the PAA at the first adoption of IFRS 17. The majority of ALD Re DAC's insurance contracts are for 12 months of coverage.

The subsidiary entity of LeasePlan acquired on 22 May, 2023 also follows the PAA approach and all assets and liabilities of this subsidiary are presented in accordance with IFRS 17 at the date of the Acquisition.

The PAA provides a simplified approach for measuring the liability for remaining coverage only. The liability for incurred claims is still measured using the General Model (however, only using the discounted best estimate of future cash flows and the risk adjustment building blocks).

### **Accounting treatment under the PAA**

The following accounting treatments apply under the PAA approach:

- insurance revenue is recognised on a straight-line basis over the duration of the insurance contract (unless the expected release of risk differs materially from a straight line basis).
- losses on groups of insurance contracts that are onerous at initial recognition are recognised immediately in the income statement. The loss is calculated as the difference between the measurement of the liability for remaining coverage under the General Model and the PAA.
- for contracts with a coverage period of one year or less, there is an option insurers can choose whether to effectively defer acquisition or recognise immediately as an expense.
- discounting of the liability for remaining coverage is not required under the PAA where there is no significant financing component (i.e. the time between providing the coverage and receiving the premium is 12 months or less).
- discounting of the liability for incurred claims is required for all claims (where the time between incurring and settling the claim is expected to be longer than 12 months). The discount rates to be used are not prescribed and instead are derived by the Company.
- no explicit risk adjustment is required for the liability for remaining coverage, however, this is still required for the liability for incurred claims.

### **Presentation of the financial performance**

For changes to the presentation in the consolidated statement of financial position, the Group aggregates insurance contracts issued and reinsurance contracts held, respectively in Provisions and Other receivables and prepayments:

- Portfolios of insurance contracts issued that are assets
- Portfolios of insurance contracts issued that are liabilities
- Portfolios of reinsurance contracts held that are assets
- Portfolios of reinsurance contracts held that are liabilities

There are no changes to the presentation of the consolidated statement of profit or loss. The required separation of insurance expenses and insurance finance expenses are included in the disclosure.



## First time application of the IFRS 17 standard

The Group have adopted IFRS 17 on a retrospective basis with comparative figures of 2022 financial year been restated. The difference in the measurement of the insurance assets and liabilities resulting from the retrospective application is recognised directly in opening equity as at 1 January, 2022. The retrospective measurement of these assets and liabilities were subject to a simplified approach where historical data were not available.

## Impact on Group's Consolidated Balance Sheet

The following tables reconciles the impact of IFRS 17 on the balance sheet as at 31 December, 2021 and at 31 December, 2022.

(in EUR million)	Footnote	Balances as at	
		December 31, 2021	December 31, 2022
<b>Total asset under IAS 4</b>		26,991.4	31,351.0
<i>Adjustments:</i>			
Receivables from clients and financial institutions	<b>1</b>	(56.0)	(52.0)
Other receivables and prepayments	<b>2</b>	4.8	4.6
Current and deferred tax	<b>3</b>	1.8	(1.4)
<b>Restated total asset under IFRS 17</b>		<b>26,942.0</b>	<b>31,302.2</b>
<b>Total liabilities under IAS 4</b>		22,145.8	24,457.6
<i>Adjustments:</i>			
Trade and other payable	<b>4</b>	(71.4)	(61.1)
Provision	<b>5</b>	12.5	(7.0)
Current and deferred tax	<b>3</b>	2.8	0.4
<b>Restated total liability under IFRS 17</b>		<b>22,089.7</b>	<b>24,389.9</b>
<b>Total equity under IAS 4</b>		4,845.6	6,893.4
<i>Adjustments:</i>			
Adjustment in respect of IFRS 17 for 2021	<b>6</b>	6.7	6.7
Adjustment in respect of IFRS 17 for 2022	<b>6</b>		12.2
<b>Restated total liability under IFRS 17</b>		<b>4,852.3</b>	<b>6,912.3</b>
<b>Restated total liability and equity under IFRS 17</b>		<b>26,942.0</b>	<b>31,302.2</b>

### Footnotes on IFRS 17 adjustments

1. Cash flow (in or out) related to an insurance contract obligation (mainly insurance premiums receivable) has been reallocated as a cash inflow within the insurance contract liability measurement under IFRS 17.
2. Under IFRS 17 where portfolio of reinsurance contracts held is in a net cash inflow position, it must not be netted off against insurance contract liabilities. This amount represents all cash inflow and outflow obligations from reinsurance contracts purchased as well as reallocation of deferred acquisition costs to insurance contract liability.
3. Current and deferred tax impact on application of IFRS 17.
4. Cash flow (in or out) related to an insurance contract obligation (mainly claims and acquisition costs payable) has been reallocated as a cash outflow within the insurance contract liability.
5. Reallocation of unearned premium reserve to the insurance contract liability under IFRS 17.
6. Net impact of the application of IFRS 17 on reserve. The increase in net income under IFRS 17 compared to IFRS 4 primarily driven by a discounting benefit realised on the IFRS 17 income statement. Reserves are discounted under IFRS 17 whereas they were not under IFRS 4.

## Impact on the Group's Consolidated Income Statement

The below tables reconcile the impact on income statement as published on 31 December, 2022 and as restated under IFRS 17.

(in EUR million)	Footnote	December 31, 2022
Net income as reported on December 31, 2022 under IFRS 4		1,207.9
Increase in service margin	7	11.9
Decrease in operating expenses	8	1.7
Increase in income tax expense	9	(1.4)
<b>Restated net income as at December 31, 2022</b>		<b>1,220.1</b>

### Footnotes on IFRS 17 adjustments

7. *The adjustment to the service margin represents the net margin recognized on the insurance contracts calculated based on the PAA approach. In addition to this, the margin includes net finance income resulted from the discounting of insurance contracts.*
8. *Under IFRS 17 the liability for incurred claims should include an allowance for fixed/variable overheads directly attributable to fulfilling insurance contracts. The overheads must be allocated on a systematic and rational basis and must be consistently applied to all expenses that have similar characteristics. This is a portion of the operating expenses that were directly attributable to the fulfilment of insurance contracts reallocated into the Insurance service result.*
9. *Income tax impact due to the transitional adjustments that have arisen under IFRS 17.*

The impacts of transition from IFRS 4 to IFRS 17 are not material to the Group. There is no impact of IFRS 17 on the statement of other comprehensive income.

## IFRS 9 Financial Instruments

The initial application of IFRS 9 by the Group's insurance subsidiaries as at 1 January, 2023 is retrospective along with IFRS 17. The impact of IFRS 9 is only relation to the bond portfolio where expected credit loss provision of EUR 0.3 million in 2021 and EUR 0.4 million in 2022 is recognised and is not material to the Group.

## Definition of Accounting Estimates - Amendments to IAS 8

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

## Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments had no impact on the Group's interim condensed consolidated financial statements, but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.

### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12**

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities.

The amendments had no impact on the Group's interim condensed consolidated financial statements.

### **3.3. FUTURE ACCOUNTING POLICY CHANGE**

The following standards and interpretations had been issued but were not mandatory for annual reporting periods beginning on 1 January, 2023. They were therefore not applied by the Group as at 30 June, 2023:

- Non-current liabilities with covenants – Amendments to IAS 1
- Lease liability in sale and leaseback – amendments to IFRS 16
- Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28

These changes are not expected to have a significant impact on shareholders' equity nor comprehensive income of the Group.

### **NOTE 4. ESTIMATES AND ASSUMPTIONS**

The preparation of the interim condensed consolidated financial statements requires the management of both the Group and its subsidiaries to use certain estimates and assumptions that may have an impact on the reported values of assets, liabilities and contingent liabilities at the reporting date and on items of income and expense for the period.

Majority of estimates and assumptions, which are based on historical experience and other factors believed to be reasonable in the circumstances, are used to assess the carrying amount of assets and liabilities. Actual results may differ significantly from these estimates if different assumptions or circumstances apply.

In preparing these interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were largely the same as those that applied to the consolidated financial statements for the year ended 31 December, 2022.

Following the acquisition of LeasePlan on 22 May, 2023, key estimates and assumptions used for valuations in relation to the acquisition are provisional due to the short timeline between acquisition closing and publishing of interim financial statements (see Note 2.1 for further details).

## NOTE 5. EXCHANGE RATE

For the six months period ended 30 June, 2023, the balance sheets, income statements and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in the Group's accounts have been translated (i) at the exchange rate prevailing at 30 June, 2023 for the balance sheet, and (ii) at the average exchange rate for the period ended at 30 June, 2023 for the income statement, statement of comprehensive income and cash flow statement except in the case of significant fluctuations in exchange rates. Subsidiaries in Turkey which operates in a hyperinflationary economy have been translated wholly at the period-end rate.

Translation differences have been recorded in equity.

The main exchange rates used in the interim condensed consolidated financial statements for the six months period ended 30 June, 2023 and for the six months period ended 30 June, 2022 are based on Paris stock exchange rates and are as follows:

	June 30, 2023		December 31, 2022	June 30, 2022
	Period-end Rate	Average Rate	Period-end Rate	Average Rate
EUR / Turkish Lira	28.3193	28.3193	19.9649	17.3220
EUR/ Ukrainian Hryvnia	36.7515	36.8944	36.9170	32.1362
EUR / Russian Ruble	84.6697	78.6611	76.8600	85.2667
EUR/ Brazilian Real	5.2788	5.4833	5.6386	5.5579
EUR/ Swedish Krona	11.8055	11.3314	11.1218	10.4753
EUR/ Mexican Peso	18.5614	19.6550	20.8560	22.1747
EUR / Norwegian Krone	11.7040	11.3203	10.5138	9.9766

## NOTE 6. SEASONALITY AND CYCLICALITY

As the Group leases assets to its clients for durations that normally range between three to four years, the impact of seasonality and cyclicity is relatively limited.

## **NOTE 7. FINANCIAL RISK MANAGEMENT**

The interim condensed consolidated financial statements do not include all financial risk management policies and disclosures required in the annual financial statements; they should be read in conjunction with the Group's annual financial statements for the year ended December 31, 2022.

There have been no changes in the risk management department or in any risk management policies since the year end. Following the acquisition of LeasePlan on May 22, 2023 (see Note 2 for further details), management assessed the following major financial risk management policies and have not identified any significant gaps between LeasePlan's and ALD Group's policies. Full alignment will be completed within 12 months.

### **Credit risk**

As a result of its normal business activities, the Group is exposed to credit risk, which is the risk of losses arising from the inability of the Group's customers to meet their financial commitments. Credit risk includes the counterparty risk. In addition, the Group is exposed to credit risk originating from its banking and treasury activities, which includes deposits placed with financial institutions and hedging instruments, such as derivatives and reinsurance activities, insurance activities as well as to rebates and bonuses to be received from vehicle manufacturers and other suppliers.

The Group's definition of default for the purpose of determining ECLs, and for internal credit risk management purposes, has been aligned to the ECB Regulatory Capital CRR Article 178 definition of default, to maintain a consistent approach with IFRS 9 and associated regulatory guidance. LeasePlan's credit risk management policy and credit risk measurement are not materially different to ALD Group's credit risk management policy. The Group has identified a difference in the provision calculation method used under IFRS 9 by the Group and LeasePlan (see Note 18 for further details).

There is no other change in the credit risk management policy since the year end.

### **Treasury Risk**

Treasury risk consists of three individual risks, being liquidity risk, interest rate risk and currency risk. Liquidity risk is the risk that the Group is unable to efficiently meet both expected and unexpected current and future cash flows, without affecting either daily operations or its financial condition. Interest rate risk is the risk that the profitability and shareholders' equity of the Group are affected by movements in interest rates. Currency risk is the risk that currency fluctuations have an adverse impact on the Group's capital ratios, result and shareholders' equity.

After the acquisition of LeasePlan, the Group continues to apply treasury risk policies for ALD and LeasePlan entities as set out in their respective annual financial statements as at 31 December, 2022.

The Group intends to have aligned treasury risk policies as part of the integration of LeasePlan entities, and they will be determined by the risk appetite of the combined entity.

ALD and LeasePlan interest rate and foreign exchange risk policies that are currently being applied in the treasury risk management are described below.

### **Interest rate risk management – ALD Group as at 31 December, 2022**

ALD policy consists of financing the underlying assets with fixed rate loans as lease contracts are mostly priced at fixed rates, in order to avoid any interest rate mismatch between assets and liabilities. Structural interest rate risk arises from the residual gap (surplus or deficit) in each entity's fixed-rate forecast position. To this end, any residual interest rate risk exposure must comply with the sensitivity limits set for each entity. The sensitivity is defined as the variation in the net present value of the future residual fixed-rate positions (surplus or deficit) for non-stressed shocks of +100 bps and -100 bps in the yield curve.

The ALD Group Central Treasury monitors the Group's interest rate risk exposure and advises subsidiaries to implement adequate hedging operations. A monthly report measuring interest risk exposure is produced by each entity to be reviewed and consolidated by the ALD Group Central Treasury department.

Each entity and the Group as a whole are subject to sensitivity thresholds and limits validated by the ALM committee (ALCO). The Group structural risks are discussed on a quarterly basis during ALCO meetings.

Thanks to this close follow up of the interest rate risk exposure by subsidiaries and the supervision of asset and liability monitoring performed at central level, ALD Group interest rate sensitivity has always remained limited.

Derivative instruments are used as part of the overall strategy to manage exposure to market risks primarily associated with fluctuations in interest rates and foreign exchange rates through interest rate and currency swaps respectively. As a matter of policy, derivatives are not used for speculative purposes. Derivative instruments that are measured at fair value on a recurring basis are included in the caption "Derivative financial instruments" in the consolidated balance sheet.

### **Interest rate risk management – LeasePlan Group as at 31 December, 2022**

The Group accepts and offers lease contracts to clients at both fixed and floating interest rates, for various durations and in various currencies. Interest rate risk within the Group is managed separately for:

- Group entities and associates, carrying interest-bearing assets (mainly lease contracts) and funding on their balance sheet, which is mainly intercompany funding supplied by the Group's central Treasury;
- The Group's central Treasury, concluding external funding, external derivatives and granting intercompany loans to the Group's entities; LeasePlan Bank (LPB), supporting the diversified funding strategy by raising retail saving deposits.

The interest rate risk policy is to match the interest rate risk profile of the lease contract portfolio with a corresponding interest rate funding profile to minimise the interest rate risk as measured by interest rate gap reports per Group entity.

Group entities carry interest-bearing assets on their balance sheet, funded by interest-bearing liabilities (loans and other indebtednesses). Where interest-bearing liabilities fall short to cover interest-bearing assets, non-interest-bearing working capital and subsidiaries' equity can cover interest-bearing assets, as part of the matched funding policy.

The Group's central Treasury provides loans to the Group's entities and attracts funds from the market in conjunction with interest rate derivatives entered for hedging purposes. Derivative financial instruments are concluded by the Group's central Treasury; the Group does not hold a trading book. Due to the

accounting treatment of derivative financial instruments, the Group is exposed to some volatility in its statement of profit or loss, particularly regarding the derivatives that do not qualify for hedge accounting.

To enable the Group's central Treasury to achieve economies of scale, smaller intercompany loans are grouped and financed through larger-sized external funding transactions. Interest rate risk inherent to the central treasury process, such as timing differences and mismatches of interest rate re-pricing, are accepted within set currency and duration limits.

The liquidity and interest typical duration of LeasePlan Bank's (hereafter LPB) flexible savings are modelled through a replicating portfolio and measured from a behavioural perspective. LPB invests the flexible savings funds received by placing deposits with the Group's central Treasury in line with the modelled interest profile of the flexible savings, thereby replicating the flexible savings' maturity profile. The average repricing maturity of LeasePlan's portfolio of Non Maturing Deposits (NMDs) is approximately 15 months for the total portfolio. The longest modelled maturity is 60 months. Maturities for Core and Non-Core portfolios are not separately modelled. LPB does not attract deposits from non-financial wholesale counterparties. In addition, the Group risk management department monitors the effect of a gradual movement in market interest rates on its earnings at risk and the effect of a sudden parallel shift of the yield curve on its equity at risk. The IRRBB exposures in relation to the limits that are in place are shared with ALCO on a monthly basis.

#### **Foreign exchange risk management - ALD Group as at 31 December, 2022**

ALD Group is present in 26 countries outside the Euro zone and is therefore exposed to foreign exchange risks related to cash inflows and outflows from daily business activities as well as participations in subsidiaries outside the Euro zone.

Currency risks related to the current business activities are very limited as there are no cross-border leasing activities. ALD Group policy consists of financing the underlying asset in the same currency as the corresponding lease contract.

The residual foreign exchange risk is managed in order to minimise the impact to the Group due to fluctuations in the currencies it operates.

To achieve this goal, ALD quantifies its exposure to structural exchange rate risks for each subsidiary by analysing all assets and liabilities arising from commercial operations and proprietary transactions. The risk sensitivity is measured by quantifying the impact of a variation of 10% of the exchange rate (hard currencies against local currency) and a threshold is defined for each subsidiary. ALD Group Treasury department is responsible for monitoring structural foreign exchange risk positions and manages the impact on profitability due to foreign exchange rate fluctuations.

Currency risks related to equity invested in foreign currencies are not hedged at a group level, as the risk exposure has been considered insignificant.

#### **Foreign exchange risk management - LeasePlan Group as at 31 December, 2022**

The Group's functional currency and the reporting currency for its consolidated financial statements is the euro. However, because of its presence in a significant number of countries outside the Eurozone, the Group has substantial assets, liabilities, revenues and costs denominated in currencies other than the

euro. The global nature of the Group's operations therefore exposes the Group to exchange rate volatility as a result of potential mismatches between the currencies in which assets and liabilities are denominated, and as a result of the translation effect on its reported earnings, cash flow and financial condition. The Group is exposed to transactional foreign exchange rate risk when a subsidiary enters into a transaction in a currency other than the subsidiary's functional currency. The Group seeks to manage its transactional foreign exchange rate risk by attempting to limit the Group's exposure to the effects of fluctuations in currencies on its statement of financial condition and cash flows through funding its debt directly or through derivatives in the currency in which assets are originated and allocating capital in the currencies in which assets are denominated.

The Group is also subject to translation risk, which is the risk associated with consolidating the financial statements of subsidiaries that conduct business in currencies other than the euro or have a functional currency other than the euro.

As the Group does not hedge its equity positions in foreign currencies, fluctuations in the value of the euro relative to currencies in which LeasePlan conducts operations will affect the Group's financial condition and net equity position resulting from these foreign operations.

The Group hedges against the adverse effect of foreign currencies on LeasePlan's capital adequacy ratio by taking structural equity positions in the local entities, to match the entities' capital adequacy ratio with LeasePlan's capital adequacy ratio. LeasePlan has been compliant with the EBA Guidelines on the treatment of structural FX under article 352(2) of CRR since Q1 2022.

In short, the Group has the following risk management approach regarding currency risk:

- **Matched funding:** The assets on the entity's balance sheet should always be financed in the same currency in which the lease contracts are denominated.
- **Structural positions:** The positions in non-euro currencies are of a non-trading and structural nature. As a result hereof, the regulatory ratio protection method is applied; to protect the capital ratios rather than the absolute amount of the absolute amount of the Group's equity.

Based on the currency risk management approach the Group's capital adequacy ratio is only limited exposed to changes in the exchange rates it is exposed to. The logic behind this is that if the relative assets/equity position in an entity are the same as for the Group, both assets and equity allocated to the non-functional currency will deviate but will not impact the will not impact the Group's CET1 ratio.

In order to monitor and manage its currency risk exposure, the Group has defined triggers and limits on its structural risk exposure, in accordance with EBA Guidelines.

### **Residual value risk**

Residual value risk is considered the main asset risk, defined as the value of the vehicle at the end of the lease as estimated by the Group at inception of the lease that may differ from the future market value of the car at the end of the contract.



As at 30 June, 2023 there has been no residual value adjustment to any of the LeasePlan's existing leasing contracts as these will be assessed through the Purchase Price Allocation exercise. Future new contracts will be managed under the Group's residual value setting procedure that defines the processes, roles and responsibilities involved in the definition of residual values that will be used for the quotation of these contracts.

There is no change in the residual value risk management policy since the year end.

## NOTE 8. SEGMENT INFORMATION

Following the acquisition of LeasePlan, a new leadership team has been appointed where the members of the Executive Committee hold supervisory responsibilities for various geographical regions and countries (please refer to the Group's press release of 22 May, 2023)

Due to the timing of the acquisition, the Group's segmentation remains unchanged in this interim disclosure and has the same geographical regions as those in the Group annual financial statements at 31 December, 2022:

- Western Europe
- Central and Eastern Europe
- Northern Europe and
- South America, Africa, Asia and Rest of the World.

All subsidiaries of LeasePlan are included in the segments' performance.

The performance of the operating segments is assessed based on a measure of revenue and profit before tax as presented in the interim condensed consolidated financial statements.

### Revenue and Profit before Tax

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the income statement.

(in EUR million)	Six months ended June 30, 2023		Six months ended June 30, 2022	
	Profit before tax	Revenue from external customers	Profit before tax	Revenue from external customers
Western Europe	680.1	5,637.9	613.3	4,362.7
Nordic	55.0	600.5	54.5	510.3
Continental & Eastern Europe	125.6	691.7	121.8	534.7
LatAm, Africa, Asia & Rest of world	33.7	313.7	33.8	215.0
<b>TOTAL</b>	<b>894.5</b>	<b>7,243.8</b>	<b>823.4</b>	<b>5,622.7</b>

There has been no inter-segment revenue as at 30 June, 2023.

Six months ended June 30, 2023      Six months ended June 30, 2022

(in EUR million) Revenue from external customers Revenue from external customers

Leasing contract revenues	3,015.1	2,365.6
Service revenues	1,702.6	1,254.0
Proceeds of cars sold	2,526.0	2,003.2
<b>TOTAL</b>	<b>7,243.8</b>	<b>5,622.7</b>

#### Other disclosures

June 30, 2023

(in EUR million)	Rental fleet <sup>(1)</sup>	Total assets <sup>(1)</sup>	Net financial debt <sup>(1)(2)</sup>
Western Europe	36,824.5	55,318.9	34,527.6
Nordic	3,475.4	4,587.6	1,873.6
Continental & Eastern Europe	5,113.7	6,222.8	3,605.2
LatAm, Africa, Asia & Rest of world	1,710.6	2,134.5	1,491.1
<b>TOTAL</b>	<b>47,124.2</b>	<b>68,263.8</b>	<b>41,497.5</b>

December 31, 2022

(in EUR million)	Rental fleet <sup>(1)</sup>	Total assets <sup>(1)(3)</sup>	Net financial debt <sup>(1)(2)</sup>
Western Europe	19,040.2	25,588.6	17,278.7
Northern Europe	1,863.1	2,080.6	101.6
Continental & Eastern Europe	2,235.8	2,472.7	1,379.7
South America, Africa and Asia	940.5	1,160.4	831.8
<b>TOTAL</b>	<b>24,079.6</b>	<b>31,302.3</b>	<b>19,591.8</b>

Revenue from external customers and Rental Fleet by countries with yearly Revenues in excess of €500 million is detailed below:

#### Revenue from external customers by entity (EUR million)

	Six months period ended June 30, 2023	Six months period ended June 30, 2022	June 30, 2023	December 31, 2022
	Revenue from external customers (EUR million)	Revenue from external customers (EUR million) <sup>(3)</sup>	Rental Fleet (EUR million) <sup>(1)</sup>	Rental Fleet (EUR million) <sup>(1)</sup>
France	1,272.0	1,151.2	7,539.6	5,495.9
Italy	820.5	633.3	5,674.6	2,532.1
UK	740.4	596.1	5,463.1	2,386.1
Germany	740.2	522.6	4,007.3	2,328.0
Spain	644.0	478.3	3,773.0	2,262.9
Netherlands	521.4	343.8	5,142.2	1,528.4
Belgium	441.2	339.0	2,963.8	1,604.6
Other Countries	2,064.2	1,558.5	12,560.6	5,941.7
	<b>7,243.8</b>	<b>5,622.7</b>	<b>47,124.2</b>	<b>24,079.6</b>

<sup>(1)</sup> Including balances of assets classified held for sale (see Note 10 for further details)

<sup>(2)</sup> Net financial debt is defined as the sum of borrowings from financial institutions (non-current and current), together with any related derivatives and obligations under finance leases, minus cash and cash equivalents, as presented in the Group's consolidated balance sheet.

<sup>(3)</sup> See Note 3.2 for further details

## NOTE 9. CHANGES IN THE SCOPE OF CONSOLIDATION

At 30 June, 2023, all companies are fully consolidated, except four companies accounted using the equity method. Changes in the scope of consolidation compared to December 2022 are as follows:

- On 27 April, 2023, the Group completed the disposal of its subsidiary ALD Russia to JSC Tsk. The sale has received clearance from the relevant Russian regulatory authorities. ALD Russia operated a 13,400 funded fleet as at 31 March, 2023, representing less than 1% of ALD's fleet. ALD Russia was classified as held for sale in the Group's consolidated financial statements ending December 31, 2022 (see Note 13 for further details).
- On 22 May, 2023, the Group completed the acquisition of 100% of LeasePlan, one of the world's leading fleet management and mobility companies, from a consortium led by TDR Capital, for a total consideration of EUR 4.8 billion, paid through a combination of cash and ALD shares. As at 30 June, 2023, LeasePlan Group has been included in the consolidation scope as a consolidated subsidiary (see Note 2 for further details). All companies of LeasePlan are fully consolidated except three entities accounted using the equity method.

## NOTE 10. ASSETS AND LIABILITIES CLASSIFIED AS HELD-FOR-SALE

In the context of the LeasePlan acquisition completed on 22 May, 2023, ALD has obtained all merger control clearances conditioning the completion of this acquisition. The last clearance was obtained from the European Commission on 25 November, 2022. The European Commission's approval is conditional on the divestiture of the subsidiaries carrying on the full-service leasing and fleet management business of ALD in Portugal, in Ireland and in Norway<sup>(1)</sup>, and of LeasePlan in the Czech Republic, in Finland and in Luxembourg. On 22 March, 2023, the Group has entered into a share purchase agreement to sell these subsidiaries to Credit Agricole Consumer Finance and Stellantis. The sale is expected to be completed during Q3 2023.

The Group considered these subsidiaries to meet the criteria to be classified as held for sale for the following reasons:

- all six subsidiaries are available for immediate sale and will be sold to the buyers in their current condition;
- the actions to complete the sale were initiated and are expected to be completed within one year from the date of classification;
- the shareholders approved the plan to sell;
- the buyers have been identified.

Subsidiaries which will be sold by ALD (SG ALD Automotive Sociedade Geral de Comercio e Aluguer de Benz SA, Merrion Fleet Management Limited and ALD Automotive AS) do not meet the criteria of discontinued operations, as they do not represent a major line of business or geographical area of operations. Assets and liabilities of these subsidiaries have been classified as held for sale and are measured at their carrying amount.

Subsidiaries previously owned by LeasePlan (LeasePlan Ceska republika s.r.o., LeasePlan Finland Oy and LeasePlan Luxembourg S.A.) are also presented as a disposal group classified as held for sale and are measured at fair value as a result of the application of IFRS 3 standard "Business combinations".

ALD's subsidiary Belarus LLC has also been classified as held for sale following the Group's strategic decision to divest in this country.

All disclosures relating to the Group's assets and liabilities exclude assets and liabilities classified as held-for-sale unless stated otherwise.

The major classes of assets and liabilities of all subsidiaries classified as held for sale are as follows:

(in EUR million)	June 30, 2023
<b>Assets</b>	
Rental fleet	1,744.7
Receivables from clients	147.1
Cash and cash equivalents	35.3
Other assets	189.9
<b>Assets of disposal group classified as held for sale</b>	<b>2,117.1</b>
<b>Liabilities</b>	
Financial debt <sup>(2)</sup>	1,276.6
Other liabilities	289.5
<b>Liabilities of disposal group classified as held for sale</b>	<b>1,566.2</b>
<b>Net assets directly associated with disposal group</b>	<b>550.9</b>

<sup>(1)</sup> With the exception, in Norway, of NF Fleet Norway, a company jointly owned by the Group and Nordea Bank

<sup>(2)</sup> Including EUR 902 million intragroup debt

## NOTE 11. REVENUES AND COST OF REVENUES

### 11a. Leasing contract margin

(in EUR million)	Six months period ended	
	2023	June 30, 2022
<b>Leasing contract revenue -operating leases</b>	<b>2,962.3</b>	<b>2,344.1</b>
Interest income from finance lease	24.9	17.6
Other interest income	27.9	3.9
<b>Leasing contract revenues</b>	<b>3,015.1</b>	<b>2,365.6</b>
<b>Leasing contract costs - depreciation</b>	<b>(2,040.2)</b>	<b>(1,827.1)</b>
Leasing contract costs - financing:		
Interest charges on loans from financial institutions <sup>(1)</sup>	(118.9)	(70.2)

Interest charges on deposits	(23.0)	-
Interest charges on issued bonds	(68.3)	(11.6)
Other interest charges	(55.3)	(13.9)
<b>Total interest charges</b>	<b>(265.6)</b>	<b>(95.7)</b>
<b>Leasing contract costs - depreciation and financing</b>	<b>(2,305.8)</b>	<b>(1,922.8)</b>
Derivatives not in hedges	33.4	(4.5)
Hedge imperfectness fair value hedges	(1.5)	-
Hedge imperfectness cash flow hedges	1.2	(0.7)
<b>Unrealised gains/losses on derivative financial instruments</b>	<b>33.1</b>	<b>(5.3)</b>
Unrealised Foreign Exchange Gains or Losses	6.1	2.5
Hyperinflation - net monetary gain	19.8	39.5
<b>Total Unrealised gains/losses on financial instruments and other</b>	<b>59.1</b>	<b>36.8</b>
<b>Leasing contract margin</b>	<b>768.3</b>	<b>479.6</b>

<sup>(1)</sup> Including interest charges from central banks

“Other interest income” comprises income received from financial instruments, income received for cash deposits with central banks and other third parties.

“Other interest charges” mainly comprise of interest charges incurred from asset-backed borrowings, net interest costs on derivative financial instruments, realised gains or losses on translation of financial liabilities and interest expense on lease liabilities.

“Leasing contract costs – depreciation” is comprised of both regular depreciation costs and it also includes movement in the provision for excess depreciation which is booked in each entity following the fleet revaluation process.

Current residual value embedded in the contract is compared with the expected market value on a car-by-car basis taking into account concentration mix of vehicle makes and models, fuel type and other local market specificities. In accordance with IAS 8, a residual value is treated as an accounting estimate. Revision of the expected residual values can result in one of three outcomes for the prospective depreciation over the remaining life of the contract:

- all potential car sales losses are recognised as an additional depreciation charge and are booked on a straight-line basis between the date of the revaluation and the end of the contract;
- where the sales proceeds of the vehicle are forecast to be higher than the previously estimated proceeds but lower than the current net book value, the prospective depreciation is adjusted to the latest expected sales proceeds;
- where the sale proceeds of the vehicles are forecast to be in excess of their net book value, depreciation of those vehicles is stopped.

Used vehicles prices have continued to drive exceptionally high profit from the used car sales activity in the first semester of 2023 and normalisation of the used car prices is still expected to take place from 2024 onwards for most countries.

The fleet revaluation process has resulted in a reduction in depreciation costs of EUR 332.4 million and represents partial recognition of estimated future used car profits. Due to decrease in depreciation mentioned above, the used car sales margin has been impacted by the increase in net book value of the vehicles. The impact for the vehicles sold in first semester of 2023 was EUR 132.0 million.

## 11b. Service margin

(in EUR million)	Six months period ended	
	2023	June 30, 2022
Services revenue	1,702.6	1,254.0
Cost of services revenues	(1,215.5)	(921.3)
<b>Services margin</b>	<b>487.1</b>	<b>332.6</b>

Revenues and costs are derived from the various service components included within the contractual lease instalments, such as maintenance and tyres, damage risk retention and replacement vehicles.

Services margin for the six months period ended 30 June, 2023 includes an amount of EUR 30.1 million related to insurance and reinsurance services.

## 11c. Used car sales result

(in EUR million)	Six months period ended	
	2023	June 30, 2022
Proceeds of cars sold	2,526.0	2,003.2
Cost of cars sold <sup>(2)</sup>	(2,240.7)	(1,570.5)
<b>Used car sales result</b>	<b>285.4</b>	<b>432.7</b>

<sup>(2)</sup> Cost of cars sold represents the written down value of the vehicle and any additional disposal costs.

## 11d. Revenues

Revenues that are included within the margins analysed in the sections 11a, 11b and 11c, are shown in the following table. They are analysed into Revenues derived from the Rental activity and Proceeds of Cars sold at the end of the leasing period.

(in EUR million)	Six months period ended	
	2023	June 30, 2022
<b>Services Revenues</b>	<b>1,702.6</b>	<b>1,254.0</b>
Leasing contract revenue - operating leases	2,962.3	2,344.1
Interest revenue	52.8	21.5
<b>Leasing contract revenues</b>	<b>3,015.1</b>	<b>2,365.6</b>
<b>Sub-Total - Revenues from Rental Activity</b>	<b>4,717.7</b>	<b>3,619.5</b>
Proceeds of Cars Sold	2,526.0	2,003.2
<b>Total Revenues</b>	<b>7,243.8</b>	<b>5,622.7</b>
<b>Total Revenues excluding Interest Income</b>	<b>6,615.7</b>	<b>5,176.9</b>

## NOTE 12. INCOME TAX EXPENSE

### Income tax expense

(in EUR million)	Six months period ended June 30, 2023	Six months period ended June 30, 2022
Current tax	(158.9)	(113.5)
Deferred tax	(76.5)	(95.4)
<b>Income tax expense</b>	<b>(235.4)</b>	<b>(208.9)</b>

Income tax expense is recognised based on the tax rate that would be applicable to expected total annual profit or loss. The effective average annual tax rate that is expected to be used for the year ended on 31 December, 2023 is 26.32% (26.77% for the year ended 31 December, 2022).

## NOTE 13. DISCONTINUED OPERATIONS

On 27 April, 2023, the Group completed the disposal of its subsidiary ALD Russia to JSC Tsk. The sale has received clearance from the relevant Russian regulatory authorities. ALD Russia operated a 13,400 funded fleet as at 31 March, 2023, representing less than 1% of ALD's fleet. ALD Russia was classified as held for sale in the Group's consolidated financial statements ending 31 December, 2022. The impacts of the sale are recorded in the income statement as at 30 June, 2023 under the caption of "Result after tax from discontinued operations".

Financial information relating to the discontinued operation is set out below

(in EUR million)	June 30, 2023
External Revenue	33.9
External Expenses	(21.3)
Income tax expenses	(2.6)
<b>Net Results from operating activities</b>	<b>9.9</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>89.9</b>
Net cash inflow/(outflow) from operating activities	18.5
Net cash inflow/(outflow) from investing activities	(0.1)
Net cash inflow/(outflow) from financing activities	(4.0)
Exchange gains/(losses) on cash and cash equivalents	(9.3)
<b>Net movement in cash and balances with bank</b>	<b>5.1</b>
<b>Cash and cash equivalents sold as part of the discontinued operation</b>	<b>95.1</b>

## Details of the sale of the subsidiary

(in EUR million)

Disposal consideration received (cash)	100.0
Carrying amount of net assets sold	(126.6)
<b>Loss on sale before income tax and reclassification of foreign currency translation reserve</b>	<b>(26.6)</b>
Reclassification of foreign currency translation reserve	(72.0)
Income tax expense	(2.7)
<b>Loss on sale after income tax</b>	<b>(101.3)</b>
<b>Net result for the period from operating activities of the discontinued operation</b>	<b>9.9</b>
<b>Result after tax from discontinued operations</b>	<b>(91.3)</b>

The net cash flows generated from the sale of subsidiary are as follows:

Cash received from sale of the discontinued operations	100.0
Cash sold as a part of discontinued operations	(95.1)
<b>Net cash inflow on the date of disposal</b>	<b>4.9</b>

Basic earnings per share from discontinued operations (in cents)	(0.15)
Diluted earnings per share from discontinued operations (in cents)	(0.15)

## NOTE 14. DIVIDENDS

A dividend related to the period ended 31 December, 2022 for an amount of EUR 598.9 million (EUR 1.06 per share) was paid to ALD shareholders on 2 June, 2023 of which dividend paid to Société Générale is EUR 456.9 million. A dividend related to the period ended 31 December, 2021 for an amount of EUR 435.2 million (EUR 1.08 per share) was paid to ALD shareholders on 2 June, 2022 of which dividend paid to Société Générale was EUR 348.3 million.

## NOTE 15. RENTAL FLEET

(in EUR million)	Rental fleet
<b>At January 1, 2022</b>	
Cost	29,917.0
Accumulated depreciation & impairment	(8,205.7)
<b>Carrying amount As at January 1, 2022</b>	<b>21,711.3</b>
<b>Year ended December 31, 2022</b>	
Opening net book amount	21,711.3
Additions	9,554.0
Disposals	(3,102.1)
Scope changes	340.8
Transfer to inventories	(814.5)
Depreciation charge	(3,573.6)
Transfer to assets qualified as held-for-sale	(852.3)
Hyperinflation adjustment	121.1
Currency translation differences	(157.4)
<b>Closing net book amount as at December 31, 2022</b>	<b>23,227.4</b>



<b>At December 31, 2022</b>	
Cost	31,771.7
Accumulated depreciation & impairment	(8,544.4)
<b>Carrying amount as at December 31, 2022</b>	<b>23,227.4</b>
<b>At June 30, 2023</b>	
Opening net book amount	23,227.4
Additions	7,566.7
Disposals	(1,439.0)
Scope changes	20,628.6
Transfer to inventories	(1,462.9)
Depreciation charge	(2,113.4)
Transfer to assets qualified as held-for-sale	(23.5)
Hyperinflation adjustment	56.7
Currency translation differences	(31.8)
<b>Closing net book amount as at June 30, 2023</b>	<b>46,408.7</b>
Cost	62,465.1
Accumulated depreciation & impairment	(16,056.4)
<b>Carrying amount as at June 30, 2023</b>	<b>46,408.7</b>

Rental fleet mainly comprises cars leased under the operating lease contracts.

Used vehicles prices have continued to drive exceptionally high profit from the used car sales activity in the first semester of 2023. This has resulted in the upward adjustment of the residual values of the rental fleet and a net reduction in depreciation costs of EUR 200.4 million in the first semester of 2023 which represents partial recognition of estimated future used car profits.

At 30 June, 2023, there was no impairment on the “Rental fleet”.

The Group concluded a number of asset-backed securitisation programmes which involve the sale of future lease instalment receivables and, in some cases, related residual value receivables originated by various Group subsidiaries to special purpose companies which are included in the consolidated financial statements of the Group.

As a result of this sale net book value of encumbered (securitised) operating lease assets amount to EUR 6,541 million at 30 June, 2023 (EUR 2,173 million at 31 December, 2022) and present value of transferred lease receivables derived from these assets is EUR 6,794 million (EUR 2,313 million as at 31 December, 2022). The transferred lease receivables cannot be sold.

For further details on the securitisation transactions and transferred assets reference is made to the Note 24.

## NOTE 16. GOODWILL

(in EUR million)	Goodwill
<b>At January 1, 2022</b>	
Cost	576.0
Accumulated impairment	–
<b>Carrying amount As at January 1, 2022</b>	<b>576.0</b>
<b>Year ended December 31, 2022</b>	
Impairment	(2.7)

Transfer to assets qualified as held-for-sale	(26.6)
Scope changes	71.9
<b>Closing net book amount As at December 31, 2022</b>	<b>618.6</b>
<b>At December 31, 2022</b>	
Cost	621.3
Accumulated impairment	(2.7)
<b>Carrying amount As at December 31, 2022</b>	<b>618.6</b>
<b>Period ended June 30, 2023</b>	
Opening net book amount	618.6
Scope changes <sup>(1)</sup>	1,744.2
<b>Closing net book amount As at June 30, 2023</b>	<b>2,362.8</b>
<b>At June 30, 2023</b>	
Cost	2,362.8
<b>Carrying amount As at June 30, 2023</b>	<b>2,362.8</b>

<sup>(1)</sup>See Note 2 for further details.

The acquisition on 22 May, 2023 of 100% of LeasePlan's capital has resulted in the recognition of a provisional goodwill of EUR 1,744.2 million in the Group's consolidated accounts. This is primarily due to its portfolio of products and solutions, the synergies expected from the integration of LeasePlan within ALD (including productivity gains) and the new business opportunities resulting from the current market dynamics (see Note 2 for further details).

As part of the interim condensed consolidated financial statements, and in accordance with the Group accounting policies, no impairment tests on goodwill were performed at 30 June, 2023. Taking into account the strong results of the first semester and after considering the most recent forecasts, no indications of impairment have been identified.

## NOTE 17. OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

(in EUR million)	June 30, 2023	December 31, 2022
Long-term investments	243.9	280.1
Investment in debt securities	308.8	219.1
Investment in equity securities	88.9	18.7
Guarantee deposits	289.9	14.2
Other	8.7	5.6
<b>Total</b>	<b>940.3</b>	<b>537.7</b>

Long-term investments are a resource resulting from the policy of the Group and of its main shareholder, Société Générale, to monitor the Group's interest rate risk through the matching of assets and liabilities by maturity. Available equity is considered as a long term resource which needs to be matched with long-term assets (refer to Interest rate risks management in financial risk management section in the consolidated financial statements for the year ended 31 December, 2022). Equity reinvestments are made in long term amortising deposits within Société Générale in order to remain within the interest rate sensitivity limit set for each entity (variation in the net present value of the future residual fixed rate positions, surplus or deficit, for a 1% parallel increase in the yield curve). These deposits will roll-out in approximately 3.5 years' time and will not be renewed.

Investment in debt securities includes bonds and notes held at fair value (through profit and loss or other comprehensive income) and bonds and notes held at amortised cost.

Investment in equity securities includes the interest in SG Fleet Group and the interest in Constellation Automotive Holdings S.a.r.l.

Please refer to Note 20 Financial Assets and Liabilities for more information on the valuation and related assumptions.

The guarantee deposits mainly include:

- Cash collateral deposited for securitisation transactions
- Cash collateral deposited for derivative financial instruments originates from Credit Support Annexes (CSAs) to International Swaps and Derivatives Association (ISDA) master agreements.

## NOTE 18. RECEIVABLES FROM CLIENTS AND FINANCIAL INSTITUTIONS

This item includes amounts receivable under finance lease contracts and trade receivables mainly related to operating lease, after deduction of allowances for impairment.

Trade receivables represent unpaid, current lease receivables under existing operating lease contracts or receivables related to inventory sales.

(in EUR million)	June 30, 2023	December 31, 2022 <sup>(1)</sup>
Amounts receivable under finance lease contracts	2,250.2	727.2
Provision for impairment of receivables under finance lease contracts	(25.7)	(11.6)
- Of which		
provision for doubtful receivables	(8.6)	(6.0)
provision for sound receivables <sup>(2)</sup>	(17.2)	(5.6)
Amounts receivable from credit institutions <sup>(3)</sup>	1,126.5	1,256.8
Trade receivables	2,109.0	1,327.8
Provision for impairment of trade receivables	(213.5)	(174.6)
- Of which		
provision for doubtful receivables	(191.8)	(151.7)
provision for sound receivables <sup>(2)</sup>	(21.6)	(22.9)
Provision for customer disputes	(21.5)	(19.6)
<b>Total receivables</b>	<b>5,225.0</b>	<b>3,105.9</b>

<sup>(1)</sup> See Note 3.2 for further details

<sup>(2)</sup> Including forward looking provision

<sup>(3)</sup> Mainly towards Société Générale – no impairment provision has been calculated on these receivables due to their inter-group nature. Increase in these receivables relates to excess cash from current accounts deposited with Société Générale.

## Credit risk measurement

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all sound trade and lease receivables. This disclosure should be read in conjunction with the Group's annual financial statements for the year ended 31 December, 2022.

Expected credit losses are reassessed at each reporting date and reflect all reasonable information that is available at the reporting date. Management has reviewed the Group's provision matrix used in determining the expected credit losses, including the revision of the expected loss rates and assessed the potential impairment or write-off of receivables. The Group continues monitoring economic conditions, macroeconomic impacts and other various factors in determining loss rates.

There is a difference in the IFRS 9 provision calculation method between ALD and LeasePlan. ALD follows the trade receivable method, where rates are calculated based on historical statistics by aging categories. LeasePlan follows the banking method based on historical statistics and an adjustment based on probability weighted forward looking macroeconomic scenarios. To establish the forward looking element of IFRS 9 provision, the Group uses macroeconomic data and analysis through local uplifts and PD rates. For newly acquired LeasePlan entities, the forward looking element is calculated based on the macroeconomic information and forecasts from a third party data provider.

Calculation and methodology of IFRS 9 provision in LeasePlan entities will be aligned with the remaining Group within 12 months.

The Group's process and assessment method relating to measuring expected credit losses remain unchanged, apart from the Group's definition of default. Since obtaining financial holding status, the Group has aligned its definition of default to the ECB Regulatory Capital CRR Article 178 definition of default. This change applies to historic ALD entities only as LeasePlan entities are already aligned with the Article 178 definition of default due to holding a banking licence prior to the acquisition.

For purposes of assessing, recognising and reporting defaults, a customer shall be considered to be in default when either one or both of the following events occur:

- the Local entity considers the customer unlikely to pay ('UTP') and/or;
- the customer is past due more than 90 consecutive days on any material credit obligation.

The application of the above guidance is only to the extent of identifying the customers that are in default. There is no change in the method of determining the value of impairment. Where the customer is in default, the whole of the customer balance is classified as doubtful and impairment is based upon the full outstanding amount.

For sound customer receivables, the loss allowance is based on expected lifetime losses from initial recognition of the receivables.

This definition of default has led to an increase in defaulted customers during the second quarter of 2023 resulting in the increase in the IFRS 9 provision by EUR 5.9 million.

The aging analysis of Trade receivables is as follows:

(in EUR million)	June 30, 2023	December 31, 2022
Trade receivables not overdue	1,602.2	916.0
Past due up to 90 days	278.4	226.4
Past due between 90 - 180 days	47.7	27.6
Past due over 180 days	180.7	157.8
<b>Total</b>	<b>2,109.0</b>	<b>1,327.8</b>

## NOTE 19. CASH AND CASH EQUIVALENTS

(in EUR million)	June 30, 2023	December 31, 2022
Cash and balances at central banks	4,164.3	–
Cash at bank and on hand	1,278.4	195.9
Short-term bank deposits	103.6	57.3
<b>Cash and cash equivalents excl. bank overdrafts</b>	<b>5,546.3</b>	<b>253.1</b>
Bank overdrafts	(321.5)	(129.5)
<b>Cash and cash equivalents, net of bank overdrafts</b>	<b>5,224.8</b>	<b>123.6</b>
Cash at bank and short-term bank deposits attributable to disposal group held for sale <sup>(1)</sup>	32.4	92.8
<b>Balance as at June 30, 2023 for the purpose of the statement of cash flows</b>	<b>5,257.1</b>	<b>216.4</b>

<sup>(1)</sup>Relating to ALD assets-held-for-sale only (see Note 10 for further details)

As the Group operates its own insurance and re-insurance program, the cash balance includes funds required for this business.

All cash and balances at central banks are available at call except for the mandatory reserve deposits at the Dutch Central Bank. A monetary policy instrument of the European Central Bank is the minimum reserve requirement, whereby credit institutions in the euro area are obliged to maintain a specified average amount of cash reserves – the so-called minimum reserves – with their respective national banks for successive periods of four to five weeks. The cash reserve requirements serve to create a liquidity shortage in the euro area, so that banks depend on the European Central Bank's liquidity-providing mechanism for their liquidity needs. The mandatory reserve deposits amounting to EUR 106 million (2022: EUR 99 million) form part of 'Cash and balances at central banks'.

The average interest rate on the outstanding cash and balances at central banks is 3.0% (2022: 2.0%).

## NOTE 20. FINANCIAL ASSETS AND LIABILITIES

The table below summarises the Group's financial assets and financial liabilities, of which the derivatives are measured at fair value and the other financial assets and other financial liabilities are measured at amortised cost on the balance sheet as at 30 June, 2023. For all other financial assets and liabilities, the carrying amount is a reasonable approximation of fair value.

## Financial assets

### Financial asset category

As at June 30, 2023 (EUR million)	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Derivative financial instruments in hedge	112.9		112.9		112.9
Derivative financial instruments not in hedge	566.0		566.0		566.0
Investment in equity securities	88.9	81.0		8.0	88.9
Investment in debt securities	223.9	223.9			223.9
<b>Total</b>	<b>991.6</b>	<b>304.8</b>	<b>678.8</b>	<b>8.0</b>	<b>991.6</b>

### Financial asset category

As at December 31, 2022 (EUR million)	Carrying Value	Fair Value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Derivative financial instruments in hedge	82.3		82.3		82.3
Derivative financial instruments not in hedge	46.6		46.6		46.6
Investment in equity securities	18.7	18.7			18.7
Investment in debt securities	219.1	219.1			219.1
<b>Total</b>	<b>366.7</b>	<b>237.8</b>	<b>128.9</b>		<b>366.7</b>

## Financial liabilities

### Financial liability category

As at June 30, 2023 (EUR million)	Carrying Value	Fair Value		Total
		Level 1	Level 2	
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments in hedge	432.7		432.7	432.7
Derivative financial instruments not in hedge	244.1		244.1	244.1
<b>Total</b>	<b>676.9</b>		<b>676.9</b>	<b>676.9</b>

### Financial liability category

As at December 31, 2022 (EUR million)	Carrying Value	Fair Value		Total
		Level 1	Level 2	
<b>Financial liabilities measured at fair value</b>				
Derivative financial instruments in hedge	44.5		44.5	44.5
Derivative financial instruments not in hedge	44.5		44.5	44.5
<b>Total</b>	<b>89.0</b>		<b>89.0</b>	<b>-</b>

## Recognised fair value measurements

There were no transfers between level 1 and 2 for recurring fair value measurements during the 6 months period.

The Group analyses financial assets and liabilities by various valuation methods. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair value of financial assets and liabilities is measured at amortised cost, except for receivables for which fair value is deemed to be the nominal amount.

### Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily cash and cash equivalents and long-term investments (please refer to Note 17 "Other non-current and current financial assets").

### Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value;

- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

### Financial instruments in level 3

This category includes financial instruments whose fair value is determined using a valuation technique for which a significant part of the inputs in terms of the overall valuation are not market observable. Unobservable in this context means that there is little or no current market data available from which to derive a price that an unrelated, informed buyer would purchase the asset or liability at.

The equity securities in Constellation Automotive Holdings S.a.r.l., included in Investments in equity securities, are measured using a level 3 fair value.

In May 2023, LeasePlan transferred part of the shares in Constellation Automotive Holdings S.a.r.l. to Lincoln Financing Holdings Pte. Limited (former shareholder of LeasePlan), reducing the carrying amount of the equity instrument to EUR 7.9 million.

The Group considers not material the carrying amount and the related potential change in the fair value. As of 30 June, 2023, the Group applies the assumption for which the carrying amount is the best approximation of the fair value (EUR 7.9 million).

## NOTE 21. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are measured at fair value and are made up as follows:

(in EUR million)	June 30, 2023			December 31, 2022		
	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
<b>Fair value hedges</b>						
Interest rate swaps	6,305.4	9.2	353.5			
Foreign Exchange swaps	52.0		9.9			
<b>Cash flow hedges</b>						
Interest rate swaps	3,154.2	66.6	0.0	1,630.3	61.6	0.0
Foreign exchange swaps	521.1	37.0	69.4	491.0	20.8	44.5
<b>Total Derivatives in hedge</b>	<b>10,032.7</b>	<b>112.9</b>	<b>432.7</b>	<b>2,121.3</b>	<b>82.3</b>	<b>44.5</b>
Interest rate swaps	26,292.4	392.0	185.8	3,452.9	46.6	44.5
Foreign exchange swaps	5,855.6	173.9	58.4			
<b>Total Derivatives not in hedge</b>	<b>32,148.0</b>	<b>566.0</b>	<b>244.1</b>	<b>3,452.9</b>	<b>46.6</b>	<b>44.5</b>
<b>Total</b>	<b>42,180.7</b>	<b>678.8</b>	<b>676.9</b>	<b>5,574.2</b>	<b>128.9</b>	<b>89.0</b>

(in EUR million)	June 30, 2023	June 30, 2022
Derivatives not in hedges	33.4	(4.5)
Derivatives fair value hedging	(13.5)	
Financial liabilities fair value hedged	12.0	
Hedge ineffectiveness fair value hedges	(1.5)	
Hedge ineffectiveness cash flow hedges	1.2	(0.7)



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Unrealised gains/(losses) on derivative financial instruments	33.1	(5.3)
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## NOTE 22. SHAREHOLDERS' EQUITY

### Share capital and share premium

On 16 December, 2022 ALD successfully completed its capital increase (rights issue) in order to finance cash component of the LeasePlan acquisition in the first semester of 2023.

At 31 December, 2022, the authorised capital amounted to EUR 848.6 million (2021: EUR 606.2 million), divided into 565,745,096 ordinary shares with a nominal value of EUR 1.5 each.

At 31 December, 2022, share premium amounted to EUR 1,328 million (2021: EUR 367 million).

On 22 May, 2023 ALD completed a share issue for 251,215,332 ordinary shares with a nominal value of EUR 1.5 each. This issue represent 30.75% of the total ordinary shares of the Group. The newly created ALD shares were issued to finance the share component of the acquisition of LeasePlan. As required under IFRS 3, the share component is measured based on the fair value of ALD's shares of EUR 11.43 at the Completion Date. Based on this, the share component of the acquisition amounts to EUR 2,871.4 million.

At 30 June, 2023, the authorised capital amounted to EUR 1,225.4 million (2021: EUR 848.6 million), divided into 816,960,428 ordinary shares with a nominal value of EUR 1.5 each.

At 30 June, 2022, share premium amounted to EUR 3,819.4 million (2022: EUR 1,327.9 million).

The holders of the shares are entitled to receive dividend as declared at Annual General Meetings and are entitled to vote per share at meetings of the Company.

### Other equity – warrants

In the context of the acquisition of LeasePlan, ordinary share issue on 22 May, 2023 mentioned above included the issue of 26,310,039 ordinary shares with one for one warrants attached to them. ALD has undertaken to issue such warrants (ABSA) for the benefit of the LeasePlan shareholders.

These warrants are defined as equity instruments under IAS 32 as there is a contract between the holder and the issuer which will be settled solely by the delivery of a fixed number of shares in exchange for a fixed amount of cash. These warrants are measured at fair value of EUR 128.1 million as at 22 May, 2023 and would become exercisable based on the formula set out in the Framework Agreement (see Note 2 for further details).

### Other equity – treasury shares

Following the combined General Meeting held in 2022, 2021, 2020 and 2019, ALD SA was authorised to purchase its own shares for the purposes of attributing, covering and paying off any scheme for the allocation of free shares, employee savings scheme and any other form of allocation to employees and executive directors of the Company or of companies related to it under the conditions set out in applicable

legislative and regulatory provisions, in particular in terms of sharing in the benefits of the Company's expansion, the allocation of free shares, all schemes for employee shareholding and to carry out all hedging operations relating to the said employee shareholding schemes. Treasury shares held by the Group amount to 802,006 shares at 30 June, 2023. Treasury shares do not have any voting rights attached to them.

## AT1 capital

At the closing date of the acquisition of LeasePlan, ALD issued EUR 750 million of the Additional Tier 1 (AT1) and EUR 1,500 million of Tier 2<sup>(1)</sup> debts which were fully subscribed by Société Générale. These debts issues are aimed at having a robust capital position .

AT1 capital qualifies as an equity instrument under IFRS. It is a perpetual deeply subordinated loan agreement with no maturity date fixed, for a maximum principal amount of EUR 750 million repayable only once and with an option of an early repayment 5 years after the signing of the contract. The issuer has the ability to cancel interest payments at its sole discretion. The coupon on this loan is calculated on the basis of a fixed rate of 9.642% per annum.

At 30 June, 2023, the acquired net assets of LeasePlan include AT1 capital for EUR 495 million which were previously issued by LeasePlan Corporation N.V. in 2019. These capital securities also qualify as an equity instrument and are undated, deeply subordinated, resettable and callable. Redemption is discretionary to LeasePlan Corporation N.V. five years after the issue date, unless permitted by applicable banking regulations or on each interest payment date thereafter at their prevailing principal amount, together with unpaid interest. There is a fixed interest coupon of 7.375% per annum.

<sup>(1)</sup>See Note 24 for further details in relation to Tier 2 debt

## NOTE 23. SHARE-BASED PAYMENTS

### Summary of 2023 Long-term incentives

	Plan 11	Plan 12.A	Plan 12.B
Date of Board meeting	March 23,2023	March 23,2023	March 23,2023
Total number of shares granted	395,017	19,123	19,127
Vesting date	March 31, 2026	March 31, 2026	March 31, 2027
Holding period end date	no holding period	September 30, 2026	September 30, 2027
Fair value (in EUR)	8.31	8.31	8.31
Number of employees in the plan	393	6	6

### Summary of 2022 Long-term incentives

	Plan 9	Plan 10.A	Plan 10.B
Date of Board meeting	March 29,2022	March 29,2022	March 29,2022
Total number of shares granted	409,602	12,720	12,723
Vesting date	March 31, 2025	March 31, 2025	March 31, 2026
Holding period end date	no holding period	September 30, 2025	September 30, 2026
Fair value (in EUR)	9.5	9.5	9.5
Number of employees in the plan	374	6	6

### Summary of 2021 Long-term incentives

	Plan 7	Plan 8.A	Plan 8.B
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Date of Board meeting	March 26,2021	March 26,2021	March 26,2021
Total number of shares granted	264,223	9,913	9,914
Vesting date	March 31, 2024	March 31, 2023	March 31, 2024
Holding period end date	no holding period	September 30, 2023	September 30, 2024
Fair value (in EUR)	10.72	11.44	10.72
Number of employees in the plan	280	5	5

### Summary of 2020 Long-term incentives

	Plan 5	Plan 6.A	Plan 6.B
Date of Board meeting	March 27,2020	March 27,2020	March 27,2020
Total number of shares granted	353,281	17,316	17,319
Vesting date	March 31, 2023	March 31, 2022	March 31, 2023
Holding period end date	no holding period	September 30, 2022	September 30, 2023
Fair value (in EUR)	7.25	7.75	7.25
Number of employees in the plan	264	5	5

Vesting conditions are based on the Group's profitability, as measured by the average Group Net Income over the 4, 3 or 2 years of the vesting period. The Group Net Income corresponds to the published Group Net Income.

At 30 June, 2023, 765 employees (600 employees as at 31 December, 2022) benefit from the long-term incentives plans granted by ALD SA.

### Expenses recorded in the income statement

(in EUR Million)	June 30, 2023	June 30, 2022
Net expenses from free share ALD plans	(1.1)	(1.4)

### Cash settled share based payments

In LeasePlan, there is variable remuneration. The maximum amount is capped at 50% of fixed remuneration for employees and 20% for employees who work for the Dutch operating entity.

Variable remuneration for senior management consists of cash (50%) and non-cash elements (50%), i.e. PSUs. 50% of the variable remuneration of senior management is paid upfront and 50% of the variable remuneration is deferred for a period of four years, whereby every year one-fourth vests. The Managing Board has a deferral period of five years and 60% is deferred. PSUs have a retention period of one year after vesting.

The expense during the six months period ended 30 June, 2023 is included in the "Staff expenses" and is not material to the Group.

## NOTE 24. BORROWINGS FROM FINANCIAL INSTITUTIONS, BONDS AND NOTES ISSUED

(in EUR million)	June 30, 2023	December 31, 2022
Bank borrowings	12,249.8	10,613.1
Tier 2 subordinated debt	1,500.0	–
<b>Non-current borrowings from financial institutions</b>	<b>13,749.8</b>	<b>10,613.1</b>
Bank overdrafts	321.5	129.5
Bank borrowings	5,408.9	3,828.5
Tier 2 subordinated debt	11.3	–
<b>Current borrowings from financial institutions</b>	<b>5,741.7</b>	<b>3,958.0</b>
<b>Total borrowings from financial institutions</b>	<b>19,491.5</b>	<b>14,571.1</b>
Bonds and notes-originated from securitisation transactions	3,342.0	1,123.4
Bonds and notes-originated from EMTN and other programmes	8,366.3	2,450.0
Bonds and notes - fair value adjustment	(292.5)	–
<b>Non-current bonds and notes issued</b>	<b>11,415.7</b>	<b>3,573.4</b>
Bonds and notes-originated from securitisation transactions	1,280.9	603.7
Bonds and notes-originated from EMTN and other programmes	3,462.8	1,126.3
Bonds and notes - fair value adjustment	(24.5)	–
<b>Current bonds and notes issued</b>	<b>4,719.1</b>	<b>1,729.9</b>
<b>Total bonds and notes issued</b>	<b>16,134.8</b>	<b>5,303.4</b>
<b>Total borrowings from financial institutions and bonds</b>	<b>35,626.3</b>	<b>19,874.5</b>
<b>Deposits<sup>(1)</sup></b>	<b>11,448.5</b>	<b>–</b>
<b>Total financial debt</b>	<b>47,074.7</b>	<b>19,874.5</b>

<sup>(1)</sup>See Note 25 for further details

### Société Générale funding

Following an increase in external funding and acquisition of LeasePlan, the funding raised through Société Générale has decreased to 32.9 % as at 30 June, 2023 (69.0% as at 31 December, 2022).

Most of the funding provided by the SG group is granted through Société Générale Luxembourg and Société Générale Paris. SG Luxembourg and SG Paris fund ALD Group Central Treasury which then grants loans in different currencies to 27 ALD subsidiaries as well as to the holding companies. The total amount of loans granted by SG Luxembourg and Société Générale Paris amounted to EUR 14,045 million at 30 June, 2023 (12,158 million at 31 December, 2022) with an average maturity of 2 years excluding maturity of the subordinated debt (see below).

The remaining SG funding is provided either by local SG branches or subsidiaries. As at 30 June, 2023 the total amount of loans granted to the Group by Société Générale, including local branches and subsidiaries, was EUR 15,467 million (EUR 13,711 million as at 31 December, 2022).

At the closing date of the acquisition of LeasePlan, ALD issued EUR 750 million of Tier 1 and EUR 1,500 million of Tier 2 debt which was fully subscribed by Société Générale. These debts issues are aimed at having a robust capital position.

Included in SG funding is Tier 2 subordinated debt which has been issued at a variable rate of (Euribor 3-month) 3.36% and has a 10 year maturity with a non-cancellable period of 5 years. As the instrument qualifies as a debt instrument measured at amortised cost, interest is accounted for using the effective interest rate method. Debt issue costs were deducted from the initial fair value of the liability. Tier 2 subordinated debt has been partially used to fund the acquisition of LeasePlan (EUR 615.5 million).

Tier 1 subordinated debt (AT1 capital) qualifies as an equity instrument under IFRS. For further information on Tier 1 debt. See note 22 for further details.

## External funding

Local external banks and third parties provide 67.1% of total funding, representing EUR 20,160 million at 30 June, 2023 (31.0% and EUR 6,164 million at 31 December, 2022).

An amount of EUR 4,024 million or 8.6% of total funding is provided by external banks (EUR 4,018 million including loans granted to disposal groups held for sale). The residual external funding EUR 16,135 million has been raised through asset-backed securitisations and unsecured bonds (9.8% and 24.5% respectively of the total funding).

Included within this amount are loans granted by the European Investment Bank of EUR 250 million in September 2019 and EUR 300 million in April 2023. This will enable the Group to develop its range of hybrid and electric vehicles across the EU, particularly in France, Germany, Italy, Spain, Belgium and the Netherlands.

Deposits represent 24.3% of the total funding. See note 25 for further details.

## Maturity of borrowings

(in EUR million)	June 30, 2023	December 31, 2022
Less than 1 year	5,741.7	3,958.0
1-5 years	11,960.7	10,456.3
Over 5 years	1,789.1	156.8
<b>Total borrowings</b>	<b>19,491.5</b>	<b>14,571.0</b>

## Currencies of borrowings

The carrying amounts of the Group's borrowings are denominated in the following currencies:

(in EUR million)	June 30, 2023	December 31, 2022
Euro	13,953.2	9,852.4
UK Pound	2,217.0	2,153.0
Danish Krone	546.1	455.8
Swedish Krona	440.9	349.7
Norwegian Krona	285.7	–
Turkish Lira	6.8	–
Other currencies	2,041.7	1,760.0
<b>Total borrowings</b>	<b>19,491.5</b>	<b>14,571.0</b>

## Maturity of bonds – EMTN and other programmes

(in EUR million)	June 30, 2023	December 31, 2022
Less than 1 year	3,438.2	1,126.3
1-5 years	8,013.6	2,450.0
Over 5 years	60.1	–
<b>Total bonds</b>	<b>11,512.0</b>	<b>3,576.3</b>

## Currencies of bonds – EMTN and other programmes

The carrying amounts of the Group's bonds are denominated in the following currencies:

(in EUR million)	June 30, 2023	December 31, 2022
Euro	10,270.9	3,576.3
Swedish Krona	415.4	–
Norwegian Krona	59.8	–
Other currencies	765.9	–
<b>Total bonds</b>	<b>11,512.0</b>	<b>3,576.3</b>

A number of fixed rate bonds are included in a fair value hedge whereby the bonds (hedged items) are measured at amortised cost and are constantly being adjusted for gains/losses attributable to the risk being hedged. This adjustment is recognised in the statement of profit or loss, where it offsets (to a large extent) the remeasurement of the fair value of the hedging instruments that is also recognised in the statement of profit or loss.

## **Bonds and notes-originated from securitisation transactions (Asset-backed borrowing)**

The following debt securities are currently issued:

Programme and special purpose company	Deal type	Country	Currency	Amount <sup>(1)</sup>	Set up / Renewal date
ALD Funding Limited	Private	UK	GBP	414 million	Dec-21
Axus Finance NL B	Private	Netherlands	EUR	500 million	Jun-23
Axus Finance SPRL	Private	Belgium	EUR	400 million	Jun-22
Red & Black Auto Lease Germany SA, compartment 3	Public	Germany	EUR	43 million	Oct-20
FCT Red & Black Auto Lease France 1	Public	France	EUR	726 million	Jun-23
Bumper BE NV/SA No. 01	Public	Belgium	EUR	382 million	Oct-21
Bumper FR 2022-1 FCT	Public	France	EUR	473 million	Apr-22
Bumper DE S.A. 2019-1	Public	Germany	EUR	16 million	Oct-19
Bumper NL 2020-1 B.V.	Public	Netherlands	EUR	173 million	Jun-20
Bumper NL 2022-1 B.V.	Private	Netherlands	EUR	750 million	Oct-22
Bumper UK 2021-1 Finance PLC	Public	UK	GBP	180 million	Mar-21
Bumper DE S.A. 2023-1	Public	Germany	GBP	500 million	Feb-23

<sup>(1)</sup> Transaction outstanding amount at June 30, 2023

### Maturity of bonds and notes-originated from securitisation transactions

The maturity of the asset-backed securitisation programmes is as follows:

(in EUR million)	June 30, 2023	December 31, 2022
Less than 1 year	1,280.9	603.7
1-5 years	3,342.0	1,079.2
Over 5 years	–	44.2
<b>Total securitisation programme</b>	<b>4,622.8</b>	<b>1,727.1</b>

### Currencies of bonds and notes-originated from securitisation transactions

The carrying amounts of the Group's asset-backed securitisation programmes are denominated in the following currencies:

(in EUR million)	June 30, 2023	December 31, 2022
Euro	3,961.2	1,260.4
UK Pound	661.7	466.7
<b>Total securitisation programme</b>	<b>4,622.8</b>	<b>1,727.1</b>

### Transferred assets and associated liabilities

Securitisation programmes involve the sale of future lease instalment receivables and, in some cases, related residual value receivables originated by various ALD subsidiaries to special purpose companies which are included in the consolidated financial statements of the Group. Debt securities were issued by these special purpose companies to finance these transactions. The special purpose companies are responsible for making interest and principal payments to the note holders. ALD continues to retain substantially all of the risks and rewards of the lease receivables as in all asset-backed securitisation programmes they subscribed to the first class of notes which will result in ALD bearing any realised losses. Therefore, ALD continues to recognise the transferred lease assets in their entirety.

(in EUR million)	Receivables from clients (finance and operating leases)	Cash collateral deposited	Total
<b>At June 30, 2023</b>			
Carrying amount of transferred assets	6,546.1	75.7	6,621.8
Carrying amount of associated liabilities <sup>(1)</sup>			(4,622.8)
<b>Net carrying amount position</b>			<b>1,998.9</b>
Fair value of transferred assets	6,800.0	75.7	6,875.7
Fair value of associated liabilities <sup>(1)</sup>			(4,622.8)
<b>Net fair value position as at December 31, 2023</b>			<b>2,252.8</b>
<b>At December 31, 2022</b>			
Carrying amount of transferred assets	2,182.6	23.3	2,205.9
Carrying amount of associated liabilities <sup>(1)</sup>			(1,727.1)
<b>Net carrying amount position</b>			<b>478.8</b>

Fair value of transferred assets	2,334.3	23.3	2,357.6
Fair value of associated liabilities <sup>(1)</sup>			(1,727.1)
<b>Net fair value position as at December 31, 2022</b>			<b>630.5</b>

<sup>(1)</sup> Bonds and notes originated from asset-backed securitisation transactions

### Undrawn borrowing facilities

At 30 June, 2023 the Group has undrawn borrowing facilities of EUR 4.4 billion (EUR 2.6 billion at 31 December, 2022) of which EUR 613 million are committed undrawn borrowing facilities. Providing there is a market liquidity, these facilities are readily available to the Group entities.

### Guarantees given

A guarantee at first demand has been granted to a British Financial institution for an amount of GBP 96 million on behalf of ALD Automotive UK, under the conditions negotiated in the frame of the distribution agreement concluded with this financial institution.

A guarantee at first demand has been granted to ING Luxembourg for an amount of EUR 52 million on behalf of Axus Luxembourg SA, under the condition negotiated in the frame of the distribution agreement concluded with this financial institution.

The Group has issued guarantees to the total value of EUR 380 million of which EUR 379 million is related to residual value guarantees issued to clients.

## NOTE 25. DEPOSITS

This includes non-subordinated loans from banks and savings deposits.

The maturity analysis of these deposits is as follows:

(in EUR million)	June 30, 2023	December 31, 2022
Deposits <sup>(1)</sup>	11,416.7	-
Payables related to deposits	31.8	-
<b>Total</b>	<b>11,448.5</b>	<b>-</b>
<i>of which:</i>		
Less than 1 year	7,307.9	-
1 - 5 years	4,020.9	-
Over 5 years	119.7	-

<sup>(1)</sup> Including EUR 92 million of deposits from self-funded clients

This caption shows saving deposits raised by LeasePlan Bank amounts to EUR 11.4 billion of which 31.7% (31.6% at 31 December, 2022) is deposited for a fixed term. LeasePlan Bank is the brand name under which savings deposits are raised by LeasePlan Corporation N.V. which holds a banking licence in the Netherlands. LeasePlan Bank also operates on the German savings deposit market with a cross border offering from the Netherlands.



The average interest rates on the outstanding balances of the fixed term savings deposits in original maturity terms are as follows:

	June 30, 2023	December 31, 2022
Less than 1 year	1.75%	–
1 - 5 years	1.01%	–

The interest of the on demand accounts is set monthly.

## NOTE 26. TRADE AND OTHER PAYABLES

(in EUR million)	June 30, 2023	December 31, 2022 <sup>(1)</sup>
Trade payables <sup>(1)</sup>	2,606.6	1,045.8
Deferred leasing income	732.2	363.7
Other accruals and other deferred income <sup>(1)</sup>	1,019.2	611.5
Advance lease instalments received	717.6	448.3
Accruals for contract settlements	493.7	214.9
VAT and other taxes	297.3	243.6
Guarantees received	152.2	0.4
Other	1.4	0.7
<b>Trade and other payables</b>	<b>6,019.9</b>	<b>2,928.6</b>

<sup>(1)</sup>See Note 3.2 for further details

## NOTE 27. EARNINGS PER SHARE

On 16 December, 2022, ALD successfully completed its capital increase with preferential subscription rights for an amount (including issue premium) of approximately EUR 1.2 billion. The final gross proceeds of the rights issue, including the issue premium, amount to approximately EUR 1.2 billion, corresponding to the issuance of 161,641,456 new shares with a par value of EUR 1.5 at a subscription price of EUR 7.5 per share. Following the settlement and delivery of the rights issue, the share capital of ALD comprised of 565,745,096 shares with a nominal value of EUR 1.5 each as at 31 December, 2022.

Weighted average number of shares for the year 2022 has been restated to include effect of the bonus element which represents number of shares in the rights issue deemed to be issued without consideration.

On 22 May, 2023 ALD completed a share issue for 251,215,332 ordinary shares with a nominal value of EUR 1.5 each. Included in this issue are the shares with warrants attached to them (see Note 2 and 22 for further details).

At 30 June, 2023, the share capital of ALD comprised of 816,960,428 shares with a nominal value of EUR 1.5 each.

The Group is authorised to purchase its own shares for the purposes of attributing, covering and paying off any scheme for the allocation of free shares, employee savings scheme and any other form of allocation to employees and executive directors of the Company or of companies related to it under the conditions set out in applicable legislative and regulatory provisions. Total number of shares making up current share capital 816,960,428. As at 30 June, 2023 total number of shares to which voting rights are attached, excluding shares without voting rights (treasury shares, etc.) is 815,705,590.

Rights to free ordinary shares granted to employees will be settled with treasury shares under the long-term incentives employee plans. Treasury shares are included in the calculation of diluted earnings per share assuming all outstanding rights will vest.

### Basic earnings per share

(in EUR million)	As at June 30,	
	2023	Restated 2022
Net income Group share (in EUR million)	553.6	612.8
Result after tax from discontinued operations	91.3	–
<b>Net income from continuing operations Group share (in EUR million)</b>	<b>644.9</b>	<b>612.8</b>
Weighted average number of ordinary shares with voting rights (in thousands)	606,427	441,859
<b>Total basic earnings per share from continuing operations (in cents)</b>	<b>1.06</b>	<b>1.39</b>
Net income Group share (in EUR million)	553.6	612.8
Weighted average number of ordinary shares with voting rights (in thousands)	606,427	441,859
<b>Total basic earnings per share (in cents)</b>	<b>0.91</b>	<b>1.39</b>

### Diluted earnings per share

(in EUR million)	As at June 30,	
	2023	Restated 2022
Net income from continuing operations Group share (in EUR million)	644.9	612.8
Weighted average number of ordinary shares (in thousands)	611,110	442,935
<b>Total diluted earnings per share from continuing operations (in cents)</b>	<b>1.06</b>	<b>1.38</b>
Net income Group share (in EUR million)	553.6	612.8
Weighted average number of ordinary shares (in thousands)	611,110	442,935
<b>Total diluted earnings per share (in cents)</b>	<b>0.91</b>	<b>1.38</b>

## NOTE 28. RELATED PARTIES

Related party transactions relate mainly to transactions with companies of the Société Générale Group ("SG"), the Group majority shareholder, and transactions with companies of TDR Capital as a result of the acquisition of LeasePlan (see Note 2 for further details). There was no material change in the first six months period of 2023 in the nature of the transactions conducted by the group with related parties from those at 31 December, 2022 which were referred to in the note 36 "Related Parties" of the consolidated financial statements for the year ended 31 December, 2022. All business relations with Société Générale Group are handled at normal market conditions.

### Sales of goods and services

Société Générale ("SG") and its subsidiaries are customers of the Group. Rentals have been priced at normal market conditions. More than 61% of the total fleet leased to SG Group is leased by ALD France. Rental paid by SG Group to ALD France accounts for EUR 9.5 million in the six months period ended 30 June, 2023 (EUR 9.9 million in the six months period ended 30 June, 2022).

TDR Capital has a controlling interest in Constellation Automotive Group, which had a controlling interest in British Car Auction (BCA) and CN Group B.V.. The Group sells ex-lease vehicles on an arm's length basis under a long term service agreement. The result of transactions with Constellation Automotive Holdings for the six months period ended 30 June, 2023 is not material at Group's level. The amount of accounts receivables outstanding with Constellation Automotive Holdings is EUR 0.3 million as at 30 June, 2023 (EUR 3.9 million as at 31 December, 2022).

### Purchases of goods and services

#### Information Technology ("IT") Services

The overall amount of IT services subcontracted to SG and its subsidiaries amounts to EUR 4.6 million in the six months period ended 30 June, 2023 (EUR 11.2 million in the six months period ended 30 June, 2022).

#### Premises

Some Group entities share premises with SG or with SG business divisions in some countries (mainly ALD France and ALD Denmark which represent around 97% of the total rentals paid to SG). Rentals have been priced at arm's length and amounted to EUR 0.4 million in the six months period ended 30 June, 2023 (EUR 0.2 million in the six months ended 30 June, 2022) for ALD France and ALD Denmark.

#### Brokerage

The rental contract brokerage's commission paid to SG by ALD France represented EUR 1.4 million for the six months period ended 30 June, 2023 (EUR 1.6 million for the six months period ended 30 June, 2022).

### Third Party Liabilities (TPL) Insurance policy

The overall amount of insurance premium paid by ALD Italy to Sogessur in the course of a Third Party Liabilities (TPL) insurance policy amounted to EUR 24.6 million in the six months period ending 30 June, 2023 (EUR 27.6 million in the six months period ending 30 June, 2022).

### Corporate services

Corporate services provided by Société Générale have been subject to compensation of EUR 4.8 million (estimated) for the six months period ended 30 June, 2023 (EUR 3.8 million for the six months ended 30 June, 2022).

### **Loans with related parties**

Société Générale and its affiliates provide the Group with funding either through ALD Treasury centre or directly to ALD subsidiaries at a market rate. 32.9% of the Group's funding was provided through SG representing EUR 15,467 million as at 30 June, 2023 (69% representing EUR 13,711 as at 31 December, 2022).

Société Générale provides also bank guarantees on behalf of the Group and its subsidiaries in case of external funding. Overall guarantees released by SG Group amounted up to EUR 1,645.5 million as of 30 June, 2023 (EUR 1,569.5 million as at 31 December, 2022).

Société Générale also provides the Group with derivatives instruments which have a nominal amount of EUR 4,909.9 million, and are represented on the balance sheet for a total amount of EUR 165.8 million in assets and EUR 69.3 million in liabilities.

The Group has long-term cash deposits with SG for a total of EUR 243.9 million as at 30 June, 2023 (EUR 269.6 million as at 31 December, 2022). These deposits will roll-out in approximately 3.5 years' time and will not be renewed.

All business relations with investments accounted for using the equity method are in the ordinary course of business and are handled on normal market terms. As at 30 June, 2023, an amount of EUR 76.5 million is provided as loans to investments accounted for using the equity method.

### **NOTE 29. EVENTS AFTER THE REPORTING PERIOD**

The disposal of ALD's subsidiaries in Ireland, Portugal and Norway (except NF Fleet Norway), as well as LeasePlan's subsidiaries in Luxembourg, Finland and the Czech Republic, to Credit Agricole Consumer Finance and Stellantis was completed on 1 August 2023.