Press release

Paris, 06 January 2022

ALD PROPOSED ACQUISITION OF LEASEPLAN
Creation of a leading global player in mobility

- ALD ANNOUNCES THE SIGNING OF A MEMORANDUM OF UNDERSTANDING TO ACQUIRE 100% OF LEASEPLAN FROM A CONSORTIUM LED BY TDR CAPITAL
- THE PROPOSED ACQUISITION OF LEASEPLAN FOR A TOTAL CONSIDERATION OF EUR 4.9 BILLION[1] WOULD BE MADE THROUGH A COMBINATION OF CASH AND SHARES
- AT CLOSING, EXPECTED BY END 2022, SOCIETE GENERALE WOULD OWN C. 53% OF "NewALD", LEASEPLAN SHAREHOLDERS HOLDING 30.75%[2]. THE VALUE OF NewALD'S FREE FLOAT WOULD BE SIGNIFICANTLY HIGHER THAN PRE-CLOSING
- SOCIETE GENERALE WOULD COMMIT TO REMAIN THE LONG-TERM MAJORITY SHAREHOLDER OF NewALD
- NewALD WOULD CREATE A LEADING GLOBAL MOBILITY PLAYER, STRONGLY POSITIONED TO LEAD THE DIGITAL TRANSFORMATION OF THE INDUSTRY AND CAPTURE MOBILITY SECTOR GROWTH
- NewALD WOULD GENERATE SIGNIFICANT VALUE FOR SHAREHOLDERS, THANKS TO SCALE EFFECTS AND SYNERGIES

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1 Based on EUR 12.12 per share for ALD (VWAP on Euronext between 28 Sept 21 and 27 Oct 21, date of publication of press release after market close confirming discussions concerning a potential combination) and excluding warrants

2 With 12-month lock-up. Potentially to increase by a further c.2% following the exercise of warrants, on a fully diluted basis.

LeasePlan is one of the leading fleet management and mobility companies in the world by fleet size (total fleet of 1.8 million[3] vehicles), with a global and extensive offering making it the perfect fit for ALD to shape the industry's transformation.

The proposed combination of ALD and LeasePlan into NewALD is expected to be highly synergetic and create an opportunity to cross-leverage the two companies' complementary capabilities. As a leading global player in mobility worldwide, NewALD would be able to benefit from a fast-growing market driven by strong underlying megatrends, including the:

- Shift from ownership to usership on all fronts: B2B, B2C and even B2E[4]
- Data-driven digital transformation of the mobility industry
- Transition towards zero-emission and sustainable mobility

This transformative deal would be a step-change that would position NewALD for long term fleet growth of at least 6% p.a. post integration. NewALD would target an improvement in cost to income ratio[5] to c. 45% by 2025, confirming its position as best-in-class in the industry. The transaction is expected to generate operational and procurement synergies of EUR 380 million p.a. before tax.

It is expected to provide attractive returns and significant value creation for investors. Considering the benefits of fully phased synergies and excluding restructuring costs, the pro-forma accretion of normalized earnings per share[6] should be c.20% in 2023. Mid-term, NewALD's dividend pay-out ratio is expected to remain between 50% and 60% until 2025.

Tim Albertsen, Chief Executive Officer of ALD, commented:

"Today marks the beginning of a new chapter in our history as a first step towards creating NewALD. In the context of today's transformation of the automotive and mobility sectors, which is proceeding at an unprecedented pace, this proposed transaction is instrumental in the creation of a leading global player in mobility. By combining the multiple strengths of ALD and LeasePlan, gaining size, joining forces in digital and creating a leading provider of sustainable mobility solutions, we would transform our industry and be best positioned to deliver even better solutions and value propositions to our enlarged client base. This transaction would create multiple opportunities to the joint management teams and talents of both companies, across geographies, underpin our focus on

[3] Excluding LeasePlan Australia and LeasePlan New Zealand, which were sold to SG Fleet as per 1 September 2021
[4] B2E is Business to Employee
[5] Computed as: Total overheads/Gross margin (excluding used car sales result and cost of risk)
[6] Computed based on ALD consensus net income group share as of 27 October 2021 (net income of EUR 623m), at constant perimeter, including fully-phased run-rate synergies and excluding restructuring costs. NewALD standalone EPS adjusted for capital increase compared to ALD's expected EPS

sustainability with a clear path to zero emissions mobility and not least deliver strong shareholder returns over the cycles. We are all very excited about the prospect of being part of this new venture."

Tex Gunning, Chief Executive Officer of LeasePlan, commented:

"The combined business would be instrumental in moving the automotive industry from ownership to subscription models and zero-emission mobility. By joining forces with ALD, we combine the best talents in the industry with the investment power needed to meet the next generation mobility needs of our customers. From day one, NewALD would be operating one of the largest fleets of electric vehicles and will continue to set the standard for ESG in the mobility industry. I am very proud of all LeasePlanners for bringing our business to where it is today. We are looking forward to working with the excellent team at ALD and taking our combined business into the exciting future of mobility."

Strategic rationale of the envisaged transaction

This proposed transformative deal would represent a step-change towards creating a leading mobility player worldwide. The increased **size** of NewALD would provide it with key advantages: a global offering and coverage of all client categories, increased breadth in terms of products and services, and a balanced geographic coverage. These would enable NewALD to anticipate future market needs and meet client expectations with industry-leading operating efficiency and optimised procurement.

NewALD would be ideally positioned to embrace the mobility sector's global growth megatrends and lead the **digital** transformation of the industry. By creating a fully digital business model it would be able to compete on service and cost with OEM captives and tech players entering the market, to capture the accelerated growth ahead. NewALD's enhanced firepower to invest and develop new mobility products and ancillary services would allow it to build new digital business models based on core value chain competencies and state-of-the-art digital solutions across segments, products, and services.

Thanks to this proposed transaction NewALD would become a leading global provider of **sustainable** mobility solutions and the partner of choice for corporates to support the transition towards Electric Vehicles (EV). By establishing new global partnerships around new services for EV, NewALD would accelerate the deployment of multi-cycle, flexible and multi-modality solutions and ensure faster time-to-market for innovative sustainable mobility solutions. As a result, NewALD expects to go beyond ALD's current sustainability targets to establish true industry leadership on ESG[7] investor criteria.

Both ALD and LeasePlan have a proven ability to bring innovative digital solutions to market, so NewALD would be well-placed to grasp new **growth** opportunities in the mobility sector. This would be further boosted by cross-selling their respective products and developing ALD's partnerships through LeasePlan's footprint. Powered by its enlarged offering, geographic presence, and extensive digital capabilities, NewALD would expect to drive strong growth across all client categories and lift annual fleet growth to at least 6.0% post-integration.

Delivering value to ALD shareholders

The highly synergetic nature of this proposed combination and the complementary capabilities of ALD and LeasePlan would generate significant value for ALD's shareholders.

NewALD would target a **Cost/Income ratio**[8] of c. 45% by 2025, a strong improvement compared to the pro forma 53%[9] level in 9M 2021 of the two companies, and also better than ALD's *Move 2025* target of 46-48% for 2025. This demonstrates the strong positive jaws effect from the step-change in size of the new company. This best-in-class efficiency in the industry would further boost the company's resilience through the cycle.

Scale effects and cost synergies would underpin this improvement in efficiency. Annual run-rate procurement and cost **synergies** are estimated at c. EUR 380 million before tax and would be expected to fully materialize by 2025. Procurement optimisation would contribute a substantial part of this, through synergies on vehicles & tyres spend and savings in services and indirect expenditure. The remainder would come from other cost synergies. Restructuring costs, estimated at c. 1.25 times the annual run-rate synergies before tax, are expected to be incurred in 2023 and 2024.

As a result, this proposed transaction is expected to be highly **accretive** for ALD shareholders. Calculated on a pro forma basis, NewALD's EPS[10] for 2023 should improve by c.20%. NewALD is expected to deliver highly compelling value to investors in the mid-term due to strong long-term

[7] Environment, Social, Governance

[8] Computed as: Total overheads/Gross margin (excluding used car sales result and cost of risk) for ALD and LeasePlan

[9] ALD at 48%. LeasePlan at 58%, restated to exclude cost of risk

[10] Earnings per share. Computed based on ALD consensus net income group share as of 27 October 2021 (net income of EUR 623m), at constant perimeter, including fully-phased run-rate synergies and excluding restructuring costs. NewALD standalone EPS adjusted for capital increase compared to ALD's expected EPS

fleet growth and operating leverage coupled with attractive returns, supported by a high dividend pay-out ratio.

Robust balance sheet and strong capital position

NewALD would aim to have a **robust capital position**. Strong solvency and profitability at closing would secure funding for future growth while maintaining a 50-60% pay-out ratio.

LeasePlan currently has a banking license, allowing it to raise deposits under the Dutch deposit guarantee scheme, and it is regulated by the ECB. NewALD would maintain this access to deposits and apply to the ECB for regulated status as a **Financial Holding Company**. As a regulated institution, NewALD would target a c. 13% CET1[11] ratio and a Total Capital Ratio of 15-16%. The transaction would use EUR 0.7Bn of capital surplus[12] in ALD to part fund the acquisition of LeasePlan, including with hybrid capital/Tier 2 debt, without fundamentally changing ALD's historical capitalisation level.

The **credit rating** of NewALD is expected to be at least in line with ALD's current investment grade ratings (BBB from S&P and BBB+ from Fitch). NewALD would benefit from a **diversified funding profile**, combining strong support from Societe Generale (providing c. 30% of its funding needs), deposits (c. 25%) and market funding (loans c. 10%, bonds c. 25% and securitizations c. 10%). Both ALD and LeasePlan are established issuers in financial markets, including via Green bonds and securitizations, and market access of NewALD would be expected to benefit from its regulated status and strong ratings.

ALD, as a subsidiary of Societe Generale, has in recent years increasingly become subject to tighter compliance and reporting requirements, meaning related additional costs in this area are expected to be limited.

Integration

Completing the integration effectively and within a **short time frame** from closing would enable the efficient generation of scale effects and synergies. Management's main objectives would be to leverage best practices from both sides, maintain high quality of services to all clients with a strong focus on commercial dynamics and the creation of a common culture driving staff motivation.

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[11] Common equity Tier 1

[12] Cash leg funding mix (rights issue / surplus capital) subject to potential minor adjustments; Surplus capital corresponding to estimated excess capital at ALD standalone level, over the 13.0% target CET1 ratio

To achieve a successful integration, an **Integration Management Office** (IMO) would be set up in 2022, leveraging the best talents of the two entities, which would finalise a joint migration plan. NewALD would adopt an appropriate, pragmatic, and efficient integration strategy, built on a two-stage process:

- An interim period with a tactical approach focused on completing integration in the top 12 countries within c. 18 months from closing.
- The progressive move from the interim operating model towards the digital target operating model.

NewALD would be led by **Tim Albertsen, as CEO**, who would be able to rely on two highly experienced management teams with deep pools of talent and a proven track-record of fast merger execution (13 bolt-on acquisitions performed by ALD since 2014) and successful technology integrations over the past years.

Key transaction terms

- Price: Acquisition of 100% of LeasePlan for a total consideration of EUR 4.9 billion[13]
    - Transaction based on LP Group B.V. book value of EUR 3.5[14] billion at closing
- Cash component: EUR 2.0 billion to be financed via a rights issue of EUR 1.3 billion and EUR 0.7 billion of surplus capital[14]
    - Rights issue underwritten by Societe Generale to occur before the completion of the proposed transaction
    - Take up enabling Societe Generale to hold c. 53%[15] in the combined entity at closing and ownership of c. 51% in case of warrants exercise
- Share component: 30.75% of combined entity share capital (12 months lock-up, followed by a 24 month period with orderly sale provision)
    - LeasePlan's selling shareholders would together hold 30.75% of NewALD after rights issue completion and combination
- ALD to issue warrants to the benefit of the LeasePlan's shareholders (total stake of 32.9% in case of warrants exercise)
    - Warrant characteristics: EUR 2.00 strike price per share, 1 NewALD share for 1 warrant

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[13] Based on EUR 12.12 per share for ALD (VWAP on Euronext between 28 Sept 21 and 27 Oct 21, date of publication of press release after market close confirming discussions concerning a potential combination) and excluding warrants
[14] Cash leg funding mix (rights issue / surplus capital) and LP Group B.V. book value at closing subject to potential minor adjustments; Surplus capital corresponding to estimated excess capital at ALD standalone level, over the 13.0% target CET1 ratio
[15] Before warrants exercise

- Exercise: between 1 to 3 years after closing, warrants become exercisable if NewALD's fully undisturbed share price (adjusted for the contemplated rights issue) increases by at least 30%
- Execution of a shareholders' agreement between certain LeasePlan shareholders and Societe Generale (and lock-up agreements with other LeasePlan shareholders)
- Post-closing, the free float of NewALD would exceed 15%, implying a significant increase in free float market value.

The proposed transaction has received the support of Societe Generale's, ALD's and LeasePlan's Boards of Directors, as well as LeasePlan's Supervisory Board, and is subject to information and consultation of relevant works councils. The closing of the transaction is subject to customary closing conditions. The main closing conditions are (i) the regulatory and antitrust approvals, (ii) the waiver by the AMF to the obligation to file a tender offer on ALD granted to the LeasePlan' shareholders (iii) the shareholders meeting of ALD, (iv) the distribution by LeasePlan of its excess capital and (v) the delivery by each of ALD an LeasePlan of a pre-agreed book value at closing allowing the combined entity to reach a CET1 level of c. 13%. The proposed transaction would be expected to close by end of 2022.

Conference call for investors and analysts

Date: 06 January 2022 at 8.45-10.00 am Paris time, 7.45-9.00 am London time
Speakers: Tim Albertsen, CEO; John Saffrett, deputy CEO; and Gilles Momper, CFO

Connection details:

- Webcast: https://channel.royalcast.com/landingpage/ald/20220106_1/
- Conference call:
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  - UK-Wide: +44 (0) 33 0551 0200
  - USA: +1 212 999 6659
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About ALD

ALD is a global leader in mobility solutions providing full service leasing and fleet management services across 43 countries to a client base of large corporates, SMEs, professionals and private individuals. A leader in its industry, ALD places sustainable mobility at the heart of its strategy, delivering innovative mobility solutions and technology-enabled services to its clients, helping them focus on their everyday business.
With 6,700 employees around the globe, ALD manages 1.68 million vehicles (at end-September 2021).
ALD is listed on Compartment A of Euronext Paris (ISIN: FR0013258662; Ticker: ALD). Societe Generale is ALD's majority shareholder.

This document contains forward-looking statements relating to the targets and strategies of ALD SA (the "Company") and its subsidiaries (together with the Company, the "Group"). These forward-looking statements are based on a series of assumptions, both general and specific, in particular the application of accounting principles and methods in accordance with IFRS (International Financial Reporting Standards) as adopted in the European Union. These forward-looking statements have also been developed from scenarios based on a number of economic assumptions in the context of a given competitive and regulatory environment. The Group may be unable to: - anticipate all the risks, uncertainties or other factors likely to affect its business and to appraise their potential consequences; - evaluate the extent to which the occurrence of a risk or a combination of risks could cause actual results to differ materially from those provided in this document and the related presentation. Therefore, although the Company believes that these statements are based on reasonable assumptions, these forward-looking statements are subject to numerous risks and uncertainties, including matters not yet known to it or its management or not currently considered material, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others, overall trends in general economic activity and in the Group's markets in particular, regulatory changes, and the success of the Company's strategic, operating and financial initiatives. More detailed information on the potential risks that could affect the Company's financial results can be found in the Universal Registration Document and in the Last Financial Report filed with the French Autorité des Marchés Financiers. Investors are advised to take into account factors of uncertainty and risk likely to impact the operations of the Group when considering the information contained in such forward looking statements. Other than as required by applicable law, the Company does not undertake any obligation to update or revise any forward-looking information or statements. Unless otherwise specified, the sources for the business rankings and market positions are internal. The financial information presented for the quarter ending 30 September 2021 was reviewed by the Company's Board of Directors on 03 November 2021 and has been prepared in accordance with IFRS as adopted in the European Union and applicable at this date.