FIRST HALF 2021
FINANCIAL REPORT

ALD

SUMMARY

I. MANAGEMENT REPORT

1. H1 2021 HIGHLIGHTS

DYNAMIC COMMERCIAL ACTIVITY AND STRONG FINANCIAL PERFORMANCE

- **Net income (group share) up 70% at EUR 352.0 million**
- **Leasing Contract and Services Margins at EUR 671.6 million**
- **Outstanding remarketing performance, UCS result per unit at EUR 740 over H1 - Used Car Sales result at EUR 125.3 million for Q2 2021**
- **Total contracts[1] stable at 1.76 million**
- **26% EV deliveries in Europe[2] in H1**
- **Cost income (excl UCS result) ratio at 49.1%**
- **Cost of Risk at 16 bps[3] vs. 46bps in H1 2020**
- **Total Equity/Asset ratio at 16.7%, up from 15.6% at end June 2020**

2. FINANCIAL REVIEW ON FIRST SIX MONTHS OF 2021

Consolidated income statement

in EUR million	Q2 2021[1]	Q2 2020	Q Var.%	H1 2021[1]	H1 2020	H1 Var. %
Leasing contract revenues				2,236.6	2,233.6	0.1%
Leasing Contract Costs - Depreciation				(1,780.2)	(1,835.8)	-3.0%
Leasing Contract Costs - Financing				(70.8)	(103.6))	-31.6%
Unrealised Gains/Losses on Financial Instruments				(14.0)	1.3	-1146.0%
Leasing Contract Margin	**192.9**	**130.5**	**47.9%**	**371.6**	**295.5**	**25.8%**
Services Revenues				1,056.7	1,062.3	-0.5%
Cost of Services Revenues				(756.8)	(741.9)	2.0%
Services Margin	**150.6**	**162.4**	**-7.3%**	**299.9**	**320.4**	**-6.4%**
Leasing Contract and Services Margins	**343.5**	**292.9**	**17.3%**	**671.6**	**615.9**	**9.0%**
Proceeds of Cars Sold				1,995.1	1,355.5	47.2%
Cost of Cars Sold				(1,869.8)	(1,367.1)	36.8%
Used Car Sales result	**87.1**	**(14.9)**	**ns**	**125.3**	**(11.6)**	**ns**
GROSS OPERATING INCOME	**430.6**	**278.0**	**54.9%**	**796.9**	**604.3**	**31.9%**
Staff Expenses				(214.5)	(203.3)	5.5%
General and Administrative Expenses				(83.7)	(82.0)	2.1%
Depreciation and Amortisation				(31.7)	(28.1)	12.7%
Total Operating Expenses	**(166.1)**	**(151.3)**	**9.8%**	**(329.9)**	**(313.4)**	**5.3%**
Cost/Income ratio (excl CSR)	*-48.3%*	*-51.7%*	*-6.4%*	*-49.1%*	*-50.9%*	*-3.4%*
Impairment Charges on Receivables	(7.9)	(29.8)	-73.5%	(16.6)	(47.6)	-65.1%
OPERATING RESULT	**256.6**	**96.9**	**164.7%**	**450.3**	**243.3**	**85.1%**

[1] Total Contracts: full service lease contracts, fleet management contracts, and new mobility solutions contracts
[2] Management Information, calculated as a % of deliveries of Passenger cars (ALD funded fleet)
EV: BEV + PHEV
Europe includes EU + UK + Norway + Switzerland
[3] Annualised Cost of Risk as a % of Average Earning Assets

Share of Profit of Associates and Jointly Controlled Entities	0.4	0.3	20.9%	0.7	0.7	3.0%
Profit Before Tax	**257.0**	**97.2**	**164.3%**	**451.1**	**244.0**	**84.8%**
Income Tax Expense	(58.8)	(17.9)	228.2%	(95.6)	(44.6)	114.6%
Profit for the Period	**198.2**	**79.3**	**149.8%**	**355.4**	**209.5**	**69.7%**
Net Income	**198.2**	**79.3**	**149.8%**	**355.4**	**209.5**	**69.7%**
Non-Controlling Interests	*1.6*	*1.3*	22.4%	*3.4*	*2.6*	31.1%
Net Income Group share	**196.5**	**78.0**	**152.0%**	**352.0**	**206.8**	**70.2%**
Return on Average Equity[2]				***16.7%***	***10.5%***	

[1] ALD's Q2 21, and H1 21 results have been subject to a limited review by ALD's Statutory Auditors

[2] Annualised ratio: in the numerator quarterly figure multiplied by 4 or half-year figure multiplied by 2 or annual figure. In the denominator the arithmetic average of Equity attributable to owners of the parent at the beginning and end of the period

Commercial dynamics were strong, leading to a strong order bank at quarter end and expectations of a gradual pick up in funded fleet growth during the second semester.

The shortage in the supply of semiconductors observed since the beginning of 2021 has continued to limit the production capacity of OEMs, causing increased delays in the delivery of new cars, including by ALD. As a result, ALD's Total Contracts rose only marginally over H1 21 to 1,761 thousand units at end of June, virtually unchanged from a year earlier. Full-Service lease contracts[4] reached 1,374 thousand units and Fleet management[5] 388 thousand units. ALD Flex commercial offer is a success and shows a high growth pace.

This half year also saw the confirmation of the breakthrough of electrification started in 2020, with 26% of ALD deliveries of Passenger Cars in Europe[6] being EVs[7], and 23% globally. For the first time ever, CO_2 emissions of PC deliveries by ALD fell below 100g (WLTP norm) at 99g vs. 116g in 2019, a decrease of 15%. These achievements pave the way to reaching Move 2025 targets[8] of 30% EVs by 2025 and -40% on CO_2 emissions.

ALD is fully up to speed to meet this shift in demand thanks to the continued enlargement of its ecosystem. The combined ALD Electric offer developed in this framework includes charging stations and is now available in 8 countries.

Following the same ambition, Move 2025 targets on CO_2 emissions and electrification are in line with the EU Commission « Fit for 55 » climate package on CO_2 emissions and electrification targets.

Bansabadell Renting, Purchase agreement signed in April, will be integrated in H2 2021 and add c. 20 thousand vehicles to the Funded Fleet.

Taking account of this acquisition and the positive trend in commercial activity, ALD is anticipating a Funded Fleet growth for 2021 of between 1% and 3% vs. 2020.

[4] Including ALD Flex and Used Car Lease
[5] Including new mobility solutions
[6] New passenger car deliveries in EU + UK + Norway + Switzerland
[7] EV: BEV + PHEV
[8] New passenger car deliveries in EU + UK + Norway + Switzerland

Over H1 21, Leasing Contract Margin reached EUR 371.6 million and Services Margin EUR 299.9 million. Leasing contract and services margins include a EUR 12.7 million excess depreciation release resulting from the half-yearly fleet revaluation process. H1 20 included a EUR 30.0 million excess depreciation charge. Leasing contract margin growth over the period is partly offset by lower volume discounts, and less excess mileage billing, together with a specific tax provision of EUR 12.8 million. Taken together and excluding the above one-off impacts, Leasing contract and Services margins grew by EUR 25.7m vs. H1 20.

The contribution to Gross Operating Income from Used Car Sales result reached EUR 125.3 million in H1 21. This performance can be explained by the increasingly favourable conditions in used car markets. Demand for used cars is currently at a very high level due to the extended delivery delays of new cars. Supply is low, as short-term rental companies still fail to feed the used car markets the way they did before the pandemic.
Taking advantage of these conditions, and underpinned by the efficiency of its remarketing tools, ALD sold 169 thousand[9] units over the first half of 2021, a record volume. Average sales margin on used vehicles[10] for the half-year came in at EUR 740 per unit, and EUR 1,058 over the second quarter.

ALD's Gross Operating Income reached EUR 796.9 million in H1 21, up 31.9% vs. H1 20.

Operating Expenses reached EUR 329.9 million, and the Cost to income (excl. UCS result) ratio improved at 49.1%.

Impairment charges on receivables reached EUR 16.6 million, decreasing by EUR 31.0 million vs. H1 20. The relatively low charge in H1 21 is principally explained by the strong support measures put in place by governments. The assumptions used for the forward-looking component of the IFRS 9 provision are unchanged. The cost of risk[11] reached 16 bps in H1 21, vs. 46 bps in H1 20.

Effective tax rate stood at 21.2%, gradually normalising after a several years which benefited from the Italian Stability law.

As a result, ALD's Net Income (Group Share) stood at EUR 352.0 million in H1 21, up from EUR 206.8 million in H1 20, boosted by the outstanding remarketing performance.

[9] Management information
[10] Management information
[11] Annualised ratio, using the Impairment Charges on Receivables divided by the arithmetic average of Earning Assets at the beginning and end of the period.

SOLID BALANCE SHEET

Total fleet and selected balance sheet figures

in EUR million, except stated otherwise	30.06.2021	31.12.2020	Var. %	30.06.2020	Var. %
Total Fleet (in '000 of vehicles)	**1,761**	**1,758**	**+0.2%**	**1,765**	**(0.2%)**
Total Assets	**25,909**	**25,088**	**+3.3%**	**25,018**	**+3.6%**
Earning Assets	**21,585**	**20,825**	**+3.6%**	**20,480**	**+5.4%**
Total Equity	**4,323**	**4,195**	**+3.1%**	**3,912**	**+10.5%**
Financial Debt[3]	**18,064**	**17,646**	**+2.4%**	**17,905**	**+0.9%**
Total Equity on Total Assets	*16.7%*	*16.7%*		*15.6%*	

[3] Financial Debt: defined as Borrowings from Financial institutions, Bonds and Notes issued

Earning Assets increased by 3.6% at the end of June 2021 vs. the end of the previous year, reaching EUR 21.6 billion, reflecting the increasing share of higher value vehicles (EV) within new deliveries.

The higher value of new vehicles, and hence earning assets, also explains the increase in Other assets and Other liabilities.

Total funding at the end of June 2021 stood at EUR 18.0 billion (up slightly from EUR 17.6 billion at the end of 2020) of which 69% consisted of loans from Societe Generale. Over the course of H1 2021, EUR 800 million of bonds matured and were refinanced for EUR 500 million in the context of lower funding needs in 2021 due to limited funded fleet growth.

The Group's Total Equity to Total Assets ratio stood at 16.7% at the end of June 2021, stable vs. end 2020 reflecting strong earnings compensating for the 2020 dividend payment in Q2 2021 (EUR 254 million).

NEW GUIDANCE FOR 2021

- ✓ Funded fleet[12] to grow between 1% and 3% vs. 2020
- ✓ Used Car Sales result per vehicle to be between EUR 600 and EUR 900
- ✓ Improvement in Cost/Income (excluding Used Car Sales result) ratio vs. 2020

[12] *Full Service Lease contracts including ALD Flex and Used Car Lease*

3. KEY STRATEGIC INITATIVES & OPERATIONAL DEVELOPMENTS

Strategic investment in MaaS startup, 'skipr'

In July 2021, ALD acquired 17% share capital in 'skipr', a Belgian MaaS startup, alongside existing investors Belfius Bank, Lab Box and 'skipr' management. This strategic investment will allow ALD to consolidate and accelerate ALD Move, its Mobility as a Service (MaaS) offering, a key objective within its Move 2025 strategy.

Future collaboration will enable both parties to seize significant growth opportunities by combining consultancy services for mobility transformation with digital access to multimodal, flexible and responsible mobility solutions for employees. Initial focus will be to develop in the French and Belgium markets with further expansion in Europe from 2023.

'smart' partnership

In July 2021, ALD signed a new partnership with 'smart', the new EV dedicated player, for the distribution of its products in 17 countries in Europe.

Volvo selects ALD in Ireland

In July 2021, ALD signed a partnership agreement with Volvo to provide white-labelled operational leasing services products for Volvo's full range of vehicles in the country. This new agreement reinforces ALD's existing successful global partnership dating back to 2010 between the two companies as ALD also provides full-service leasing services for Volvo through its dealership networks in Belgium, France, the Netherlands, Portugal, Russia and Switzerland.

Cooperation with Corporate Benefits to supply customers' employees with mobility solutions

In the first half of 2021, ALD has developed an international cooperation with Corporate Benefits in 5 countries (Austria, Belgium, Germany, Italy, Netherlands) to supply employee mobility solutions to Corporate Benefits customers.

On the current geographical scope, ALD is the only leasing actor to provide Corporate Benefits with mobility solutions giving ALD access to more than 8,840 companies representing a total of close to 7 million users.

Third-party used car lease offering via Stern network in the Netherlands

ALD Netherlands went live with the Stern Used Lease platform. This means that besides offering 2nd life lease of ex-ALD vehicles, ALD will now offer used car lease on the full inventory (selection criteria in place) of Stern's 80 dealerships, who sell c. 15.000 used cars per year. The Stern inventory is accessible, and a full digital journey is in place.

ALD Rated "Prime" by ISS rating

For the first time ALD has been rated by ISS ESG, one of the main extra-financial rating agencies. ALD performance in terms of eco-efficiency was highlighted in the assessment.

ALD is ranked in the second highest decile of the sector and is granted a "Prime" rating, meaning that it fulfils ISS ESG's demanding requirements regarding sustainability performance in its sector.

4. RISK FACTORS

ALD continues to be subject to the usual risks and the risks inherent to its business as mentioned in Chapter 4 of the Universal Registration Document filed on April 27th, 2021. There were no material changes in these risks during the rest of H1 21.

5. RELATED PARTY TRANSACTIONS

Related party transactions are described in Note 34 to the Group's consolidated financial statements for the financial year ended 31 December 2020 and in Note 23 to the Group's interim consolidated financial statements for the six months ended 30 June 2021. 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 2021

None

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.

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Commissaire aux Comptes
Membre de la compagnie
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ALD

Statutory auditors' review report on the half-yearly financial information

To the Annual General Meeting,

In compliance with the assignment entrusted to us by your annual 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 January 1 to June 30, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

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 and Paris-La Défense, August 2, 2021

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 2021 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, 02 August 2021

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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 JUNE 30, 2021

SUMMARY

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT

		For the six months period ended	
(In EUR million)	**Notes**	**June 30, 2021**	**June 30, 2020**
Leasing contract revenues [1]	**10a,10d**	2,236.6	2,233.6
Leasing contract costs - depreciation	**10a**	(1,780.2)	(1,835.8)
Leasing contract costs - financing [1]	**10a**	(70.8)	(103.6)
Unrealised gains/losses on financial instruments	**10a**	(14.0)	1.3
Leasing contract margin		**371.6**	**295.5**
Services revenues	**10b,10d**	1,056.7	1,062.3
Cost of services revenues	**10b**	(756.8)	(741.9)
Services margin		**299.9**	**320.4**
Proceeds of cars sold	**10c,10d**	1,995.1	1,355.5
Cost of cars sold	**10c**	(1,869.8)	(1,367.1)
Used car sales result		**125.3**	**(11.6)**
GROSS OPERATING INCOME		**796.9**	**604.3**
Staff expenses		(214.5)	(203.3)
General and administrative expenses		(83.7)	(82.0)
Depreciation and amortisation		(31.7)	(28.1)
Total operating expenses		**(329.9)**	**(313.4)**
Impairment charges on receivables		(16.6)	(47.6)
OPERATING RESULT		**450.3**	**243.3**
Share of profit of associates and jointly controlled entities		0.7	0.7
Profit before tax		**451.1**	**244.0**
Income tax expense	**11**	(95.6)	(44.6)
Profit for the period from continuing operations		**355.4**	**199.5**
Profit after tax for the period from discontinued operations	**9**	–	10.0
Net income		**355.4**	**209.5**
Net income attributable to:			
Owners of the Company		**352.0**	**206.8**
Non-controlling interests		3.4	2.6

[1] Consolidated Income statement for the period ended June 30, 2020 has been restated due to reclassification of EUR 47.3 million between "Leasing contract revenues" and "Leasing contract costs - financing" for correct finance lease revenues presentation. Impact of this reclassification on "Leasing contract margin" is nil. Details of this restatement are disclosed in Note 10 Revenues and Cost of Revenues.

Earnings per share from net income attributable to the owners of the parent:

Basic earnings per share (in cents)	**22**	0.87	0.51
Diluted earnings per share (in cents)	**22**	0.87	0.51

Earnings per share from continuing operations attributable to the owners of the parent:

Basic earnings per share (in cents)	**22**	0.87	0.49
Diluted earnings per share (in cents)	**22**	0.87	0.49

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the six months period ended	
(in EUR million)	**Notes**	**June 30, 2021**	**June 30, 2020**
Net income		**355.4**	**209.5**
Items that will not be reclassified subsequently to profit or		**–**	**0.0**
Changes in actuarial gain/(Loss) on retirement benefit, before tax		–	0.0
Deferred tax on actuarial gain/(Loss) on retirement benefit		–	0.0
Items that may be reclassified subsequently to profit or loss		**27.8**	**(63.5)**
Changes in cash flow hedges, before tax*		14.3	(7.8)
Deferred tax on cash flow hedges		(3.7)	1.5
Currency translation differences		17.1	(57.2)
Other comprehensive income for the period, net of tax		**27.8**	**(63.5)**
Total comprehensive income for the period		**383.2**	**146.0**
Attributable to			
Owners of the Company		379.9	143.7
Non-controlling interests		3.4	2.3
Total comprehensive income attributable to owners of the parent			
- Continuing operations		379.9	143.7

** Level 2 valuation of derivatives obtained from third parties (see Note 18 for further details)*

INTERIM CONDENSED CONSOLIDATED BALANCE SHEET

(in EUR million)	Notes	June 30, 2021	December 31, 2020
ASSETS			
Rental fleet	14	20,814.2	20,077.0
Other property and equipment		136.9	122.8
Right-of-use assets		122.6	128.0
Goodwill		576.0	576.0
Other intangible assets		31.6	36.5
Investments in associates and jointly controlled entities		11.2	10.2
Derivative financial instruments		16.4	33.1
Deferred tax assets		205.3	195.2
Other non-current financial assets	15	341.0	391.6
Non-current assets		**22,255.4**	**21,570.4**
Inventories		313.1	324.6
Receivables from clients and financial institutions	16	1,668.3	1,582.6
Current income tax receivable		124.0	119.4
Other receivables and prepayments		964.9	913.9
Derivative financial instruments		20.8	31.6
Other current financial assets	15	354.0	350.4
Cash and cash equivalents	17	208.9	194.7
Current assets		**3,653.9**	**3,517.2**
Total assets		**25,909.3**	**25,087.6**
EQUITY AND LIABILITIES			
Share capital		606.2	606.2
Share premium		367.0	367.0
Other Equity		(13.4)	(12.9)
Retained earnings and other reserves		2,976.4	2,694.2
Net income		352.0	509.8
Equity attributable to owners of the parent		**4,288.2**	**4,164.3**
Non-controlling interests		35.3	30.9
Total equity		**4,323.5**	**4,195.2**
Borrowings from financial institutions	20	8,440.9	7,763.5
Bonds and notes issued	20	4,020.9	3,467.8
Derivative financial instruments		15.2	12.4
Deferred tax liabilities		496.3	452.8
Lease liabilities		103.9	108.6
Retirement benefit obligations and long term benefits		23.9	23.3
Provisions		129.4	125.2
Non-current liabilities		**13,230.4**	**11,953.5**
Borrowings from financial institutions	20	4,817.3	4,970.6
Bonds and notes issued	20	784.5	1,443.9
Trade and other payables	21	2,464.6	2,276.3
Lease liabilities		22.7	24.1
Derivative financial instruments		6.5	11.3
Current income tax liabilities		104.9	75.9
Provisions		154.7	136.8
Current liabilities		**8,355.4**	**8,938.9**
Total liabilities		**21,585.8**	**20,892.4**
Total equity and liabilities		**25,909.3**	**25,087.6**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(in EUR million)	Attributable to equity holders of the company											
	Share capital	**Share premium**	**Other equity**	**Translation reserves**	**Hedging reserve**	**Actuarial gain/(loss) reserve**	**Other reserves**	**Retained earnings**	**Net income**	**Equity attributable to the owners of the parent**	**Non-controlling interests**	**Total equity**
Balance as at January 1, 2020	**606.2**	**367.0**	**(9.0)**	**(109.0)**	**(26.5)**	**(4.8)**	**11.5**	**2,593.2**	**564.2**	**3,992.9**	**35.9**	**4,028.8**
Changes in cash flow hedges	–	–	–	–	(6.4)	–	–	–	–	(6.4)	–	(6.4)
Actuarial gain/(loss) on post employment benefit obligations	–	–	–	–	–	0.0	–	–	–	0.0	–	0.0
Currency translation differences	(0.0)	0.0	–	(56.8)	–	–	–	0.0	(0.0)	(56.8)	(0.3)	(57.2)
Other comprehensive income	**(0.0)**	**0.0**	**–**	**(56.8)**	**(6.4)**	**0.0**	**–**	**0.0**	**(0.0)**	**(63.2)**	**(0.3)**	**(63.5)**
Net income	–	–	–	–	–	–	–	–	206.8	206.8	2.6	209.5
Total comprehensive income for the	**(0.0)**	**0.0**	**–**	**(56.8)**	**(6.4)**	**0.0**	**–**	**0.0**	**206.8**	**143.7**	**2.3**	**146.0**
Proceeds from shares issued	–	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	(4.4)	–	–	–	–	–	–	(4.4)	–	(4.4)
Share-Based payments	–	–	–	–	–	–	1.3	–	–	1.3	–	1.3
Issue of treasury shares to employees	–	–	0.1	–	–	–	(0.1)	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(253.9)	–	(253.9)	–	(253.9)
Scope changes	0.0	–	–	(0.0)	–	–	–	(0.1)	0.0	(0.1)	(5.9)	(6.0)
Appropriation of net income	–	–	–	–	–	–	–	564.2	(564.2)	–	(0.0)	(0.0)
Other	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at June 30, 2020	**606.2**	**367.0**	**(13.2)**	**(165.8)**	**(32.8)**	**(4.8)**	**12.7**	**2,903.4**	**206.8**	**3,879.5**	**32.2**	**3,911.7**
Changes in cash flow hedges	–	–	–	–	8.6	–	–	–	–	8.6	–	8.6
Actuarial gain/(loss) on post employment benefit obligations	–	–	–	–	–	(0.7)	–	–	–	(0.7)	–	(0.7)
Currency translation differences	0.0	(0.0)	–	(27.5)	–	–	–	0.0	(0.0)	(27.5)	0.4	(27.2)
Other comprehensive income	**0.0**	**(0.0)**	**–**	**(27.5)**	**8.6**	**(0.7)**	**–**	**0.0**	**(0.0)**	**(19.6)**	**0.4**	**(19.2)**
Net income	–	–	–	–	–	–	–	–	303.0	303.0	3.2	306.2
Total comprehensive income for the	**0.0**	**(0.0)**	**–**	**(27.5)**	**8.6**	**(0.7)**	**–**	**0.0**	**303.0**	**283.4**	**3.5**	**287.0**
Proceeds from shares issued	–	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	0.3	–	–	–	–	–	–	0.3	–	0.3
Share-Based payments	–	–	–	–	–	–	1.1	–	–	1.1	–	1.1
Issue of treasury shares to employees	–	–	–	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(0.0)	–	(0.0)	(4.9)	(4.9)
Scope changes	0.0	(0.0)	–	(0.0)	–	–	–	0.0	(0.0)	0.0	(0.0)	0.0
Appropriation of net income	–	–	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at December 31, 2020	**606.2**	**367.0**	**(12.9)**	**(193.4)**	**(24.2)**	**(5.4)**	**13.8**	**2,903.4**	**509.8**	**4,164.3**	**30.9**	**4,195.2**
Changes in cash flow hedges	–	–	–	–	10.7	–	–	–	–	10.7	–	10.7
Actuarial gain/(loss) on post employment benefit obligations	–	–	–	–	–	–	–	–	–	–	–	–
Currency translation differences	–	–	–	17.2	–	–	–	0.0	–	17.2	(0.1)	17.1
Other comprehensive income	**–**	**–**	**–**	**17.2**	**10.7**	**–**	**–**	**0.0**	**–**	**27.9**	**(0.1)**	**27.8**
Net income	–	–	–	–	–	–	–	–	352.0	352.0	3.4	355.4
Total comprehensive income for the	**–**	**–**	**–**	**17.2**	**10.7**	**–**	**–**	**0.0**	**352.0**	**379.9**	**3.4**	**383.2**
Proceeds from shares issued	–	–	–	–	–	–	–	–	–	–	–	–
Acquisition of treasury shares	–	–	(3.4)	–	–	–	–	–	–	(3.4)	–	(3.4)
Share-Based payments	–	–	–	–	–	–	1.3	–	–	1.3	0.0	1.3
Issue of treasury shares to employees	–	–	2.9	–	–	–	(2.9)	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	(253.9)	–	(253.9)	(0.0)	(254.0)
Scope changes	0.0	–	–	–	–	–	–	0.0	–	0.0	1.1	1.1
Appropriation of net income	–	–	–	–	–	–	–	509.8	(509.8)	0.0	0.0	0.0
Other	–	–	–	–	–	–	–	–	–	–	–	–
Balance as at June 30, 2021	**606.2**	**367.0**	**(13.4)**	**(176.2)**	**(13.5)**	**(5.4)**	**12.2**	**3,159.3**	**352.0**	**4,288.2**	**35.3**	**4,323.5**

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

		For the six months period ended	
(in EUR million)	**Notes**	**2021**	**2020**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax excluding discontinued operations		451.1	244.0
Profit before tax from discontinued operations		–	10.1
Profit before tax		**451.1**	**254.1**
Adjustments for:			
Rental Fleet	**14**	1,859.6	1,933.8
Other property, equipment and right-of-use assets		25.1	23.8
Intangible assets		9.0	6.7
Regulated prov., contingency and expenses provisions		21.4	0.3
Depreciation and provision		**1,915.2**	**1,964.6**
(Profit)/loss on disposal of property and equipment		13.1	6.5
(Profit)/loss on disposal of intangible assets		3.0	(0.0)
(Profit)/loss on disosal of discontinued operation	**9**	–	(10.1)
Profit and losses on disposal of assets		**16.1**	**(3.6)**
Fair value of derivative financial instruments		14.0	(3.4)
Interest Charges [(1)]	**10a**	70.8	103.6
Interest Income [(1)]		(426.7)	(422.2)
Net interest income		**(355.9)**	**(318.7)**
Other		0.6	0.6
Amounts received for disposal of rental fleet	**14**	1,849.7	1,580.4
Amounts paid for acquisition of rental fleet	**14**	(4,325.2)	(3,269.5)
Change in working capital		88.6	185.2
Interest Paid [(1)]		(44.0)	(177.4)
Interest Received [(1)]		432.6	430.0
Net interest paid		**388.6**	**252.6**
Income taxes paid		(39.1)	(53.5)
Net cash inflow/(outflow) from operating activities		**3.6**	**588.9**
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of other property and equipment		(39.3)	(25.6)
Acquisition of intangible assets		(7.1)	(7.1)
Effect of change in group structure		2.7	0.1
Proceeds from sale of discontinued operations net of cash disposed		–	14.1
Long term investment		50.0	36.2
Loans and receivables from related parties		(8.7)	13.4
Other financial investment		(3.4)	(14.7)
Net cash inflow/(outflow) from investing activities		**(5.7)**	**16.4**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of borrowings from financial institutions		4,155.8	2,865.0
Repayment of borrowings from financial institutions		(3,718.4)	(2,484.2)
Proceeds from issued bonds		900.1	0.4
Repayment of issued bonds		(1,036.0)	(400.1)
Payment of lease liabilities		(14.0)	(13.4)
Dividends paid to company's shareholders	**12**	(253.9)	(253.9)
Increase/decrease in treasury shares		(3.4)	(4.4)
Net cash inflow/(outflow) from financing activities		**30.1**	**(290.6)**
Exchange gains/(losses) on cash and cash equivalents		**0.2**	**(3.4)**
Net increase/(decrease) in cash and cash equivalents		**28.3**	**311.2**
Cash & cash equivalents at the beginning of the period	**17**	**(121.0)**	**(114.9)**
Cash & cash equivalents at the end of the period	**17**	**(92.7)**	**196.4**

[(1)] *Consolidated statement of cash flows for the six months period ended June 30, 2020 has been restated due to reclassification of EUR 47.3 million between Interest charged and Interest income. Impact of this reclassification on Net interest income is nil. Details of this restatement are disclosed in Note 10 Revenues and Cost of Revenues.*

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 1,761,000 vehicles. The Group provides financing and management services in 43 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 (79.82% 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 June 30, 2021 were authorised for issue by ALD's Board of Directors on August 2, 2021.

NOTE 2. MAJOR EVENTS OF THE PERIOD

2.1. COVID-19 PANDEMIC

Covid-19 pandemic continues affecting economic and financial markets, and all industries are facing challenges associated with the economic conditions resulting from efforts to address it. It triggered a global recession as countries imposed, with varying degrees of stringency, policies of social distancing, including economy-wide lockdowns and travel restrictions to flatten the epidemiological curve.

Gauging the economic costs of Covid-19 remains an uncertain exercise, although some signs of recovery are beginning to show in Western World economies with vaccination programmes being rolled out, giving reason to believe that turning point has been reached. There is still a major concern that recovery is uneven throughout the world, with certain countries far from being under control.

Given that Covid-19 crisis has not yet been resolved or durably mitigated globally, the Group has reassessed the pandemic's impact on its principal risks based on current market trends.

Credit risk

In these unprecedented times, determining the recoverability of receivables remains a key source of estimating uncertainty for the Group due to the increase of customers likely to be facing financial difficulty or insolvency. Management has given careful consideration to indicators that the Group's customers may be experiencing financial difficulty, such as later than normal payments or partial payments and recognised impairment losses or make realistic provisions based on the losses expected. As in the previous financial year, mainly due to continued government support programmes, the Group has not yet seen any significant deterioration in the recoverability of customer receivables in the first semester of 2021. The ageing profile of the sound trade and lease receivables has improved during this period and as a result, although there has been no change in methodology, the provision has decreased by EUR 4.7 million. The Group considers that the provision booked remains adequate. Please refer to Note 16 for further details on change in provision and maturity of receivables.

Expected credit losses are reassessed at each reporting date and reflect all reasonable information that is available at the reporting date. Other than potential changes in the credit terms granted to its customers, given the potential changes in the debtors' risk profiles as a result of the disruptions caused by the Covid-19 outbreak, 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 and other various factors and stresses in determining loss rates.

The Group applies the IFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all sound trade and lease receivables. These losses are measured based on a provision matrix for receivables associated with sound customers, as described below. Probability of Default (PD) rates are based on observed default rates over the life of the receivables (the average contract length in each entity). Specific PD rates are calculated for each entity. This process results in Probability of Default (PD) rates for each age of past-due receivables. The PD rates are applied to the aged receivables of the reporting period to arrive at a total provision. The final impairment allowance is also adjusted to consider Loss Given Default (LGD) specific to the entity.

Expected Credit Losses

In 2020 in light of the negative economic outlook and potential cash flow difficulties experienced by customers as a result of Covid-19, the Group booked the forward looking element as it was considered to have a material impact on the Group financial statements. The increase in the provision in 2020 reflected the greater probability of customer defaults and the higher magnitude of loss given default. In 2021 the main considerations in the forward looking provision calculation, which were used in June and December 2020, have been reviewed and maintained. However, due to the improvement in the ageing profile of sound trade and lease receivables, the forward looking provision has decreased by EUR 3.5 million in the first semester of 2021. For further detail in relation to forward looking provision calculation, please refer to annual financial statements for the year ended December 31, 2020.

Residual Value Risk

As a general rule, the Group retains the residual value risk on its leased vehicles and sells vehicles returned by its clients at the end of the lease, at a profit or loss.

The Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value. Profit from future sales and estimated losses are impacted by external factors such as macroeconomic conditions, government policies, tax and environmental regulations, consumer choices, new vehicle prices, technological changes, etc.

Despite several countries going into recession simultaneously because of the Covid 19 crisis, the demand for used vehicles and the resale values have been exceptionally strong, mainly driven by shortage of new vehicles and scarcity of used vehicles in the market.

According to the Group policies, a revaluation of the fleet residual values has been performed in the first semester of 2021 on a country by country basis to identify and calculate any impacts of changes in the estimated residual value of the vehicles under operating leases. Any potential risks are provided for prospectively over the remaining estimated useful life and then released upon disposal. Given the market trend and increase in demand of used vehicles, the Covid 19 stress of EUR 171 per vehicle which was embedded in 2020 fleet revaluation has been removed. This has contributed to a net release of EUR 12.7 million booked in the Depreciation costs in profit or loss (June 30, 2020: EUR 30 million net charge).

Impairment of used car stock

The Group continues to state its inventories at the lower of cost and net realisable value where net realisable value is the estimated selling price less applicable variable selling expenses. The provision is calculated on a vehicle by vehicle basis.

Strong demand for used vehicles, fading of lockdowns and minimal impact on the used cars resale process resulted in the Group recognising a net release of EUR 7 million in stock provision (EUR 18.7 million charge in June 30).

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 June 30, 2021 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 December 31, 2020.

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 December 31, 2020.

3.2. NEW AND AMENDED STANDARDS AND INTERPRETATIONS APPLICABLE AS FROM JANUARY 1, 2021

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 December 31, 2020, except for the adoption of new standards effective as of 1 January 2021. 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 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

Accounting standards, amendments or Interpretations	Note	Adoption dates by the European Union
Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	3.2.1	January 01, 2021

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the interim condensed consolidated financial statements of the Group.

3.3. FUTURE ACCOUNTING POLICY CHANGE

IASB publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at June 30, 2021. They are required to be applied from annual periods beginning on January 1, 2022 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as at June 30, 2021.

IFRS 17 Insurance Contracts

The Group will implement IFRS 17 ‘Insurance Contracts’ including Amendments to IFRS 17 once it becomes effective after 1 January 2023. This new standard will replace IFRS 4 “Insurance Contracts” that was issued in 2004 and which currently allows entities to use national requirements for the accounting of insurance contracts.

IFRS 17 provides new rules for the recognition, measurement, presentation and disclosure of insurance contracts that belong to its application scope (insurance contracts issued, reinsurance contracts held and investment contracts issued with discretionary participation features). The underwriting reserves currently recognised among liabilities in the balance sheet will be replaced by a current value measurement of insurance contracts.

The general model provided for the measurement of insurance contracts in the balance sheet will be based on a building-blocks approach: a current estimate of future cash flows, a risk adjustment, and a contractual service margin.

Positive contractual service margins will be recognised as income over the duration of the insurance service, whereas negative margins will be immediately recognised as expense, as soon as the insurance contract is identified as onerous.

The general model will be the default measurement model for all insurance contracts.

However, IFRS 17 also provides a mandatory alternative model for insurance contracts with direct participation features. Under this model, called “variable fee approach”, the measurement of the insurance contract liability shall take into account the obligation to pay to policyholders a substantial share of the fair value returns on the underlying items, less a fee for future services provided by the insurance contract (changes in the fair value of underlying items due to policyholders are then recognised as an adjustment of the contractual service margin).

A simplified measurement (premium allocation approach) is also allowed by the standard under conditions for short-term contracts (12 months or less) and contracts for which the result of premium allocation approach is closed to the general approach.

These measurement models will have to be applied to homogeneous portfolios of insurance contracts. The level of aggregation of these portfolios will be assessed considering:

- contracts that are subject to similar risks and managed together;
- the year during which contracts are issued; and
- at initial recognition, contracts that are onerous, contracts that have no significant possibility of becoming onerous subsequently, and the remaining contracts.

The Group is currently assessing the impact of IFRS 17 and will conclude on its materiality in 2022.

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 December 31, 2020. However, as a result of the uncertainty associated with the unprecedented nature of the Covid-19 pandemic, the Group has continually reviewed its selection of appropriate assumptions and development of reliable estimates that underlie various accounting conclusions. Please refer to Note 2 Covid-19 Pandemic for further details.

NOTE 5. EXCHANGE RATE

For the six months ended June 30, 2021, the balance sheets, income statements and cash flow statements of certain subsidiaries whose functional currency differs from the presentation currency used in ALD' s accounts have been translated (i) at the exchange rate prevailing at June 30, 2021 for the balance sheet, and (ii) at the average exchange rate for the period ended at June 30, 2021 for the income statement, statement of comprehensive income and cash flow statement except in the case of significant fluctuations in exchange rates. Translation differences have been recorded in equity.

The main exchange rates used in the interim condensed consolidated financial statements for the six months ended June 30, 2021 and for the six months ended June 30, 2020 are based on Paris stock exchange rates and are as follows:

	June 30, 2021		December 31, 2020	June 30, 2020
	Period-end Rate	Average Rate	Period-end Rate	Average Rate
EUR / UK Pound:	0.8581	0.8684	0.8990	0.8743
EUR / Norwegian Krone:	10.1717	10.1779	10.4703	10.7363
EUR / Swedish Krona:	10.1110	10.1299	10.0343	10.6610
EUR/ Russian Ruble	86.7725	89.6054	91.4671	76.6825
EUR/ Czech Koruna	25.4880	25.8552	26.2420	26.3423
EUR/ Brazilian Real	5.9050	6.4917	6.3735	5.4169
EUR/ Turkish lira	10.3210	9.5126	9.1131	7.1521
EUR/ Ukrainian Hryvnia	32.4276	33.3679	34.7501	28.9880

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 cyclicality is relatively limited.

NOTE 7. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: credit risk, asset risk, damage risk and treasury risk (including liquidity risk, interest rate risk and foreign exchange risk).

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, 2020.

There have been no changes in the risk management department or in any risk management policies since the year end.

NOTE 8. SEGMENT INFORMATION

The Board of Directors approves the decisions taken by the Group's Executive Committee which is the main decision making body (comprising of the Group's CEO, Deputy CEOs, CFO, CAO, CCO, Group Regional Directors and Group Human Resources Director)[13].

Management considers the performance of the following geographical segments: Western Europe, Central and Eastern Europe, Northern Europe and South America, Africa, Asia and Rest of the World.

There were no changes in the segmentation during the first six months of 2021.

The Group's Executive Committee assesses the performance of the operating segments based on a measure of revenue and profit before tax as presented in the interim condensed consolidated financial statements. They also check to ensure that no customer represents more than 10% of the total revenue.

[13] CEO: Chief Executive Officer, CFO: Chief Financial Officer and CAO: Chief Administrative Officer, CCO: Chief Commercial Officer

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, 2021 Profit before tax	Six months ended June 30, 2021 Revenue from external customers	Six months ended June 30, 2020 Profit before tax	Six months ended June 30, 2020 Revenue from external customers (2)
Western Europe (2)	292.1	4,065.4	135.1	3,509.8
Nordic	47.8	523.7	32.7	463.0
Continental & Eastern Europe	85.2	518.1	60.0	501.3
LatAm, Africa, Asia & Rest of world	25.9	181.2	16.3	177.3
TOTAL	**451.1**	**5,288.4**	**244.0**	**4,651.4**

There has been no inter-segment revenue as at June 30, 2021.

(in EUR million)	Six months ended June 30, 2021 Revenue from external customers	Six months ended June 30, 2020 Revenue from external customers (2)
Leasing contract revenues (2)	2,236.6	2,233.6
Service revenues	1,056.7	1,062.3
Proceeds of cars sold	1,995.1	1,355.5
TOTAL	**5,288.4**	**4,651.4**

Other disclosures

		June 30, 2021	
(in EUR million)	Rental fleet NBV (3)	Total assets	Net financial debt (4)
Western Europe	16,442.9	21,053.9	15,959.1
Nordic	1,880.2	2,050.5	77.2
Continental & Eastern Europe	1,868.7	1,994.0	1,227.3
LatAm, Africa, Asia & Rest of world	622.4	810.9	591.1
TOTAL	**20,814.2**	**25,909.3**	**17,854.7**

		December 31, 2020	
(in EUR million)	Rental fleet NBV (3)	Total assets	Net financial debt (4)
Western Europe	15,871.9	20,401.6	15,509.4
Northern Europe	1,817.7	1,981.8	85.5
Continental & Eastern Europe	1,797.0	1,934.5	1,235.7
South America, Africa and Asia	590.4	769.6	620.3
TOTAL	**20,077.0**	**25,087.6**	**17,451.0**

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, 2021	Six months period ended June 30, 2020	June 30, 2021	December 31, 2020
	Revenue from external customers (EUR million)	Revenue from external customers (EUR million) (2)	Rental Fleet NBV (EUR million)	Rental Fleet NBV(EUR million)
France	1,116.9	934.6	4,801.9	4,630.6
Italy	736.7	710.0	2,229.3	2,397.7
UK	533.8	403.7	1,948.2	1,677.4
Germany	453.7	377.4	2,205.1	1,972.4
Spain	371.8	313.1	1,670.1	1,700.1
Netherlands	335.4	322.3	1,396.6	1,374.3
Belgium	318.1	279.6	1,400.4	1,340.3
Other Countries	1,422.1	1,310.7	5,162.7	4,984.2
	5,288.4	**4,651.4**	**20,814.2**	**20,077.0**

(2) Revenues from external customers for the six months ended June 30, 2020 have been restated due to reclassification of EUR 47.3 million between “Leasing contract revenues” and “Leasing contract costs – financing” for correct presentation of finance lease revenue. Impact of this reclassification on “Leasing contract margin” is nil. Details of this restatement are disclosed in Note 10 Revenues and Cost of Revenues.

(3) Rental Fleet excludes amounts receivable under finance lease contracts. See Note 16 for further details.

Net financial debt is defined as the sum of Borrowings from financial institutions (non-current and current) minus cash and cash equivalents, as presented in the Group's consolidated balance sheet.

NOTE 9. CHANGES IN THE SCOPE OF CONSOLIDATION

At June 30, 2021, all companies are fully consolidated, except 2 companies accounted using the equity method. Changes in the scope of consolidation compared to December 2020 are as follows:

- In the first semester of 2021 ALD MHC Mobility Services Malaysia Sdn Bhd entity has been added to the scope where ALD holds 60% of shares and 40% are held by external shareholder Mitsubishi HC Capital Inc. The impact of including this subsidiary in the scope of consolidation is not material.
- In 2021 ALD Belarus activity has been transferred from Representative office reported under ALD Russia to local legal entity (now reported as a subsidiary on standalone basis).

Discontinued operation – ALD Fortune Auto Leasing & Renting (Shanghai) Co. Ltd.

On February 28, 2020 ALD disposed of its 50% equity stake in ALD Fortune Auto Leasing & Renting (Shanghai) Co. Ltd. in China, which was sold along with the 50% equity stake held by its joint venture partner. The entity was deconsolidated from the Group’s financial statements from January 1, 2020. ALD recorded an after tax gain on sale of this discontinued operation of EUR 10 million in its financial statements ended June 30, 2020.

NOTE 10. REVENUES AND COST OF REVENUES

10a. Leasing contract margin

(in EUR million)	Six months period ended June 30, 2021	2020
Leasing contract revenue -operating leases	**2,212.6**	**2,205.2**
Interest income from finance lease [1]	17.2	20.5
Other interest income	6.8	7.8
Leasing contract revenues [1]	**2,236.6**	**2,233.6**
Leasing contract costs - depreciation	**(1,780.2)**	**(1,835.8)**
Leasing contract costs - financing:		
Interest charges on loans from financial institutions [1]	(70.9)	(85.7)
Interest charges on issued bonds	(7.7)	(7.1)
Other interest charges	7.8	(10.7)
Total interest charges [1]	**(70.8)**	**(103.6)**
Leasing contract costs - depreciation and financing	**(1,850.9)**	**(1,939.4)**
Trading derivatives	(4.8)	3.3
Imperfectness of derivatives at fair value hedges	(0.9)	–
Imperfectness of derivatives at cash flow hedges	(0.1)	(0.0)
Unrealised gains/losses on derivative financial instruments	**(5.8)**	**3.3**
Unrealised Foreign Exchange Gains or Losses	(8.3)	(2.0)
Total Unrealised gains/losses on derivative financial instruments	**(14.0)**	**1.3**
Leasing contract margin	**371.6**	**295.5**

[1] Reclassification of EUR 47.3 million between “Leasing contract revenues” and “Leasing contract costs – financing” was required to present revenues from finance leases correctly in the Group’s subsidiary in the UK. For the first six months of 2020 in the income statement the full amount of the lease instalment was allocated to finance lease revenue. In order to reduce the capital amount of the finance lease receivable, a charge was posted in the income statement in the “Leasing contract costs – financing”. Subsequently, grossing up the revenue resulted in the interest income and interest charges to be overstated by the same amount. After reclassification, the earnings from finance leases are now allocated directly between the capital amount in the finance lease receivable and finance lease revenue. There has been no change in the “Leasing contract margin” after this reclassification.

“Other interest income” comprises income received from financial instruments and also income received for cash deposits with third party counterparts.

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. The net impact of this provisioning is included within the Depreciation cost and in the first six months of 2021 this impact was a net income of EUR 12.7 million (June 30, 2020 : EUR 30 million net cost). See Note 2 Covid 19 Pandemic for further detail.

10b. Service margin

(in EUR million)	Six months period ended June 30, 2021	2020
Services revenue	1,056.7	1,062.3
Cost of services revenues	(756.8)	(741.9)
Services margin	**299.9**	**320.4**

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.

10c. Used car sales result

	Six months period ended June 30,	
(in EUR million)	**2021**	**2020**
Proceeds of cars sold	1,995.1	1,355.5
Cost of cars sold	(1,869.8)	(1,367.1)
Used car sales result	**125.3**	**(11.6)**

Used car sales result is driven by exceptionally favourable conditions in used car markets due to extended delays in delivery of new cars and cars being a preferred mode of public transportation for pandemic reasons.

10d. Revenues

Revenues that are included within the margins analysed in the sections 10a, 10b and 10c, 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.

	Six months period ended June 30,	
(in EUR million)	**2021**	**2020**
Services Revenues	**1,056.7**	**1,062.3**
Leasing contract revenue - operating leases	2,212.6	2,205.2
Interest revenue [(1)]	24.1	28.3
Leasing contract revenues [(1)]	**2,236.6**	**2,233.6**
Sub-Total - Revenues from Rental Activity	**3,293.3**	**3,295.9**
Proceeds of Cars Sold	1,995.1	1,355.5
Total Revenues	**5,288.4**	**4,651.4**
Total Revenues excluding Interest Income	**4,861.7**	**4,229.1**

[(1)] See Note 10a.

NOTE 11. INCOME TAX EXPENSE

Income tax expense

(in EUR million)	**Six months period ended June 30, 2021**	**Six months period ended June 30, 2020**
Current tax	(63.5)	(18.4)
Deferred tax	(32.2)	(26.1)
Income tax expense	**(95.6)**	**(44.6)**

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 December 31, 2021 is 21.2% (17.73% for the year ended December 31, 2020).

In the first six months of 2021 there was a EUR 7.3 million benefit in the current tax due to the 2016 and 2017 Stability Law introduced in Italy which provides a tax benefit to encourage the purchase of new tangible assets (EUR 21.7 million at June 30, 2020). This benefit allows an additional 40% increase of depreciation that can be deducted from the taxable base and is only available to businesses receiving income and not individuals.

Axus Italiana Sarl (Italy) had joined Societe Générale tax consolidation group in Italy in 2016. This regime allows the determination of a single IRES taxable base comprised of the taxable income and losses of each of the participating entities. Payment for group relief is made equal to the tax benefit and amounts are included in current tax.

NOTE 12. DIVIDENDS

A dividend related to the period ended December 31, 2020 for an amount of EUR 253.9 million (EUR 0.63 per share) was paid to ALD shareholders on June 1st, 2021 of which dividend paid to Societe Generale is EUR 203.2 million (a dividend related to the period ended December 31, 2019 for an amount of EUR 253.9 million (EUR 0.63 per share) was paid to ALD shareholders on June 3rd, 2020 of which dividend paid to Societe Generale was EUR 203.2 million).

NOTE 13. GOODWILL

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 June 30, 2021. 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 14. RENTAL FLEET

(in EUR million)	Rental fleet
At January 1, 2020	
Cost	27,563.4
Accumulated depreciation & impairment	(7,226.7)
Carrying amount As at January 1, 2020	**20,336.7**
Year ended December 31, 2020	
Opening net book amount	20,336.7
Additions	7,195.6
Disposals	(3,231.9)
Depreciation charge	(3,824.3)
Transfer (included transfer to inventories)	0.9
Currency translation differences	(400.1)
Closing net book amount as at December 31, 2020	**20,077.0**
At December 31, 2020	
Cost	27,749.3
Accumulated depreciation & impairment	(7,672.3)
Carrying amount as at December 31, 2020	**20,077.0**
At June June 30, 2021	
Opening net book amount	20,077.0
Additions	4,325.2
Disposals	(1,849.7)
Depreciation charge	(1,859.6)
Transfer (included transfer to inventories)	0.0
Currency translation differences	121.3
Closing net book amount as at June 30, 2021	**20,814.2**
Cost	28,615.3
Accumulated depreciation & impairment	(7,801.0)
Carrying amount as at June 30, 2021	**20,814.2**

At June 30, 2021, there was no impairment on the Rental fleet.

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 receivables in their entirety for a present value of EUR 2,126 million and a net book value of EUR 2,068 million at June 30, 2021. The transferred lease receivables cannot be sold.

At June 30, 2021, the accounting value of the associated liabilities is GBP 414 million in the UK, EUR 360 million in Belgium, EUR 400 million in the Netherlands and EUR 350 million in Germany.

NOTE 15. OTHER NON-CURRENT AND CURRENT FINANCIAL ASSETS

(in EUR million)	June 30, 2021	December 31, 2020
Long-term investments (10 years)	338.1	386.9
Other current financial assets	354.0	350.4
Other	3.0	4.7
Total	**695.0**	**742.0**

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 December 31, 2020). Equity reinvestments are made in long term amortising deposits within Societe Generale 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 5.5 years' time and will not be renewed.

Other current financial assets include equity reinvestments with Société Générale maturing within one year, other liquid investments and short-term deposits.

NOTE 16. RECEIVABLES FROM CLIENTS AND FINANCIAL INSTITUTIONS

This item includes amounts receivable under lease contracts and trade receivables, after deduction of allowances for debtor risks, where necessary.

(in EUR million)	June 30, 2021	December 31, 2020
Amounts receivable under finance lease contracts	784.5	762.5
Provision for impairment of receivables under finance lease	(13.6)	(14.2)
- Of which		
provision for doubtful receivables	*(6.4)*	*(6.8)*
provision for sound receivables	*(4.6)*	*(4.7)*
provision for sound receivables (forward looking)	*(2.6)*	*(2.7)*
Amounts receivable from credit institutions*	43.7	35.3
Trade receivables	1,029.5	977.2
Provision for impairment of trade receivables	(175.9)	(178.1)
- Of which		
provision for doubtful receivables	*(153.2)*	*(150.9)*
provision for sound receivables	*(13.4)*	*(14.5)*
provision for sound receivables (forward looking)	*(9.3)*	*(12.7)*
Total receivables	**1,668.3**	**1,582.6**

** Mainly towards Societe Generale – no impairment provision has been calculated on these receivables due to their inter-group nature and immaterial size.*

The fair value of receivables is equivalent to the carrying value.

The maturity analysis of Trade receivables is as follows:

(in EUR million)	June 30, 2021	December 31, 2020
Trade receivables not overdue*	**703.1**	**623.3**
Past due up to 90 days	**127.2**	**160.8**

Past due between 90 - 180 days	**30.4**	**41.5**
Past due over 180 days	**168.7**	**151.6**
Total	**1,029.5**	**977.2**

The total provision for impairment on trade receivables and finance lease contracts has reduced due to the improvement in the overall ageing profile of the customer portfolio.

NOTE 17. CASH AND CASH EQUIVALENTS

(in EUR million)	June 30, 2021	December 31, 2020
Cash at bank and on hand	132.3	122.6
Short-term bank deposits	76.6	72.1
Cash and cash equivalents excl. bank overdrafts	**208.9**	**194.7**
Bank overdrafts	(301.6)	(315.7)
Cash and cash equivalents, net of bank overdrafts	**(92.7)**	**(121.0)**

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

NOTE 18. FINANCIAL ASSETS AND LIABILITIES

This note provides an update on the measurement of financial assets and liabilities as well as on the judgements and estimates made by the Group in determining the fair values of the financial instruments since the last annual financial report.

To provide an indication about the reliability of the inputs used in determining fair value, the Group classifies its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the tables.

The following tables present the Group's financial assets and liabilities recognition and measurement and their fair values at June 30, 2021 and December 31, 2020 on a recurring basis.

Financial assets

As at June 30, 2021 (EUR million)	Assets at amortised cost	Assets at fair value through profit and loss	Assets at fair value through OCI	Total net book value per balance sheet	Fair value	Level*
Derivative financial instruments		10.3	26.9	37.2	37.2	Level 2
Receivables from clients and from financial institutions	1,668.3			1,668.3	1,668.3	Level 2
Other non current and current financial assets		695.0		695.0	695.0	Level 1 and level 2
Cash and cash equivalents		208.9		208.9	208.9	Level 1
Total	**1,668.3**	**914.2**	**26.9**	**2,609.4**	**2,609.4**	

** Refers to valuation method*

As at December 31, 2020 (EUR million)	Assets at amortised cost	Assets at fair value through profit and loss	Assets at fair value through OCI	Total net book value per balance sheet	Fair value	Level*
Derivative financial instruments		16.9	47.8	64.7	64.7	Level 2
Receivables from clients and from financial institutions	1,582.6			1,582.6	1,582.6	Level 2
Other non current and current financial assets		742.0		742.0	742.0	Level 1 and level 2
Cash and cash equivalents		194.7		194.7	194.7	Level 1
Total	**1,582.6**	**953.5**	**47.8**	**2,584.0**	**2,584.0**	

** Refers to valuation method*

<u>Financial liabilities</u>

Financial liability category

As at June 30, 2021 (EUR million)	Liabilities at amortised cost	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Total net book value per balance sheet	Fair value	Level
Bank borrowings	13,258.2			13,258.2	13,258.2	Level 2
Bonds issued	4,805.4			4,805.4	4,834.8	Level 2
Derivative financial instruments		6.0	15.7	21.7	21.7	Level 2
Trade payables	793.2			793.2	793.2	Level 2
Total	**18,856.8**	**6.0**	**15.7**	**18,878.6**	**18,908.0**	

As at December 31, 2020 (EUR million)	Liabilities at amortised cost	Liabilities at fair value through profit and loss	Liabilities at fair value through OCI	Total net book value per balance sheet	Fair value	Level
Bank borrowings	12,734.1			12,734.1	12,734.1	Level 2
Bonds issued	4,911.6			4,911.6	4,946.2	Level 2
Derivative financial instruments		9.4	14.3	23.7	23.7	Level 2
Trade payables	757.2			757.2	757.2	Level 2
Total	**18,402.9**	**9.4**	**14.3**	**18,426.6**	**18,461.2**	

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 15 "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.

There were no transfers between levels 1 and 2 during the period. There were no changes in valuation techniques during the period.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at June 30, 2021.

NOTE 19. SHARE-BASED PAYMENTS

Summary of 2021 Long-term incentives plans approved by ALD Board of Directors

	Plan 7	**Plan 8.A**	**Plan 8.B**
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	on 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 plans approved by ALD Board of Directors

	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	253,281	17,316	17,319
Vesting date	March 31, 2023	March 31, 2022	March 31, 2023
Holding period end date	on 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

Summary of 2019 Long-term incentives plans approved by ALD Board of Directors

	Plan 3	**Plan 4.A**	**Plan 4.B**
Date of Board meeting	March 28, 2019	March 28, 2019	March 28, 2019
Total number of shares granted	235,475	16,614	16,617
Vesting date	March 31, 2022	March 31, 2021	March 31, 2022
Holding period end date	no holding period	September 30, 2020	September 30, 2021
Fair value (in EUR)	10.16	10.16	10.16
Number of employees in the plan	229	6	6

Summary of 2018 Long-term incentives plans approved by ALD Board of Directors

	Plan 1	**Plan 2.A**	**Plan 2.B**
Date of Board meeting	March 29, 2018	March 29, 2018	March 29, 2018
Total number of shares granted	276,980	12,907	12,907
Vesting date	March 31, 2021	March 31, 2020	March 31, 2021
Holding period end date	no holding period	September 30, 2020	September 30, 2021
Fair value (in EUR)	11.31	11.31	11.31
Number of employees in the plan	195	4	4

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

At June 30, 2021 530 employees benefit from the long-term incentives plans granted by ALD SA.

The Group was involved in another free share plan granted by the parent company Société Générale (“AGA”). Free shares plan (“AGA”) were granted to a limited number of managers, subject to attendance conditions. At June 30, 2020 155 employees benefited from 24,676 shares in all existing plans.

All free shares in “AGA” plans have vested in 2020 and have been issued to the employees. As at June 30, 2021 there are no outstanding share plans with the parent company Société Générale.

Expenses recorded in the income statement

(in EUR Million)	June 30, 2021	June 30, 2020
Net expenses from free share ALD plans	(1.3)	(1.2)
Net expenses from free share Société Générale plan	–	(0.0)
Total Expense	**(1.3)**	**(1.3)**

NOTE 20. BORROWINGS FROM FINANCIAL INSTITUTIONS, BONDS AND NOTES ISSUED

(in EUR million)	June 30, 2021	December 31, 2020
Bank borrowings	8,440.9	7,763.5
Non-current borrowings from financial institutions	**8,440.9**	**7,763.5**
Bank overdrafts	301.6	315.7
Bank borrowings	4,515.8	4,655.0
Current borrowings from financial institutions	**4,817.3**	**4,970.6**
Total borrowings from financial institutions	**13,258.2**	**12,734.1**
Bonds and notes-originated from securitisation transactions	1,320.9	1,267.8
Bonds and notes-originated from EMTN program	2,700.0	2,200.0
Non-current bonds and notes issued	**4,020.9**	**3,467.8**
Bonds and notes-originated from securitisation transactions	271.6	138.7
Bonds and notes-originated from EMTN program	512.9	1,305.2
Current bonds and notes issued	**784.5**	**1,443.9**
Total bonds and notes issued	**4,805.4**	**4,911.6**
Total borrowings from financial institutions and bonds	**18,063.6**	**17,645.7**

There are no non-cash items from all outstanding sources of borrowings.

Maturity of borrowings and bonds

(in EUR million)	June 30, 2021	December 31, 2020
Less than 1 year	5,601.9	6,414.5
1-5 years	12,379.9	11,106.8
Over 5 years	81.8	124.4
Total borrowings and bonds	**18,063.6**	**17,645.7**

Currencies

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

(in EUR million)	June 30, 2021	December 31, 2020
Euro	13,513.8	13,268.0
UK Pound	2,280.9	2,052.7
Danish Krone	351.1	363.3
Swedish Krona	414.6	424.6
Other currencies	1,503.2	1,537.1
Total borrowings and bonds	**18,063.6**	**17,645.7**

External funding

Local external groups and third parties provide 30.6% of total funding, representing EUR 5,530 million at June 30, 2021 (32.2% and EUR 5,675 million at December 31, 2020).

An amount of EUR 725 million or 4% of total funding is provided by external groups. The residual external funding (EUR 4,805 million) has been raised through asset-backed securitisations and unsecured bonds.

EMTN programme

The Group is engaged in a Euro Medium Term Notes (EMTN) programme. The EMTN programme limit is set at EUR 6 billion for the aggregate nominal amount of notes outstanding at any one time. An application has been filed with the Luxembourg Stock Exchange in order for the notes issued under the programme to be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The programme is rated BBB by Standard & Poor's and BBB+ by Fitch ratings services.

Over the course of the first semester 2021, EUR 800 million of bonds matured. These were partially refinanced by a new bond issued in February 2021 under EMTN programme for an amount of EUR 500 million at a fixed rate of 0% maturing in February 2024.

Securitisation

A private securitisation program in Netherlands, set up in December 2013, has been restructured in June 2021 and renewed for a 2 years period with senior funding increased to EUR 400 million. Details for other securitisation programmes are disclosed in annual financial statements for the year ended December 31, 2020.

Societe Generale funding

The Group has raised external funding in recent years. The level of funding raised through Societe Generale has increased to 69% as at June 30, 2021 compared to 68% as at December 31, 2020.

Most of the funding provided by the SG group is granted through Societe Generale Luxembourg. SG Luxembourg provides funds to the ALD Group Central Treasury which then grants loans in different currencies to 19 ALD subsidiaries as well as to the holding companies. The total amount of loans granted by SG Luxembourg amounted to EUR 8,543 million at June 30, 2021 (EUR 8,550 million at December 31, 2020) with an average maturity of 1.9 years.

The remaining SG funding is provided either by local SG branches or SG Group Central Treasury in Paris, representing EUR 3,991 million at June 30, 2021 (EUR 3,421 million at December 31, 2020).

At June 30, 2021 the Group has undrawn borrowing facilities of EUR 3.1 billion (EUR 3.7 billion at December 31, 2020) of which EUR 487 million are committed undrawn borrowing facilities. Providing there is a market liquidity, these facilities are readily available to ALD entities.

Guarantees given

A guarantee at first demand has been granted to a British Financial institution for an amount of GBP 120 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 a landlord for an amount of EUR 6.5 million on behalf of ALD RE DAC Ireland, under the conditions negotiated in the frame of the premises rental agreement concluded with this landlord.

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.

NOTE 21. TRADE AND OTHER PAYABLES

(in EUR million)	June 30, 2021	December 31, 2020
Trade payables	793.2	757.2
Deferred leasing income	401.1	404.5
Other accruals and other deferred income	537.3	429.1
Advance lease instalments received	313.3	336.4
Accruals for contract settlements	169.3	132.8
VAT and other taxes	249.6	215.9
Other	0.8	0.2
Trade and other payables	**2,464.6**	**2,276.3**

Overall increase in payables is driven largely by more expensive vehicles purchased in the first semester of S1 (e.g. hybrids, EVs).

NOTE 22. EARNINGS PER SHARE

Basic earnings per share

	As at June 30,	
(in EUR million)	**2021**	**2020**
Net income attributable to owners of the parent*	352.0	206.8
Weighted average number of ordinary shares with voting rights (in thousands)	403,063	403,227
Total basic earnings per share (in cents)	**0.87**	**0.51**

**Net income includes continuing and discontinued operations*

	As at June 30,	
(in EUR million)	**2021**	**2020**
Profit for the period from continuing operations	352.0	196.9
Weighted average number of ordinary shares with voting rights (in thousands)	403,063	403,227
Total basic earnings per share (in cents)	**0.87**	**0.49**

Following the combined General Meeting held on May 19, 2021 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. Total number of shares making up current share capital 404,103,640 and there has been no share issue since year ended December 31, 2020. As at June 30, 2021 total number of shares to which voting rights are attached, excluding shares without voting rights (treasury shares, etc.) is 403,085,079. Weighted average number of ordinary shares with voting rights is 403,062,907.

Diluted earnings per share

	As at June 30,	
(in EUR million)	**2021**	**2020**
Net income attributable to owners of the parent*	352.0	206.8
Weighted average number of ordinary shares (in thousands)	404,104	404,104
Total diluted earnings per share (in cents)	**0.87**	**0.51**

**Net income includes continuing and discontinued operations*

As at June 30,

(in EUR million)	2021	2020
Profit for the period from continuing operations	352.0	196.9
Weighted average number of ordinary shares (in thousands)	404,104	404,104
Total diluted earnings per share (in cents)	**0.87**	**0.49**

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.

NOTE 23. RELATED PARTIES

Related party transactions relate mainly to transactions with companies of the Societe Generale Group ("SG"), the Group majority shareholder. There was no material change in the first six months of 2021 in the nature of the transactions conducted by the group with related parties from those at December 31, 2020 which were referred to in note 34 "Related Parties" of the consolidated financial statements for the year ended December 31, 2020.

Significant related party transactions occurred as of June 30, 2021 and June 30, 2020 are disclosed below:

- Societe Generale and its subsidiaries are customers of ALD Group. The fleet is leased to SG Group at normal market conditions. More than 60 % of the fleet is leased by ALD France and represented a total rental income of EUR 8.1 million as at June 30, 2021 (EUR 8.7 million as at June 30, 2020);
- The overall amount of IT services subcontracted to Societe Generale and its subsidiaries amounted to EUR 10.7 million in the six months period ended June 30, 2021 and EUR 10.3 million in the six months period ended June 30, 2020;
- Some Group entities share premises with SG or with SG business divisions in some countries (mainly ALD France and ALD Denmark which represent more than 90 % of the total rentals paid to SG). Rentals of SG premises to the Group, priced at arm's length, amounted to EUR 0.3 million in the six months period ended June 30, 2021 and EUR 0.5 million in the six months period ended June 30, 2020 for ALD France and ALD Denmark.
- Rental contract brokerage's commission paid to SG by ALD France represented EUR 1.5 million for the six months period ended June 30, 2021 and EUR 1.5 million for the six months period ended June 30, 2020;
- 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 31.5 million for the six months period ended June 30, 2021 and EUR 31.9 million for the six months period ended June 30, 2020;
- Corporate services provided by Societe Generale have been subject to compensation of EUR 4.8 million for the six months period ended June 30, 2021 and EUR 4.8 million for the six months period ended June 30, 2020;
- As at June 30, 2021 69% of the Group's funding was provided through SG at a market rate representing EUR 12,534 million (respectively 68 % representing EUR 11,970 million as at December 31, 2020 and 70 % representing EUR 12,563 million as at June 30, 2020);
- Overall Group guarantees released by SG Group in case of external funding amounted to EUR 1,066.9 million as at June 30, 2021 (EUR 1,015.5 million as at December 31, 2020 and EUR 975 million as at June 30, 2020);

SG also provides ALD Group with derivatives instruments for a total amount of EUR 25.3 million in assets and EUR 15 million in liabilities as at June 30, 2021 (respectively EUR 50.9 million in assets and EUR 12.6 million in liabilities as at December 31, 2020, and EUR 62.3 million in assets and EUR 14.5 million in liabilities as at June 30, 2020). ALD Group has long-term cash deposits with SG for a total of EUR 410.4 million as at June 30, 2021 (as at December 31, 2020 the total was EUR 455 million). These deposits will roll-out in approximately 5.5 years' time and will not be renewed.

NOTE 24. EVENTS AFTER THE REPORTING PERIOD

None