

LeasePlan announces Q2 2022 results

AMSTERDAM, the Netherlands, 10 August 2022 – LeasePlan Corporation N.V. (“LeasePlan”; the “Company”), one of the world’s leading Car-as-a-Service (“CaaS”) companies, today reports its Q2 2022 results.

Q2 2022 financial highlights

- **Net result** of EUR 324 million (+85.7%)
- **Underlying net result** of EUR 325 million (+83.0%) of which EUR 299 million from **continued operations** representing another strong Car-as-a-Service performance and EUR 25 million from **discontinued operations**¹
- **Serviced fleet**² growth of 7.5% to a total of 1.9 million vehicles with Q2 2022 order book reaching a new record high
- **Underlying Lease and Additional Services gross profit** of EUR 426 million (+25.6%) with strong performance across all services
- **PLDV and End of Contract Fees Gross Profit** of EUR 188 million (+112.9%) driven by continued strong demand for used cars
- **Operating expenses** of EUR 221 million (+9.8%) due to investments in growth and our digital platforms
- Quarter-end **liquidity buffer** of EUR 7.3 billion
- Announcement of the acquisition of LeasePlan USA by Wheels Donlen’s parent company³

Key numbers

	Q2 2022	Q2 2021	% YoY Growth	6M 2022	6M 2021	% YoY Growth
VOLUME						
Serviced fleet (thousands), as at 30 June				1,896.9	1,765.3	7.5%
Numbers of vehicles sold (thousands)	56.3	73.4	-23.3%	114.4	148.9	-23.2%
PROFITABILITY						
- Underlying net result from continued operations	299.3	183.6	63.1%	554.9	350.8	58.2%
- Underlying net result from discontinued operations	25.4	-6.2	n.m.	50.7	-7.3	n.m.
Underlying net result (EUR Million)	324.7	177.4	83.0%	605.6	343.5	76.3%
Net result (EUR Million)	323.9	174.4	85.7%	683.9	355.0	92.7%
Underlying return on equity ⁴				22.7%	13.5%	

¹ Financial statements including historical periods are adjusted for the divestment of LeasePlan USA (announced on June 13 2022), the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results from these businesses are reported in *the financial statements – Underlying net result from discontinued operations*, with the results of LeasePlan Australia and New Zealand included up to August 2021 and the results of the carved out entities of CarNext included up to June 2021.

² Like-for-like volume incl. current assets held for sale excl. divestments (i.e. incl. USA, excl. Australia, New Zealand & CarNext in 7 countries)

³ The transaction is expected to close by year-end 2022, subject to customary closing conditions including regulatory approvals.

⁴ Underlying RoE is based on last-twelve-month underlying net result and equity excluding the additional Tier 1 instrument. Including the AT1, RoE is 21.1% for Q2 2022 and 12.8% for Q2 2021.

Commenting on the second quarter results, Tex Gunning, CEO of LeasePlan, said:

“LeasePlan’s excellent Q2 performance demonstrates the strong growth opportunity in the mobility market. Fleet growth reached 7.5% and demand for our used car offering remained high. The global drive to cut emissions also continued to support growth, with 26% of LeasePlan deliveries being an electric vehicle.

In June we announced that LeasePlan USA will join forces with Wheels Donlen. With its increased scale and investment firepower, the new business will be in pole position to thrive in the unique dynamics of the US market and accelerate the future of mobility for American drivers.

Looking ahead, we are excited by the opportunities the proposed combination with ALD will bring for LeasePlan and the mobility sector. Integration planning is now underway as the best talents in the industry work together to lead the shift to sustainable, subscription-based mobility services.”

Financial Performance⁵

<i>In millions of euros, unless otherwise stated</i>	Q2 2022	Q2 2021	% YoY Growth	6M 2022	6M 2021	% YoY Growth
Lease & Additional Services income	1,677.5	1,532.9	9.4%	3,280.9	3,051.1	7.5%
Vehicle Sales and End of contract fees	872.7	848.6	2.8%	1,737.4	1,704.8	1.9%
Revenues	2,550.3	2,381.5	7.1%	5,018.3	4,755.9	5.5%
Underlying cost of revenues	1,936.8	1,954.4	-0.9%	3,861.2	3,929.8	-1.7%
Lease Services	200.8	144.8	38.7%	362.7	288.9	25.5%
Fleet Management & other Services	51.8	41.7	24.3%	96.0	80.6	19.2%
Repair & Maintenance Services	78.8	71.2	10.6%	147.4	139.5	5.6%
Damage Services and Insurance	94.4	81.3	16.1%	183.9	168.8	8.9%
Underlying Lease and Additional Services gross profit	425.8	338.9	25.6%	789.9	677.8	16.5%
End of contract fees	30.6	32.2	-5.1%	58.3	69.6	-16.2%
Profit/Loss on disposal of vehicles	157.1	55.9	181.0%	308.8	78.7	n.m.
Profit/Loss on disposal of vehicles and End of contract fees gross profit	187.7	88.1	112.9%	367.2	148.3	147.6%
Underlying gross profit	613.5	427.1	43.7%	1,157.1	826.1	40.1%
Underlying operating expenses	221.4	201.7	9.8%	437.3	396.9	10.2%
Other income	-	-		2.4	-	
Share of profit of investments accounted for using the equity method	1.6	1.0	n.m.	2.9	1.9	n.m.
Underlying profit before tax	393.7	226.3	73.9%	725.1	431.1	68.2%
Underlying tax	94.3	42.8	120.6%	170.1	80.4	111.7%
Underlying net result from continuing operations	299.3	183.6	63.1%	554.9	350.8	58.2%
Underlying net result from discontinued operations	25.4	-6.2	n.m.	50.7	-7.3	n.m.
Underlying net result	324.7	177.4	83.0%	605.6	343.5	76.3%
Underlying adjustments	-0.8	-3.0	n.m.	78.3	11.5	n.m.
Reported net result	323.9	174.4	85.7%	683.9	355.0	92.7%
Staff (FTE's at period end) ⁶				8,254	7,823	5.5%

⁵Financial statements including historical periods are adjusted for the divestment of LeasePlan USA (announced on June 13 2022), the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results from these businesses are reported in *the financial statements – Underlying net result from discontinued operations*, with the results of LeasePlan Australia and New Zealand included up to August 2021 and the results of the carved out entities of CarNext included up to June 2021.

⁶Like-for-like FTE incl. current assets held for sale excl. divestments (i.e. incl. USA, excl. Australia, New Zealand & CarNext in 7 countries)

Serviced fleet growth of 7.5% to a total of 1.9 million vehicles with LeasePlan's Q2 2022 order book reaching a new record high, partially driven by a shortage of new cars.

Revenues increased by 7.1% to EUR 2,550 million. **Lease and Additional Services income** was up by 9.4% to EUR 1,678 million due to fleet growth and additional services from fleet mix. **Vehicle Sales and End of contract fees** were up by 2.8% to EUR 873 million (despite -23.3% less vehicles sold) due to the continued strong used car market partially driven by a shortage of new and used cars.

Underlying Lease and Additional Services gross profit was up 25.6% to EUR 426 million mainly driven by serviced fleet growth (+7.5%) and strong insurance results, as well as EUR 45 million impact of hyperinflation accounting in Turkey⁷.

PLDV and EOCF gross profit was up 112.9% to EUR 188 million, primarily driven by continued strong demand for used cars despite a lower number of vehicles sold.

Underlying operating expenses were up 9.8% to EUR 221 million due to investments in growth and our digital platforms.

The underlying tax rate was up 5.0 percentage points to 24.0% driven by the blend of statutory tax rates and the phasing out of the favourable impact of the Italian super-depreciation facility.

Underlying net result from continued operations was up 63.1% to EUR 299 million driven by strong results in our core leasing business and a higher PLDV and EOCF gross profit, including EUR 21 million impact of hyperinflation accounting in Turkey.

Underlying net result from discontinued operations of EUR 25 million containing the operational results of LeasePlan USA following the announcement of the acquisition of LeasePlan USA by Wheels Donlen's parent company, in which Athene is the lead investor.

Underlying net result was up 83.0% to EUR 325 million due to strong performance across all services and continued strong demand for used cars.

Reported net result was up 85.7% to EUR 324 million, including EUR -1 million underlying adjustments from a net EUR 27 million lower investments value in Constellation and SG Fleet driven by global stock market conditions and net EUR 13 million costs mainly related to our transition to ECB supervision offset by a net EUR 39 million positive mark-to-market impact arising from derivatives used for hedging.

⁷In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" LeasePlan accounted LeasePlan Turkey as hyperinflation economy with effect from January 1 2022. In applying hyperinflation accounting the monetary and non-monetary assets and liabilities are restated to the current price levels for the opening balance and YTD transactions. For reporting, the monetary items (denominated in monetary units), are adjusted through PL to their nominal values representing the decreased purchasing power. As LeasePlan Turkey has more monetary liabilities than assets, this has a EUR 45 million impact on gross profit resulting in a EUR 21 million net gain in Q2 2022.

Operational Highlights

LeasePlan delivered an excellent performance in its Car-as-a-Service business in Q2, supported by solid fleet growth across all segments and continued strong uptake of our popular used car proposition. Despite the ongoing semiconductor shortage and new supply chain disruptions, LeasePlan continued to deliver on customer demand through its strong relationships with OEMs, as well as contract extensions and used-car leasing.

On the sustainability front, LeasePlan continued to drive the transition to zero emission mobility, with electric cars and plug-in hybrids representing 26% of all new deliveries. Our EV proposition also continues to be strengthened by our partnership with Shell Recharge, which supports our customers with home and office charging points in Europe.

LeasePlan continued the execution of its digital strategy, including by folding in additional markets to our My LeasePlan and MyFleet online service modules. The company also expanded its automated LCV fleet management dashboard to additional European countries, including enhanced VOR (Vehicle Off Road) and SLA (Service Level Agreement) monitoring functionality. The LCV dashboard is specifically designed for fleet managers servicing the fast-growing e-commerce market, giving them end-to-end control and insight into their delivery logistics.

In June, LeasePlan announced that Wheels Donlen's parent company, in which Athene is the lead investor, signed a Stock Purchase Agreement with LeasePlan Corporation to acquire LeasePlan USA, and subsequently combine the business with Wheels Donlen to create a unified fleet management business. This combination creates a strong competitor in mobility, which will allow Wheels Donlen and LeasePlan USA to provide enhanced solutions to corporate fleets. Following closing, LeasePlan Corporation and LeasePlan USA will enter into an international Cooperation Agreement, ensuring continuity and growth for global customers.

Funding and Capital Position

Following Q1's successful benchmark outing in the secured market, Q2 saw a return to the unsecured market in both benchmark and private placement format. On 29 April 2022, LeasePlan priced a 3 year senior unsecured public benchmark transaction of EUR 750 million at mid-swaps +90bps while assorted private placement activity during the quarter delivered an additional EUR 195 million of funding across both EUR and NOK at equally competitive levels.

Retail deposits grew modestly with an increase of EUR 151 million, finishing the quarter with a balance at the Retail bank of EUR 10.6 billion. The resulting quarter-end liquidity buffer was a robust EUR 7.3 billion made up of EUR 5.9 billion cash balances as well as access to the undrawn EUR 1.375 billion RCF. The CET1 ratio as per 30 June 2022 is 15.1%⁸ calculated at the regulatory sub-consolidated level (LeasePlan Corporation N.V. consolidated). At this sub-consolidated level, the Total Capital ratio is 17.2% which is equal to the Tier 1 capital ratio⁹.

There have been no new rating actions in the period.

⁸ No further part of 2022 net results has been added to CET1 capital during Q2. Consequently, a total of EUR 80 million of the 2022 net results has been added to CET1 capital during the first half year of 2022.

⁹ CET1 ratio at the regulatory Consolidated level (LP Group B.V. consolidated) is 15.4% and CET1 ratio at the regulatory Solo level (LeasePlan Corporation N.V.) is 15.2% as of 30 June 2022.

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About LeasePlan

LeasePlan is a global leader in Car-as-a-Service, with approximately 1.9 million vehicles under management in 29 countries. LeasePlan purchases, funds and manages new vehicles for its customers, providing a complete end-to-end service for a typical contract duration of three to four years. LeasePlan is committed to taking a leadership role in the transition to zero-emission mobility and has set itself the ambitious goal of achieving net zero tailpipe emissions from its funded fleet by 2030. With nearly 60 years' experience, LeasePlan's mission is to provide what's next in sustainable mobility so our customers can focus on what's next for them. Find out more at www.leaseplan.com/corporate

Disclaimer

Financial and other information in this document may contain certain forward-looking statements (all statements other than those made solely with respect to historical facts) based upon beliefs and data currently available to management. These statements are based on a variety of assumptions that may not be realised and are subject to significant business, economic, legal and competitive risks and uncertainties. Our actual operations, financial conditions, cash flows and operating results may differ materially from those expressed or implied by any such forward-looking statements and we undertake no obligation to update or revise them.



Condensed consolidated interim financial statements

Condensed consolidated statement of profit or loss

For the period ended 30 June

<i>In thousands of euros</i>	Note	Q2 2022	Q2 2021*	6M 2022	6M 2021*
Operating lease income		1,012,990	976,572	2,016,051	1,944,082
Finance lease and Other interest income		63,008	15,053	81,444	30,135
Additional services income		601,525	541,278	1,183,401	1,076,836
Vehicle sales and End of contract fees		872,729	848,622	1,737,410	1,704,842
Revenues	2	2,550,251	2,381,525	5,018,305	4,755,894
Depreciation cars		801,880	772,293	1,598,197	1,534,568
Finance cost		67,870	65,399	129,335	129,878
Unrealised (gains)/losses on financial instruments		-52,023	-2,847	-166,957	-15,968
Impairment charges on loans and receivables		5,403	9,122	7,307	16,448
Lease cost		823,130	843,967	1,567,881	1,664,925
Additional services cost		376,556	338,538	756,161	673,975
Vehicle and Disposal cost		685,042	760,481	1,370,246	1,556,547
Direct cost of revenues	2	1,884,728	1,942,986	3,694,288	3,895,447
Lease services		252,868	147,658	529,614	309,291
Additional services		224,970	202,740	427,240	402,861
Profit/Loss on disposal of vehicles and End of contract fees		187,686	88,142	367,164	148,295
Gross profit	2	665,524	438,539	1,324,017	860,448
Staff expenses		166,957	120,761	291,526	236,903
Other operating expenses		44,131	63,757	124,637	124,386
Other depreciation and amortisation		27,308	18,745	47,367	39,392
Total operating expenses		238,396	203,263	463,530	400,681
Share of profit of investments accounted for using the equity method		1,576	950	2,855	1,916
Other income	1	-26,810	-	-23,619	-
Profit before tax		401,894	236,227	839,723	461,683
Income tax expenses		103,376	44,246	206,465	87,993
Net result from continuing operations		298,517	191,981	633,258	373,689
Net result from discontinued operations	3	25,351	-17,562	50,690	-18,713
Net result for the period		323,868	174,420	683,948	354,976
<i>Attributable to:</i>					
Equity holders of parent		314,652	165,245	665,563	336,684
Holders of AT1 capital securities		9,216	9,216	18,385	18,385
Non-controlling interest		-	-42	-	-94

The notes to the condensed consolidated interim financial statements are an integral part of these statements.

*Comparative information has been represented due to discontinued operations. Please refer to Note 3.

Condensed consolidated statement of comprehensive income

For the period ended 30 June

<i>In thousands of euros</i>	Q2 2022	Q2 2021*	6M 2022	6M 2021*
Net result	323,868	174,420	683,948	354,976
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss				
Changes in cash flow hedges, before tax	–	831	–	1,744
Income tax on cash flow hedges	–	–208	–	–436
Subtotal changes in cash flow hedges, net of income tax	–	624	–	1,308
Exchange rate differences	–2,097	–10,677	6,958	17,162
Other comprehensive income, net of income tax	–2,097	–10,053	6,958	18,470
Total comprehensive income for the year	321,771	164,366	690,907	373,446
<i>Comprehensive income attributable to:</i>				
Owners of the parent	312,555	155,192	672,521	355,155
Holders of AT1 capital securities	9,216	9,216	18,385	18,385
Non-controlling interest	–	–42	–	–94
<i>Comprehensive income attributable to owners of the parent arises from:</i>				
Continuing operations	270,843	180,624	600,021	367,609
Discontinued operations	41,712	–25,432	72,500	–12,455

*Comparative information has been represented due to discontinued operations. Please refer to Note 3.

Condensed consolidated statement of financial position

<i>In thousands of euros</i>	Note	30 June 2022	31 December 2021
Assets			
Cash and balances at central banks	4	5,378,564	5,447,685
Investments in equity and debt securities		152,176	177,220
Receivables from financial institutions	5	825,395	687,651
Derivative financial instruments	6	360,334	176,167
Other receivables and prepayments		934,128	1,036,805
Inventories	7	243,619	370,605
Corporate income tax receivable		19,209	18,063
Loans to investments accounted for using the equity method		146,500	200,000
Lease receivables from clients	8	2,224,378	3,492,981
Property and equipment under operating lease, rental fleet and vehicles available for lease	9	20,013,730	19,739,908
Other property and equipment	10	266,355	296,515
Investments accounted for using the equity method		17,801	16,716
Intangible assets		410,728	351,511
Deferred tax asset		171,364	238,147
Assets classified as held-for-sale	11	2,227,197	-
Total assets		33,391,478	32,249,975

Condensed consolidated statement of financial position - *continued*

<i>In thousands of euros</i>	Note	30 June 2022	31 December 2021
<i>Liabilities</i>			
Funds entrusted	12	10,670,740	10,334,671
Derivative financial instruments	6	345,033	108,417
Trade and other payables and Deferred income		2,994,983	3,059,927
Corporate income tax payable		51,031	33,046
Borrowings from financial institutions	13	3,268,260	3,324,010
Loans from associates and jointly controlled entities		-	25,000
Lease liabilities	10	200,106	236,085
Debt securities issued	14	9,571,519	9,401,924
Provisions		598,227	581,713
Deferred tax liabilities		396,651	365,290
Liabilities directly associated with the assets held-for-sale	11	297,565	-
Total liabilities		28,394,116	27,470,083
<i>Equity</i>			
Share capital		71,586	71,586
Share premium		506,398	506,398
Other reserves		12,940	-147,872
Retained earnings		3,908,556	3,851,843
Equity of owners of the parent		4,499,479	4,281,955
AT1 capital securities		497,882	497,937
Total equity		4,997,361	4,779,892
Total equity and liabilities		33,391,478	32,249,975

Condensed consolidated statement of changes in equity

<i>In thousands of euros</i>	Share capital	Share premium	Other reserves	Retained earnings	Equity of owners of the parent	AT1 capital securities	Non-controlling interest	Total equity
Balance as at 1 January 2021	71,586	506,398	-141,382	3,243,734	3,680,335	497,937	-47	4,178,225
Net result	-	-	-	355,070	355,070	-	-94	354,976
Transfer - accrued interest on AT1 capital securities	-	-	-	-18,385	-18,385	18,385	-	-
Other comprehensive income	-	-	18,470	-	18,470	-	-	18,470
Total comprehensive income	-	-	18,470	336,684	355,155	18,385	-94	373,446
Interest coupon paid on AT1	-	-	-	-	-	-18,440	-	-18,440
Balance as at 30 June 2021	71,586	506,398	-122,912	3,580,418	4,035,490	497,882	-141	4,533,232
Balance as at 31 December 2021	71,586	506,398	-147,872	3,851,843	4,281,955	497,937	-	4,779,892
Restatement due to hyperinflation	-	-	153,853	-	153,853	-	-	153,853
Balance as at 1 January 2022	71,586	506,398	5,981	3,851,843	4,435,808	497,937	-	4,933,745
Net result	-	-	-	683,948	683,948	-	-	683,948
Transfer - accrued interest on AT1 capital securities	-	-	-	-18,385	-18,385	18,385	-	-
Other comprehensive income	-	-	6,958	-	6,958	-	-	6,958
Total comprehensive income	-	-	6,958	665,563	672,521	18,385	-	690,907
Final dividend	-	-	-	-608,850	-608,850	-	-	-608,850
Interest coupon paid on AT1	-	-	-	-	-	-18,440	-	-18,440
Balance as at 30 June 2022	71,586	506,398	12,940	3,908,556	4,499,479	497,882	-	4,997,361

Accrued interest in 2022 on AT1 capital securities amounts to EUR 18.3 million. In May 2022 an amount of EUR 18.4 million was paid related to the period November 2021 - May 2022, including EUR 3.4 million accrued in 2021. The remaining part of EUR 3.3 million is payable in November 2022, therefore as at the reporting date this amount does not yet represent a liability.

¹ For more information on the restatement due to hyperinflation in 2022 please refer to Basis of preparation.

Condensed consolidated statement of cash flows

For the period ended 30 June

<i>In thousands of euros</i>	Note	2022	2021
<i>Operating activities</i>			
Net result		683,948	354,976
<i>Adjustments</i>			
Interest income and expense		86,341	90,654
Other financial (gain)		-2,433	-
Impairment charges on receivables		7,085	13,523
Gain on monetary positions on hyperinflation		-45,501	-
Valuation allowance on inventory		-	-5,127
Depreciation and impairment operating lease portfolio and rental fleet	9	1,715,851	1,697,228
Insurance expense		193,186	170,683
Depreciation other property plant and equipment		27,411	32,891
Amortisation and impairment on intangibles		22,281	20,920
Share of profit in equity accounted investments		-2,855	-1,916
Financial instruments at fair value through profit and loss		-140,904	-21,914
Income tax expense		223,422	81,006
<i>Changes in</i>			
Provisions		-175,972	-171,627
Derivative financial instruments		-15,778	-44,104
Trade and other payables and other receivables		-218,260	-124,216
Inventories		320,541	331,494
Amounts received disposing objects under operating lease	9	1,153,707	1,166,297
Amounts paid acquiring objects under operating lease	9	-3,696,528	-3,652,519
Acquired new finance leases		-626,668	-583,505
Repayment finance leases		572,537	573,814
Income taxes received		7,067	10,400
Income taxes paid		-67,899	-42,941
Interest received		57,698	56,883
Interest paid		-163,884	-179,008
Net cash inflow/(outflow) from operating activities		-85,607	-226,108

Condensed consolidated statement of cash flows – continued

For the period ended 30 June

<i>In thousands of euros</i>	Note	2022	2021
<i>Investing activities</i>			
Net investment in equity and debt securities		-1,010	-20,142
Loans to equity accounted investments		-	-42,000
Redemption on loans to equity accounted investments		53,500	40,000
Dividend received from ass. JVs and other equity investments		5,512	4,694
Proceeds from sale of other property and equipment		8,662	8,201
Acquisition of other property and equipment		-25,514	-19,429
Acquisition of intangibles assets		-89,784	-71,723
Net cash outflow from investing activities		-48,633	-100,399
<i>Financing activities</i>			
Receipt from receivables from financial institutions		509,562	273,146
Balances deposited to financial institutions		-592,486	-268,366
Receipt of borrowings from financial institutions		1,580,133	1,430,407
Repayment of borrowings from financial institutions		-1,635,165	-1,554,100
Receipt of funds entrusted		2,720,747	2,240,143
Repayment of funds entrusted		-2,384,678	-1,359,375
Receipt of debt securities		1,502,340	1,452,644
Repayment of debt securities		-1,128,172	-2,217,096
Payment of lease liabilities		-20,408	-23,828
Dividends paid to Company's shareholders		-372,432	-
Interest paid AT1 capital securities		-18,440	-18,440
Net cash inflow from financing activities		161,001	-44,866
Cash and balances with banks as at 1 January		5,862,200	5,557,401
Net movement in cash and balances with banks		26,762	-371,373
Exchange gains/(losses) on cash and balances at banks		5,324	853
Cash and balances with banks as at 30 June	4	5,894,286	5,186,881



General notes

General information

LeasePlan Corporation N.V.

LeasePlan Corporation N.V. (the “Company”) is a company domiciled in Amsterdam, the Netherlands, where its statutory seat is located. The address of its registered office is Gustav Mahlerlaan 360, 1082 ME Amsterdam. The condensed consolidated interim financial statements of the Company as at 30 June 2022 comprise the Company and its subsidiaries (together referred to as the “Group”) and the Group’s interest in investments accounted for using the equity method. The Group consists of an international network of companies engaged in fleet management and mobility services, mainly through operating leasing and car remarketing.

At 30 June 2022, the Group employed over 8,000 people worldwide and had offices in 29 countries. There were no major changes in the Groups’ composition during the reporting period.

The Company has held a banking licence in the Netherlands since 1993 and is under the direct supervision of the European Central Bank.

The condensed consolidated interim financial statements have been reviewed, not audited.

Ownership of the Company

LP Group B.V. holds 100% of the Company’s shares. LP Group B.V. represents a group of long-term investors. None of these investors alone has a direct or indirect controlling interest in the Company:

- **ADIA:** Since 1976, the Abu Dhabi Investment Authority (ADIA) has been prudently investing funds on behalf of the Government of Abu Dhabi, with a focus on long-term value creation. ADIA manages a global investment portfolio that is diversified across more than two dozen asset classes and sub categories, including quoted equities, fixed income, real estate, private equity, alternatives and infrastructure.
- **ATP:** ATP was established in 1964 and is Denmark’s, and one of Europe’s, largest pension funds.
- **ELQ Investors VIII Ltd:** The Company’s ultimate parent is The Goldman Sachs Group.
- **GIC:** GIC is a leading global investment firm with well over US\$100 billion in assets under management. Established in 1981, the firm manages Singapore’s foreign reserves and is positioned for long-term and flexible investments across a wide range of asset classes, including public equities, fixed income, real estate and private equity. In private equity, GIC invests through funds as well as directly in companies, partnering with fund managers and management teams to help businesses achieve their objectives. GIC employs more than 1,800 people.
- **PGGM:** PGGM is a cooperative Dutch pension fund service provider. Institutional clients are offered asset management, pension fund management, policy advice and management support. Either alone or together with strategic partners, PGGM develops innovative future provisions by linking together pension, care, housing and work.
- **TDR Capital:** TDR Capital LLP is a highly selective private equity firm with a track record of investing in businesses. TDR Capital LLP was founded in 2002 and currently manages funds totalling over EUR 13.0 billion on behalf of a range of sophisticated investors.



Basis of preparation

The condensed consolidated interim financial statements for the period ended 30 June 2022 have been prepared in accordance with IAS 34, "Interim financial reporting" as adopted by the European Union (EU). The condensed consolidated interim financial statements have been prepared on the same basis as, and should be read in conjunction with, the annual consolidated financial statements for the year ended 31 December 2021, which have been prepared in accordance with IFRS and its interpretations as adopted by the European Union, with the exception of the new and amended accounting standards described below. These condensed consolidated interim financial statements do not include the "company financial statements". The annual company financial statements are included in the Group's Annual report for the year ended 31 December 2021.

The condensed consolidated interim financial statements for the period ended 30 June 2022 of the Group have been prepared on a going concern basis.

Due to rounding, numbers presented throughout these condensed consolidated interim financial statements may not add up precisely to the totals provided.

Hyperinflation in Turkey

With the effect from April 2022 the Turkish economy is hyperinflationary. In accordance with IAS 29 "Financial Reporting in Hyperinflationary Economies" starting at the beginning of the reporting period 1 January 2022, with respect to the consolidated position and result of the Group's Turkish subsidiary, the financial statements include restatements for changes in the general purchasing power of the Turkish lira to the measuring unit current at the reporting date. As the presentation currency of LeasePlan is a non-hyperinflationary currency, the comparative period has not been restated. The opening balance sheet position as per 1 January 2022 has been restated to the measuring unit current at the reporting date of 30 June 2022 with respect to the consolidated position and result of the Group's Turkish subsidiary. As LeasePlan Turkey holds a net monetary liability position in the balance sheet, the restatement resulted in an increase in equity of Euro 154 million as per 1 January 2022. The Group has made a policy decision to report the restatement effect on equity in a separate restatement reserve as part of the other reserves in the other comprehensive income.

LeasePlan Turkey has applied the consumer price index (CPI), as published by the Turkish Statistical Institute (TURKSTAT) as the measuring unit current. The development of the CPI index in the current and previous reporting periods is as following:

	2019-12	2020-06	2020-12	2021-06	2021-12	2022-06
Conversion coefficient	440.5	465.8	504.8	547.5	687.0	977.9
CPI Index (12 month)	12%	13%	15%	18%	36%	79%

The financial statements of the Turkish subsidiary are based on a historical cost. Non-monetary assets and liabilities of the Turkish subsidiary are restated for the change in CPI from the date of acquisition or initial recognition of the balance sheet item to the end of the reporting period. As per 1 January 2020 the Turkish lira became the functional currency of the Turkish subsidiary, this revaluation date is applied as the earliest historical cost date. As non-monetary items have been restated to the CPI at the reporting date, revenue and cost of revenue related to non-monetary items in the statement of profit or loss are also recognised at the CPI at the end of the reporting period. Adjustments in the statement of profit or loss have been made to reflect the date of movements in the portfolio of lease contracts, inventory, rental fleet and vehicles available for lease and related tax amounts.

Monetary assets and liabilities of the Turkish subsidiary are indexed up at the beginning of the reporting period to reflect the higher purchasing power at the beginning of the reporting period compared to the end of the reporting period. The change in purchasing power is calculated by dividing the index at the reporting date by the index at the beginning of the reporting period. As the Turkish subsidiary has a net monetary liability position, a net monetary gain of Euro 45.5 million is recognised in the statement of profit or loss in 'Finance lease and other interest income'.

The net effect in the income statement of the indexation is a gain of Euro 20.7 million.

Significant judgments are made with respect to the application of the consumer price Index as the most relevant measuring unit current.

Accounting policies

Except as described below, the accounting policies adopted are consistent with those of the previous financial year. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to the expected total annual profit or loss.

Adoption of new and amended accounting standards effective as per 1 January 2022

The following amendments to existing standards (IFRS 3, IAS 16, IAS 37, Annual improvements 2018-2020) endorsed by the EU, became effective for the reporting period beginning 1 January 2022. Those amendments do not have any significant impact on shareholders' equity nor comprehensive income of the Group.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments are intended to update a reference to the Conceptual Framework without significantly changing requirements of IFRS 3. Also the amendments add a new paragraph to IFRS 3 to clarify that contingent assets do not qualify for recognition at the acquisition date.

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making and introduce a 'directly related cost approach'. These costs include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract and allocation of indirect overheads is no longer allowed.

IAS 16 Property, Plant and Equipment

This amendment is not applicable to the Group.

Annual Improvements 2018-2020

These changes are not expected to be material for LeasePlan.

- IFRS 1 First-time Adoption of IFRS is not applicable to the Group.
- IFRS 9 amendment clarifies which fees to include in assessment of a modification.
- IAS 16 change in illustrative example for lease incentives in the payments from the lessor relating to leasehold improvements.
- IAS 41 Agriculture is not applicable to the Group.

New and amended relevant accounting standards effective after 1 January 2023

IFRS 17 – ‘Insurance contracts’

The Group will implement IFRS 17 ‘Insurance Contracts’ (as issued by the IASB on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020). The standard will be effective after 1 January 2023 and is endorsed by the EU as per 19 November 2021.

IFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts, which was issued in 2005.

The main features of the new accounting model for insurance contracts are as follows:

- The measurement of the present value of future cash flows, incorporating an explicit risk adjustment, remeasured every reporting period (the fulfilment cash flows).
- A Contractual Service Margin (CSM) that is deferring any day one gain in the fulfilment cash flows of a group of contracts, representing the unearned profitability of the insurance contracts to be recognised in profit or loss over the service period (i.e. coverage period).
- A simplified premium allocation approach may be applied for contracts that meet specific conditions. An important condition is that the coverage of the contracts does not exceed one year. The premium allocation approach is quite similar to current accounting under IFRS 4 for non-life products.
- The effect of changes in discount rates will be reported in either profit or loss or other comprehensive income, determined by an accounting policy choice.
- The presentation of insurance revenue and insurance service expenses in the statement of comprehensive income is based on the concept of services provided during the period.
- Insurance services results (earned revenue less incurred claims) are presented separately from the insurance finance income or expense.
- Extensive disclosures will provide information on the recognised amounts from insurance contracts and the nature and extent of risks arising from these contracts.

The Group is currently assessing the impact on shareholders’ equity and comprehensive income due to adoption of IFRS 17. Most of the insurance contracts have a coverage period of one year or less and therefore the Group opts to apply the premium allocation approach. The changes in revenue recognition and measurement of insurance liabilities under the new standard, such as requirements for initial recognition, discounting, risk adjustment and allocation of overhead expenses are expected to have no significant impact on equity and comprehensive income.

Other changes

The following amendments to standards, endorsed by the EU, become effective after 1 January 2023. Those changes relate to:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021).

The following amendments to standards are not yet endorsed by the EU and become effective after 1 January 2023. Those changes relate to:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current (issued on 23 January 2020 and 15 July 2020). The IASB has issued an exposure draft to defer the effective date from 1 January 2023 to 1 January 2024.
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

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

Use of judgements and estimates

The preparation of the condensed consolidated interim financial statements requires management to make judgements, estimates and assumptions that impact the application of the accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2021.

Seasonality and cyclicalicity

As the Group leases assets to its clients for durations that normally range between 3-4 years, the impact of seasonality and cyclicalicity is relatively limited.



Financial risk management

All amounts are in thousands of euros, unless stated otherwise

Recent developments

In January 2022, LeasePlan's shareholders and LeasePlan signed a Memorandum of Understanding with ALD and Société Générale to create a leading global player in mobility. On 22 April 2022, another major milestone towards creating a leading global player in mobility was reached with the signing of the Framework Agreement, following the completion of the process of information and consultation of the relevant works councils. This Framework Agreement is a binding agreement which confirms the terms of the transaction as disclosed earlier this year. It is a key step allowing the parties to prepare for the completion of the transaction.

In June 2022, LeasePlan Corporation, announced that Wheels Donlen's parent company, in which Athene Holding Ltd. is the ultimate investor, has signed a Stock Purchase Agreement with LeasePlan Corporation to acquire LeasePlan USA, and subsequently combine the business with Wheels Donlen to create a unified fleet management business. This combination creates a strong competitor in mobility in the USA, allowing Wheels Donlen and LeasePlan USA to provide enhanced solutions to corporate fleets. As of 30 June 2022, LeasePlan USA was classified as an asset held-for-sale. The transaction is expected to close by the end of 2022, subject to customary closing conditions including regulatory approvals.

Given the continuing war in Ukraine, LeasePlan has taken the decision to wind down its operations in Russia and will not take any new orders at this time. LeasePlan is committed to taking care of its colleagues and customers in the region throughout this process. Currently it is too early to identify any impact on the business of LeasePlan. As at 30 June 2022 LeasePlan's exposure amounts to EUR 76 million (equity and loans). Based on the actual FX rate as of date of publication, this is close to EUR 67 million.

Risks and uncertainties

In 2022, LeasePlan updated risk universe (taxonomy) to increase the coverage on risk types and events based on the ORX standard. The updated risk universe categorises three main types on risks: financial, non-financial and strategic. Financial risks are categorized for asset risk, credit risk, treasury risk, motor insurance risk; non-financial risks contain operational risk, information risk, compliance risk, human resources risk, reporting risk, change failure risk and legal risk; while strategic risk is a separate risk type. Of the twelve risk categories, asset risk, credit risk, operational risk, liquidity risk (which is part of treasury risk) are considered to be primary risks for 2022. The condensed consolidated interim financial statements do not include all financial risk management information and disclosures as required for the annual financial statements; these disclosures should be read in conjunction with the Group's consolidated financial statements, for the year ended 31 December 2021.

Based on the main risk areas, we have summarised material risks and uncertainties that are relevant to the expectations of LeasePlan's continuity for the period of 12 months after the preparation of this Report.

- LeasePlan may suffer from adverse developments in the automotive industry, including regarding diesel vehicles, and the other markets directly related to its business. Technology changes could have a material adverse effect on the business, financial condition and results of its operations
- LeasePlan relies on internal and external information and technological systems to manage its operations and is exposed to risk of loss resulting from breaches of security, system or control failures, inadequate or failed processes, human error, business interruptions and external events. In addition, LeasePlan is subject to the risk of cybercrime by employees or third parties
- LeasePlan is subject to bank regulation, and changes in regulations or to its regulatory capital requirements can influence its business, financial condition, results of operations and liquidity position
- LeasePlan is currently working on a high number of projects and initiatives related to regulatory enhancement programmes which could affect our business, financial condition and results of operations
- For regulatory governance and compliance we need to attract and retain sufficiently qualified personnel to manage increasing regulatory requirements. Not having the required number of resources could have an impact on the deliverables
- For model development, the maturity of the model landscape and risk oversight quality of (historic) data is important. Data quality issues could have an adverse impact on the reliability of the output delivered by the models
- The intended merger with ALD will increase pressure on employee retention and our ability to attract new employees
- LeasePlan is exposed to emerging risks of uncertain external events or developments that could pose a significant threat to our business. These risks could include political tensions that might have negative impacts on our operations in certain countries

LeasePlan believes these are the risk events which could hinder the company in achieving its strategic and financial business objectives. This may, however, not include all the risks that may ultimately affect LeasePlan.

To manage and mitigate risk in each of these risk categories and related subcategories, LeasePlan has implemented a variety of key processes. For asset risk, mitigants include interim adjustments and end-of-contract fees, as well as multi-channel and cross-border sales. For operational risk, testing and monitoring of controls, Risk control self-assessments, providing adequate and frequent training to personnel, raising awareness and standardizing and automating processes, are examples of mitigants. For liquidity risk, we have matched funding, our diversified funding platform and healthy liquidity buffers as mitigants. For credit risk, mitigants include risk modelling, debtor management and default monitoring.

In addition to the above risks, we have begun assessing climate and environmental changes which may cause risks to our business, in line with the expectations of the ECB. To this end, we have begun to follow the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2022, LeasePlan implemented an updated taxonomy to increase the coverage on risk types and events based on the ORX standard.

A. Asset risk

The Group defines asset risk as the combination of residual value risks and risks on RMT services. Residual value risk is considered the main risk and is defined as the Group's exposure to potential losses due to the resale value of assets declining below the estimates made at lease inception minus risk mitigation. For residual value risk the Group also makes the distinction between market risks that are related to developments in the used car market and non-market risks that do not directly relate to market development. The risk related to RMT is the Group's exposure to potential loss due to the actual costs of the services, repair and maintenance and tyres (over the entire contractual period) exceeding the estimates made at lease inception.

The Group has a number of risk mitigating measures in place to manage and mitigate the exposure to non-market residual value risk. These measures allow the Group to adjust its pricing of contracts to compensate for the effects of (interim) deviations from the contractual mileage and duration terms by customers or allow for charging of fees to compensate for excessive wear and tear to the vehicle and excess mileages at contract-end. These measures therefore mitigate the asset risk associated with deviations from the original contract terms.

On a quarterly basis, the Group assesses its exposure to asset risk and evaluates the outcomes against its risk appetite. This assessment also determines the amount of capital that is required as a buffer against residual value market risks. Furthermore, the Group's local leasing companies also assess the exposures and expected results on their local existing lease portfolio for future years using a globally harmonised methodology, assessing the current contracted portfolio against the latest expectations regarding future market prices.

The effects of the potential negative developments in the used-car market are partially mitigated by the multi-channel approach, which allows further diversifications and optimisation of the revenues generated from the sale of second-hand cars.

The exposure to residual values as at the end of June 2022 amounted to EUR 14.1 billion (year-end 2021: EUR 13.8 billion).

B. Liquidity risk

Liquidity risk is the risk that the Group is not able to meet its obligations for (re)payments, due to a mismatch between the run-off of its assets and liabilities.

Liquidity risk is managed by pursuing a diversified funding strategy, seeking to attract funding that matches the estimated run-off profile of the leased assets and maintaining an adequate liquidity buffer. The matched funding principle is applied both at a consolidated group and at subsidiary level considering specific mismatch tolerance levels. The Group maintains a liquidity buffer that includes cash balances and a committed (standby) credit facility to safeguard its ability to continue to write new business also if under stress temporarily no new funding can be obtained from financial markets. The Group maintains a number of stress scenarios addressing idiosyncratic and market-wide risk drivers in both specific and combined scenarios. The overall regulatory liquidity buffer is intended to be sufficient to ensure that under management assumption-based stress at least 9 months can be survived and under regulatory assumption-based stress at least 6 months can be survived.

C. Credit risk

As a result of its normal business activities, the Group is exposed to credit risk, which is the risk that a counterparty will not be able to fulfil its financial obligations when due. In the Group's core business, this credit risk mainly relates to lease receivables from clients. Lease receivables from clients consist of trade receivables and future lease payments, which is the part of the lease the customer needs to repay during the contract duration. At any moment time this is the cumulative future depreciation amounts excluding the optional lumpsum at

the end of the lease. For the future lease payments credit risk is mitigated by the underlying value of the available collateral (i.e. leased object).

The Group's definition of default is aligned with the regulatory definition. From 2021, a customer is reported as default as prescribed by the guidelines¹⁰ on the application of the definition of default. For purposes of assessing, recognising and reporting defaults, a customer shall be considered to be in default when either one or both of the following events occur:

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

This new definition of default has led to an increase in defaulted customers during the first quarters of 2021. However, the impact on our provision level is zero given that the increase in defaults will be triggered by the customers past due for more than 90 consecutive days. For these customers, provision levels were already in line with the current provisioning for customers that have material overdue amounts. Since Q4 2021 the defaulted customers are decreasing again due to stricter procedures related to collections and default management.

For the implementation of the new definition of default, LeasePlan followed a two-step approach. The first step was implementing the new definition of default, which was done as of the 1 of January 2021. The second step is updating our regulatory models. These updated models have been sent to the regulator and LeasePlan is awaiting the model assessment process of the regulator.

The total TREA of LeasePlan has increased by EUR 1.2 billion as per Q2 2022 compared with TREA of EUR 22.5 billion as per Q4 2021 mainly due to the growth in the off balance sheet exposures, the recalculation of the operational risk capital, currency risk requirement and the hyperinflation correction in LeasePlan Turkey.

In addition, the Group is exposed to credit risk originating from its banking and treasury activities, which includes deposits placed with financial institutions and hedging instruments, such as derivatives and reinsurance activities. Finally, the Group is exposed to credit risk because of insurance activities as well as to rebates and bonuses to be received from vehicle manufacturers and other suppliers.

D. Operational risk

Operational risk within LeasePlan involves the risk of potential loss resulting from inadequate or failed internal processes, human behavior, and systems or external incidents. The following risk categories are part of operational risk:

- Business continuity
- Internal fraud
- External fraud
- Physical security and safety
- Transaction processing and execution
- Third party
- Intragroup arrangement
- Model risk

Some of the risk categories have separate policies and standards. Operational risk is part of the Non-Financial Risk Management domain within LeasePlan. Operational risk is included under the Pillar 1 capital and represents the total exposure to non-financial risks as per new risk taxonomy; the total risk exposure amount on the Standardised Approach (STD). As of 30 June 2022, under Pillar 1 the operational risk regulatory capital requirement is EUR 220 million (year-end 2021: EUR 193 million).

¹⁰Guidelines on the application of the definition of default under Article 178 of Regulation (EU) No 575//2013

Specific notes

All amounts are in thousands of euros, unless stated otherwise

1 Segment information

LeasePlan's core business activity consist of providing leasing and fleet management services, including the purchase, financing, insurance, maintenance and remarketing of vehicles, to external customers. The Group offers a mono-line product through all its LeasePlan subsidiaries allowing for some differentiation based on the maturity of local markets. The Group's key management is responsible for allocating resources to the segments and assesses its performance.

As per 30 June 2022, LeasePlan United States has been classified as a discontinued operation and is presented under a separate caption of the Profit or loss (Net result from discontinued operations) in the tables below (see note 3). LeasePlan United States is included in the segment Rest of the world.

In 2021 LeasePlan Australia, LeasePlan New Zealand and CarNext B.V. and its subsidiaries have been sold and were also classified as discontinued operations (the Australian and New Zealand businesses as per 31 March and CarNext B.V. as per 30 June 2021) and are similarly presented under a separate caption of the Profit and Loss (Net result for discontinued operations) in the tables below. LeasePlan Australia and LeasePlan New Zealand were included in the segment Rest of the world and CarNext B.V. was included in the segment Europe.

Segments

The Group identified Europe and Rest of the world as reportable segments. Operating segments are reported in accordance with the internal reporting provided to the Group's key management. In addition to the leasing and fleet management services, the vehicle sales are identified as separate Business line (please refer to Basis of preparation for more information).

- Europe

Geographies in this segment are all European countries where the Group operates including Turkey, Russia and United Arab Emirates.

- Rest of the world

Geographies in this segment are Brazil, India, Mexico and the United States. The United States are included in discontinued operations as per 30 June 2022. In 2021 Australia and New Zealand were included in this segment under the discontinued operations caption.

The performance of the segments is measured based on the combination of IFRS and Alternative Performance Measures, such as serviced fleet, revenue and underlying net result. The Alternative Performance Measures are obtained from the internal system of management accounting. This provides management with a comprehensive view of the performance of the segments. Inter-segment transactions are at arm's length and not presented separately given their insignificance. All revenues are from external customers.

<i>In millions of euros</i>	Europe		Rest of the world		Total	
	6M 2022	6M 2021	6M 2022	6M 2021	6M 2022	6M 2021
Serviced fleet (in thousands) at period end	1,538	1,441	359	430	1,897	1,870
Revenues	4,889	4,661	129	95	5,018	4,756
Finance lease and Other interest income	82	30	–	–	81	30
Finance cost	114	116	16	13	129	130
Car and other depreciation and amortisation	1,605	1,549	40	30	1,646	1,579
Underlying taxes	167	79	3	2	170	80
Underlying net result from continuing operations	547	351	8	1	555	351
Underlying net result from discontinued operations	–	–50	51	42	51	–7
Underlying net result	547	301	58	43	606	343
Total assets	30,429	28,058	2,963	3,392	33,391	31,450
Total liabilities	25,555	23,828	2,839	3,089	28,394	26,917

The table below presents information about the main countries in which the Group is active. The Netherlands is the domicile country of the Group.

Country of activity	FTE's (average)		Underlying Revenues		Lease Contracts	
	In Units		In millions of euros		In millions of euros	
	2022	2021	2022	2021	2022	2021
Netherlands	1,979	1,860	650	440	2,939	3,133
Italy	509	539	642	595	2,216	1,947
United Kingdom	511	527	630	648	3,031	2,825
Other	5,141	5,732	3,097	3,073	13,074	13,324
As at 30 June	8,140	8,658	5,018	4,756	21,260	21,230

Alternative Performance Measures

In addition to IFRS financial measures, the Group uses certain Alternative Performance Measures to present and discuss our underlying performance and value creation. To arrive at Underlying net result, Net result is adjusted for impacts related to unrealised results on financial instruments, asset impairments, restructuring expenses and other special items (like consultancy costs) which arise from events or transactions that management considers distinct from regular operating activities.

The reconciliation from IFRS measures to Alternative Performance Measures for the six months ended June 30, 2022 and 2021 is included in the tables below:

<i>In thousands of euros</i>	IFRS results 30 June 2022	Underlying adjustments			Underlying results 30 June 2022
		Restructuring and other special items ¹	Unrealised results on financial instruments ²	Asset impairments and valuation allowance ³	
Revenues	5,018,305				5,018,305
Direct cost of revenues	3,694,288	–	166,957	–	3,861,245
Gross profit	1,324,017	–	–166,957	–	1,157,060
Total operating expenses	463,530	–26,335	–	94	437,289
Other income	–23,619		26,053		2,433
Share of profit of investments accounted for using the equity method	2,855				2,855
Profit before tax	839,723	26,335	–140,904	–94	725,060
Income tax expenses	206,465	6,693	–42,987	–24	170,147
Net result from continuing operations	633,258	19,642	–97,917	–70	554,914
Net result from discontinued operations	50,690	–	–		50,690
Net result for the period	683,948	19,642	–97,917	–70	605,603

¹ Includes professional consultancy costs related to ECB transition (EUR 18 million) and other consulting (EUR 8.3 million) for a total of EUR 26.3 million before tax (EUR 19.6 million after tax).

² Includes EUR 26.0 million fair value loss on equity instruments included in other income.

³ Includes net total impairment release on non current assets and intangibles of EUR 0.1 million before tax (EUR 0.1 million after tax).

<i>In thousands of euros</i>	IFRS results 30 June 2021	Underlying adjustments			Underlying results 30 June 2021
		Restructuring and other special items ¹	Unrealised results on financial instruments	Asset impairments and valuation allowance ²	
Revenues	4,755,894				4,755,894
Direct cost of revenues	3,895,447	–	29,974	4,384	3,929,805
Gross profit	860,448	–	–29,974	–4,384	826,090
Total operating expenses	400,681	–4,477		661	396,865
Share of profit of investments accounted for using the equity method	1,916				1,916
Profit before tax	461,683	4,477	–29,974	–5,044	431,141
Income tax expenses	87,993	2,202	–8,840	–998	80,358
Net result from continuing operations	373,689	2,275	–21,134	–4,046	350,783
Net result from discontinued operations	–18,713	17,133	–5,732		–7,312
Net result for the period	354,976	19,408	–26,866	–4,046	343,472

¹ Includes professional consultancy costs related to CarNext (EUR 2.7 million) and other consulting (EUR 1.8 million) for a total of EUR 4.5 million before tax (EUR 2.3 million after tax). EUR 17.1 million (net of tax) of professional consultancy costs of CarNext B.V. have been reclassified to the caption Net result from discontinued operations.

² Includes lease contracts impairment reversal on defaulted operating lease customers (EUR 4.3 million) and impairment release of property (EUR 0.7 million) for a total of EUR 5.0 million before tax (EUR 4.1 million after tax).

2 Revenues and direct cost of revenues

Revenues

Revenues comprise the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities.

<i>In thousands of euros</i>	Q2 2022	Q2 2021	6M 2022	6M 2021
Operating lease income	1,012,990	976,572	2,016,051	1,944,082
Finance lease and Other interest income	63,008	15,053	81,444	30,135
Additional services income	601,525	541,278	1,183,401	1,076,836
Vehicle sales and End of contract fees	872,729	848,622	1,737,410	1,704,842
Revenues	2,550,251	2,381,525	5,018,305	4,755,894

Finance lease and Other interest income for the six months period ended 30 June 2022, includes an amount of EUR 51.3 million (6M 2021: EUR 4.8 million) related to Other interest income and includes a gain of EUR 45.5 million on the net monetary position in the reporting period due to hyperinflation accounting of Leaseplan Turkey (for more information please refer to Basis of preparation).

Operating lease income for the six months period ended 30 June 2022, includes an amount of EUR 347.3 million (6M 2021: EUR 331.0 million) related to interest income.

Direct cost of revenues

Direct cost of revenues comprises the costs associated with providing the above-mentioned lease and additional services, the sale of vehicles and related finance cost and impairment charges.

<i>In thousands of euros</i>	Note	Q2 2022	Q2 2021	6M 2022	6M 2021
Depreciation cars		801,144	769,298	1,597,743	1,538,185
Impairment charge operating lease assets *	9	736	2,995	454	-3,617
Finance cost		67,870	65,399	129,335	129,878
Unrealised (gains)/losses on financial instruments		-52,023	-2,847	-166,957	-15,968
Impairment charges on loans and receivables		5,403	9,122	7,307	16,448
Lease cost		823,130	843,967	1,567,881	1,664,925
Additional services cost		376,556	338,538	756,161	673,975
Vehicle and Disposal costs	7	685,042	760,481	1,370,246	1,556,547
Direct cost of revenues		1,884,728	1,942,986	3,694,288	3,895,447

(*) Impairment on operating lease assets is included in line-item Depreciation cars in the consolidated statement of profit or loss.

Gross profit (net lease income and vehicles sales income)

The gross profit (revenues less cost of revenues) can be shown as follows:

<i>In thousands of euros</i>	Note	Q2 2022	Q2 2021	6M 2022	6M 2021
Lease services		201,581	147,806	363,109	289,706
Impairment charge operating lease assets *	9	-736	-2,995	-454	3,617
Unrealised gains/(losses) on financial instruments		52,023	2,847	166,957	15,968
Lease		252,868	147,658	529,613	309,291
Fleet management and other services		51,826	50,260	96,013	94,574
Repair and maintenance services		78,786	71,225	147,366	139,525
Damage services and Insurance		94,357	81,255	183,860	168,762
Additional services		224,970	202,740	427,240	402,861
End of contract fees		30,583	32,228	58,329	69,581
Profit/(loss) on disposed vehicles (PLDV)	7	157,103	55,913	308,835	78,715
Profit/(loss) on disposed vehicles and End of contract fees		187,686	88,142	367,164	148,295
Gross profit		665,524	438,539	1,324,017	860,448

(*) Impairment on operating lease assets is included in line-item Depreciation cars in the consolidated statement of profit or loss.

Net finance income

As part of the analysis of the revenues and direct cost of revenues LeasePlan also considers the net finance income as relevant metric for financial reporting purposes. The net finance income is presented below:

<i>In thousands of euros</i>	Q2 2022	Q2 2021	6M 2022	6M 2021
Operating lease - interest income	176,349	166,994	347,301	330,983
Finance lease and Other interest income	63,008	15,053	81,444	30,135
Finance cost	-67,870	-65,399	-129,335	-129,878
Net interest income	171,487	116,648	299,410	231,240
Unrealised gains/(losses) on financial instruments	52,023	2,847	166,957	15,968
Impairment charges on loans and receivables	-5,403	-9,122	-7,307	-16,448
Net finance income	218,107	110,373	459,060	230,761

3 Discontinued operations

As per 30 June 2022 LeasePlan presents the subsidiary LeasePlan United States as held for sale.

On June 13, 2022 LeasePlan Corporation announced that Wheels Donlen's parent company, in which Athene is the lead investor, has signed a Stock Purchase Agreement with LeasePlan Corporation to acquire LeasePlan USA, and subsequently combine the business with Wheels Donlen to create a unified fleet management business. As part of this transaction, LeasePlan USA and LeasePlan Corporation will enter into a Cooperation Agreement to deliver global fleet management services to both companies' international clients following the completion of the transaction. The transaction is expected to close by the end of 2022, subject to customary closing conditions including regulatory approvals.

In 2021 LeasePlan reported three discontinued operations: CarNext B.V. and its subsidiaries, that were sold on 1 July 2021, LeasePlan Australia and LeasePlan New Zealand, divested on 1 September 2021.

The comparative condensed consolidated statement of profit or loss and other comprehensive income have been re-presented to show the discontinued operation separately from continuing operations.

The profit of the period is attributable entirely to the owners of the company:

	Q2 2022	Q2 2021	6M 2022	6M 2021
External revenues	100,068	269,344	222,488	562,773
External expenses	66,243	291,248	154,841	588,474
Income tax expenses	-8,474	4,343	-16,958	6,988
Net result from discontinued operations	25,351	-17,562	50,690	-18,713

The net result from discontinued operations is attributable entirely to the owners of the company.

Cash flow from (used in) discontinued operations:

<i>In thousands of euros</i>	30 June 2022	30 June 2021
Net cash inflow/(outflow) from operating activities	8,946	32,170
Net cash inflow/(outflow) from investing activities	-2,500	79,241
Net cash inflow/(outflow) from financing activities	-1,140	-20,675
Net movement in cash and balances with banks	5,306	90,736

4 Cashflow statement – cash and cash equivalents

<i>In thousands of euros</i>	30 June 2022	30 June 2021
Cash and balances at central banks	5,378,564	4,672,590
Deposits with banks	473,766	423,651
Call money, cash at banks	155,721	199,707
Bank overdrafts	-123,327	-191,954
Cash and cash equivalents excluding those related to assets held for sale	5,884,724	5,103,994
Cash and cash equivalents related to assets held for sale	9,563	82,887
Balance for the purpose of the statement of cash flows	5,894,286	5,186,881

All cash and balances at (central) banks are available at call except for the mandatory reserve deposits at the Dutch Central Bank. The mandatory reserve deposits amounting to EUR 98.6 million (30 June 2021: EUR 92.9 million) are not used in the Group's day-to-day operations and form part of the 'Cash and balances at central banks'.

The Cash and balances at central banks and Bank overdraft increased over the period 30 June 2022 to 30 June 2021, mainly due to additional bond activity and deposits.

5 Receivables from financial institutions

This caption includes amounts receivable from Dutch and foreign banks. Amounts receivable from financial institutions includes call money and current account bank balances that form part of the cash and balances with banks in the cash flow statement.

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Deposits with banks	473,766	387,268
Call money, cash at banks	155,721	186,903
Cash collaterals deposited for securitisation transactions	45,706	56,429
Cash collaterals deposited for derivative financial instruments	146,251	53,128
Other cash collateral deposited	3,951	3,923
Total	825,395	687,651

The maturity analysis is as follows:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Three months or less	799,208	632,563
Longer than three months, less than a year	2,274	31,189
Longer than a year, less than five years	23,861	23,866
Longer than five years	52	34
Total	825,395	687,651

The receivables from financial institutions all reside in Stage 1, there is no significant increase in credit risk as at 30 June 2022. The allowance for expected credit losses amounts to EUR 0.4 million (31 December 2021: EUR 0.4 million).

6 Derivative financial instruments

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

In thousands of euros	30 June 2022			31 December 2021		
	Notional amounts	Fair value		Notional amounts	Fair value	
		Assets	Liabilities		Assets	Liabilities
<i>Fair value hedge</i>						
Interest rate swaps	6,324,672	6,910	240,438	6,774,611	51,715	40,147
Cross currency swaps	52,031	–	4,199	78,263	–	2,862
Total Derivatives in hedge	6,376,703	6,910	244,637	6,852,875	51,715	43,009
Interest rate swaps	24,523,494	238,473	58,448	26,664,647	56,840	24,717
Cross currency swaps/forwards	5,618,942	114,951	41,949	4,718,169	67,612	40,692
Derivatives not in hedge	30,142,436	353,424	100,397	31,382,815	124,451	65,409
Total	36,519,139	360,334	345,033	38,235,690	176,167	108,417

The fair value is based on the price including accrued interest (dirty price). The unrealised gains/losses on financial instruments recognised in the statement of profit or loss are as follows:

<i>In thousands of euros</i>	Q2 2022	Q2 2021	6M 2022	6M 2021
Derivatives not in hedges	53,297	4,354	166,722	15,408
Derivatives fair value hedging instruments	–93,683	–13,962	–237,758	–37,242
Financial liabilities fair value hedged items	92,409	12,455	237,993	37,803
Hedge ineffectiveness fair value hedges	–1,274	–1,507	235	562
Unrealised gains/(losses) on financial instruments	52,023	2,847	166,957	15,968

7 Inventories

<i>In thousands of euros</i>	Note	30 June 2022	31 December 2021
Cars and trucks from terminated lease contracts		230,329	280,463
Valuation allowance	2	-1,102	-1,102
Carrying amount cars and trucks from terminated lease contracts		229,228	279,361
New cars and trucks in stock		14,391	57,184
Other inventories		-	34,061
Total		243,619	370,605

In line with our expectations, the beneficial pricing of the used-car market continued in Q2 2022.

Compared to 31 December 2021 the valuation allowance for inventory remained at EUR 1.1 million. The allowance represents the impact of the write down to the lower net realisable value of the inventories. The amount is booked on the Vehicle and disposal costs report line in the Direct cost of revenues.

The sensitivity of an additional 1% decline in used-cars prices will not require any additional allowance for inventory. The 1% decline is not a linear variable.

The decrease of EUR 34 million in the other inventories is related to the classification of LPUS as assets held-for-sale.

8 Lease receivables from clients

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

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

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Amounts receivable under finance lease	1,558,519	2,784,194
Trade receivables	742,519	791,454
Impairment	-76,660	-82,667
Total	2,224,378	3,492,981

The impairment allowance of EUR 76.7 million (year-end 2021: EUR 82.7 million) includes EUR 6.6 million (year-end 2021: EUR 6.5 million) related to invoices under commercial disputes and EUR 70.0 million (year-end 2021: EUR 76.2 million) of expected credit losses (ECL) recognised under IFRS 9.

Impairment allowance

The ECL allowances include lifetime expected credit losses amounting to EUR 12.3 million (year-end 2021: EUR 15.1 million) for non credit impaired lease receivables and EUR 57.7 million (year-end 2021: EUR 61.1 million) for credit impaired lease receivables. In 2022 changes in the ECL allowance mainly relate to net remeasurements on existing contracts and ECL on new contracts recognised during the period.

The Group uses the macroeconomic information and forecasts from data provider IHS Markit as input to its expected credit loss models, next to developments in parameters such as defaults and amounts overdue. As of April 2022, IHS Markit issued new macroeconomic forecasts including the optimistic and the pessimistic scenario for the war in Ukraine. Correspondingly, the Group calculates ECL allowances using these new scenarios for Continental Europe since then. For UK and the rest of the world, where the macroeconomic

impacts of the war in Ukraine are limited, the Group has included only the pessimistic scenario of the war among the applied scenarios. Reflecting the prolongation of the war in Ukraine, IHS Markit issued update of its baseline scenario exceptionally already before the end of the quarter and the Group included it for June 2022 calculations.

The Group keeps applying a 100% weighting to a pessimistic scenario in each country, due to the continued uncertainties, disruptions and gradually worsening macroeconomic outlooks.

If a 100% optimistic scenario is applied, the ECL allowance for non-credit impaired lease receivables is EUR 3.6 million lower. The sensitivity of credit impaired lease receivables to a decline in value of collateral is not material as the allowance is covering almost the total exposure and collateral values are insignificant.

The maturity analysis is as follows:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Three months or less	886,236	1,143,727
Longer than three months, less than a year	382,463	834,098
Longer than a year, less than five years	1,020,306	1,583,329
Longer than five years	12,032	14,493
Impairment	-76,660	-82,667
Total	2,224,378	3,492,981

A part of the receivables under finance lease contracts is encumbered as a result of the asset backed securitisation transactions concluded by the Group. The total value of the securitised financial leased assets amounts to EUR 336 million (year-end 2021: EUR 332 million) (see note 9).

9 Property and equipment under operating lease, rental fleet and vehicles available for lease

<i>In thousands of euros</i>	Operating lease	Rental fleet	Vehicles available for lease	Total
Carrying amount as at 1 January 2021	18,706,745	179,677	304,963	19,191,386
Purchases/additions	3,305,662	61,313	285,543	3,652,519
Disposals	-1,143,065	-23,232	-	-1,166,297
Transfer from vehicles available for lease	304,963	-	-304,963	-
Transfer to inventories	-380,074	-	-	-380,074
Depreciation	-1,683,259	-17,586	-	-1,700,845
Impairment charge	-3,428	-	-	-3,428
Impairment reversal	7,045	-	-	7,045
Transfer to assets held for sale/sale of subsidiary	-562,184	-	-	-562,184
Currency translation adjustments	140,164	693	-	140,856
Carrying amount as at 30 June 2021	18,692,568	200,865	285,543	19,178,977
Cost	25,620,688	256,251	285,543	26,162,483
Accumulated depreciation	-6,928,119	-55,385	-	-6,983,505
Carrying amount as at 30 June 2021	18,692,568	200,865	285,543	19,178,977
Transfer to assets held for sale/sale of subsidiary	-764	-	-	-764
Purchases/additions	3,120,024	102,282	381,305	3,603,611
Disposals	-1,431,154	-6,878	-	-1,438,031
Transfer from vehicles available for lease	285,543	-	-285,543	-
Transfer to inventories	99,612	-	-	99,612
Depreciation	-1,664,618	-24,425	-	-1,689,043
Impairment charge	422	-	-	422
Impairment reversal	508	-	-	508
Currency translation adjustments	-13,780	-3,414	1,811	-15,383
Carrying amount as at 31 December 2021	19,088,362	268,431	383,115	19,739,908
Cost	26,390,760	344,695	383,115	27,118,571
Accumulated depreciation	-7,302,399	-76,264	-	-7,378,663
Carrying amount as at 31 December 2021	19,088,362	268,431	383,115	19,739,908
Restatement due to hyperinflation	212,517	7,866	2,579	222,962
Carrying amount as at 1 January 2022	19,300,879	276,297	385,694	19,962,870
Purchases/additions	3,472,260	167,483	56,785	3,696,528
Disposals	-1,132,318	-21,389	-	-1,153,707
Transfer to inventories	-230,330	-	-	-230,330
Depreciation	-1,685,130	-30,267	-	-1,715,396
Impairment charge	-3,236	-	-	-3,236
Impairment reversal	2,782	-	-	2,782
Transfer to assets held for sale	-322,169	-	-164,471	-486,641
Currency translation adjustments	-64,141	-4,629	9,633	-59,138
Carrying amount as at 30 June 2022	19,338,596	387,495	287,640	20,013,730
Cost	26,845,954	488,372	287,640	27,621,966
Accumulated depreciation	-7,507,359	-100,877	-	-7,608,236
Carrying amount as at 30 June 2022	19,338,596	387,495	287,640	20,013,730

The depreciation of the rental fleet is included in the consolidated statement of profit or loss in the line-item “Additional services cost”.

Impairment

The net impairment reversal for the six-months period ended 30 June 2021 amounted to EUR 3.6 million and for year end 2021 amounted to EUR 4.5 million, both related to reversal of book value losses on early terminated cars for defaulted operating lease customers.

The net impairment charge for the six-months period ended 30 June 2022 amounts to EUR 0.5 million related to charge of book value losses on early terminated cars for defaulted operating lease customers.

The impairment analysis is based on an assessment of the value in use of all lease contracts. For our projections of cash flows, including the cash flows from residual values upon termination of the lease contract, we have considered the risk of further COVID-19 outbreaks, and from Q4 2022 onwards the outlook is business as usual back to pre-COVID level, we also considered the semiconductor shortage, rising inflation, and appalling events in Ukraine. The recoverable amount related to impaired lease agreements amounted to EUR 1.2 billion as at 30 June 2022 (31 December 2021: EUR 1.4 billion).

The sensitivity of an additional 1% decline in used-car prices over the remaining useful life of lease contracts on the valuation of non-impaired lease contracts is not linear as it is also dependent on other contractual cash flows such as service income as well as the ability to mitigate losses, for example through fleet extensions and optimisation of the channel mix (B2B, B2C, driver sales) over time.

The sensitivity of an additional 1% decline in used-car prices of the impaired lease contracts will translate into EUR 6.6 million additional impairment for the total remaining duration.

Asset backed securitisation transactions

The Group concluded a number of asset backed securitisation transactions hereinafter identified as the Bumper transactions. These transactions involve the sale of future lease instalment receivables and related residual value receivables originated by various LeasePlan subsidiaries to special purpose companies (which are included in the consolidated financial statements of the Company). As a result of this sale this caption includes encumbered (securitised) operating lease assets amounting to EUR 2.6 billion (year-end 2021: EUR 2.3 billion).

10 Other property and equipment

The composition between owned and leased assets is presented in the following table:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Owned	89,916	88,053
Leased	176,439	208,462
Total	266,355	296,515

Leased assets mainly include property such as buildings and IT and other equipment.

The maturity of the discounted finance lease liabilities is shown below:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Not longer than a year	35,057	35,763
Longer than a year	165,048	200,323
Total	200,106	236,085

11 Disposal groups classified as held-for-sale

As per 30 June 2022 LeasePlan United States has been classified as held for sale. Reference is made to note 3 Discontinued operations.

As at 30 June 2022, the disposal groups comprised assets of EUR 2,227 million less liabilities of EUR 298 million, all valued at the carrying amount, detailed as follows.

	30 June 2022
Receivables from financial institutions	9,563
Other receivables and prepayments	91,787
Inventories	56,152
Lease receivables from clients	1,558,310
Property and equipment under operating lease & Rental fleet	481,544
Other property and equipment	20,879
Intangible assets	8,935
Corporate income tax receivable	28
Trade and other payables and Deferred income	-191,636
Lease liabilities	-17,854
Provisions	-1,285
Deferred tax liabilities	-86,790
Net assets/liabilities held for sale	1,929,633

12 Funds entrusted

This item includes non-subordinated loans from banks and savings deposits. The maturity analysis of these deposits is as follows:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Three months or less	7,711,449	6,985,563
Longer than three months, less than a year	1,838,886	2,017,759
Longer than a year, less than five years	1,120,369	1,331,334
Longer than five years	36	14
Total	10,670,740	10,334,671

Savings deposits raised by LeasePlan Bank amounts to EUR 10.6 billion (year-end 2021: EUR 10.2 billion) of which 33.0% (year-end 2021: 39.4%) is deposited for a fixed term. LeasePlan Bank is the brand name under which savings deposits are raised by LeasePlan Corporation N.V. which holds a banking licence in the Netherlands. LeasePlan Bank also operates on the German savings deposit market with a cross border offering from the Netherlands.

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

	30 June 2022	31 December 2021
Three months or less	0.03%	0.03%
Longer than three months, less than a year	0.33%	0.38%
Longer than a year, less than five years	0.67%	0.73%

The interest of the on-demand accounts is set monthly.

13 Borrowings from financial institutions

This item includes amounts owed to banks under government supervision. The maturity analysis of these loans is as follows:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
On demand	123,327	159,656
Three months or less	325,930	377,242
Longer than three months, less than a year	636,571	648,347
Longer than a year, less than five years	2,182,432	2,138,766
Total	3,268,260	3,324,010

14 Debt securities issued

This item includes negotiable, interest bearing securities.

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Bond and notes - originated from securitisation transactions	1,985,993	1,850,740
Bonds and notes - other	7,814,883	7,542,547
Bonds and notes - other (fair value adjustments)	-229,357	8,636
Balance as at reporting date	9,571,519	9,401,924

There is no pledge nor security for these debt securities except for the bonds and notes which are originating from securitisation transactions. Interest rates have risen in the year due to the changing economic environment which has resulted in the value of low yielding bonds falling, resulting in a higher FV adjustment to bonds in hedge.

The average interest rate applicable to the outstanding bonds and notes is 1.3% as of 30 June 2022 (year-end 2021: 1.1%).

The maturity analysis of these debt securities issued is as follows:

<i>In thousands of euros</i>	30 June 2022	31 December 2021
Three months or less	287,491	839,988
Longer than three months, less than a year	2,163,524	1,526,992
Longer than a year, less than five years	7,020,520	6,923,409
Longer than five years	99,985	111,535
Total	9,571,519	9,401,924

The caption 'Bonds and notes – originated from securitisation transactions' include notes from Bumper UK 2019-I, Bumper DE S.A. 2019-I, Bumper BE, Bumper NL 2020-1 B.V., Bumper UK 2021-1 and Bumper FR 2022-1.

In April 2022, Bumper FR 2022-1 was concluded for a total of EUR 500 million of asset-backed security notes.

15 Commitments

The Group entered into commitments in connection with the forward purchase of property and equipment under operating lease and rental fleet amounting to EUR 5.8 billion as at the balance sheet date (year-end 2021: EUR 4.8 billion). The increase is driven by a high order book impacted by semiconductor chips shortages initially caused by COVID-19 and currently by the continuing war between Ukraine and Russia. These commitments are entered into in the ordinary course of business and the majority is back-to-back matched with lease contracts entered into with customers.

The Group has issued guarantees to the total value of EUR 420 million (year-end 2021: EUR 412 million) of which EUR 418 million (year-end 2021: EUR 411 million) is related to residual value guarantees issued to clients.

Credit facilities have been concluded with investments accounted for using the equity method amounting to EUR 200.0 million (year-end 2021: EUR 200.0 million) of which EUR 146.5 million (year-end 2021: EUR 200.0 million) is drawn as at 30 June 2022.

16 Related parties

Identity of related parties

Related parties and enterprises as defined by IAS 24, are parties and enterprises which can be influenced by the company, or which can influence the company.

LP Group B.V. is the shareholder of the company. LP Group B.V. represents a group of long-term investors and includes ADIA, ATP, Broad Street Investments, GIC, PGGM and TDR Capital. None of these investors alone has a direct or indirect controlling interest in the company. The business relations between the company, LP Group B.V. and their (indirect) shareholders are handled on normal market terms.

TDR Capital has a controlling interest in Constellation Automotive Group. In October 2021 Constellation Automotive Group, which already had a controlling interest in British Car Auction (BCA), acquired LeasePlan's participating interest in CN Group B.V. and brought all entities in Constellation Automotive Holdings. In return LeasePlan obtained newly issued ordinary shares in Constellation Automotive Holdings. LeasePlan continues doing business with BCA and CN Group B.V. and selling ex-lease vehicles on an arm's length basis under a long term service agreement. The result of the transactions with Constellation Automotive Holdings for the first six months of 2022 is not material at Group's level. The amount of accounts receivables outstanding with Constellation Automotive Holdings is EUR 7.1 million. As at 30 June 2022, sales revenues from transactions with Constellation Automotive Holdings amount to EUR 0.5 billion.

All business relations with investments accounted for using the equity method are in the ordinary course of business and handled on normal market terms. As of 30 June 2022, an amount of EUR 146.5 million (year-end 2021: EUR 200.0 million) is provided as loans to investments accounted for using the equity method.

17 Fair value of financial instruments

The table below summarises the Group's financial assets and financial liabilities, of which the derivatives are measured at fair value and the other financial assets and other financial liabilities are measured at amortised cost on the balance sheet as at 30 June 2022. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

Fair value of financial instruments

<i>As at 30 June 2022</i>	Carrying value	Fair value			
<i>In thousands of euros</i>		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	6,910	–	6,910	–	6,910
Derivatives financial instruments not in hedge	353,424	–	353,424	–	353,424
Investments in equity securities	107,773	63,573	–	44,200	107,773
Financial assets not measured at fair value					
Cash and balances at central banks	5,378,564				
Investments in debt securities	44,404	42,586	–	–	42,586
Receivables from financial institutions	825,395				
Lease receivables from clients	2,224,378	–	2,225,700	–	2,225,700
Loans to investments using the equity method	146,500	–	147,159	–	147,159
Investments in equity accounted investments	17,801				
Other receivables and prepayments	299,905				
Total financial assets	9,405,053	106,159	2,733,193	44,200	2,883,552
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	244,637	–	244,637	–	244,637
Derivatives financial instruments not in hedge	100,397	–	100,397	–	100,397
Financial liabilities not measured at fair value					
Funds entrusted	10,670,740	–	10,686,179	–	10,686,179
Trade and other payables and deferred income	848,703				
Borrowings from financial institutions	3,268,260	–	3,213,165	–	3,213,165
Debt securities issued	9,571,519	–	9,503,212	–	9,503,212
Total financial liabilities	24,704,256	–	23,747,589	–	23,747,589

Fair value of financial instruments

<i>As at 31 December 2021</i>	Carrying value	Fair value			
<i>In thousands of euros</i>		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Derivatives financial instruments in hedge	51,715	–	51,715	–	51,715
Derivatives financial instruments not in hedge	124,451	–	124,451	–	124,451
Investments in equity securities	133,826	71,326	–	62,500	133,826
Financial assets not measured at fair value					
Cash and balances at central banks	5,447,685				
Investments in debt securities	43,394	43,788	–	–	43,788
Receivables from financial institutions	687,651				
Lease receivables from clients	3,492,981	–	3,450,053	–	3,450,053
Loans to investments using the equity method	200,000	–	204,200	–	204,200
Investments in equity accounted investments	16,716				
Other receivables and prepayments	338,930	–	338,930	–	338,930
Total financial assets	10,537,349	115,114	4,169,350	62,500	4,346,964
Financial liabilities measured at fair value					
Derivatives financial instruments in hedge	43,009	–	43,009	–	43,009
Derivatives financial instruments not in hedge	65,409	–	65,409	–	65,409
Financial liabilities not measured at fair value					
Funds entrusted	10,334,671	–	10,375,499	–	10,375,499
Trade and other payables and deferred income	918,565				
Borrowings from financial institutions	3,324,010	–	3,335,665	–	3,335,665
Debt securities issued	9,401,924	–	9,590,006	–	9,590,006
Loans from equity investments	25,000				
Total financial liabilities	24,112,588	–	23,409,587	–	23,409,587

For certain other receivables (Rebates and bonuses and commissions receivable, Reclaimable damages and Interest to be received) and payables (Trade payables and Interest payable) with a remaining term well below one year, the carrying value is deemed to reflect the fair value.

There were no changes in valuation techniques during the year nor transfers between levels.

Financial instruments in level 1

The fair value of level 1 financial instruments is based on quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement 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 equity investment in SG Fleet and investments in debt securities are measured using level 1 input.

Financial instruments in level 2

Level 2 inputs are inputs other than quoted market prices included within level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques that maximise the use of observable market input data available and rely only for insignificant input on entity specific estimates. Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of the interest rate swaps and cross currency swaps calculated as the present value of the estimated future cash flows based on observable yield curves at commonly quoted intervals, while considering the current creditworthiness of the counterparties.
- The yield curve for all collateralised derivatives is based on the overnight index swap (OIS) rate (the vast majority of the Group's derivatives are collateralised, and therefore the necessity for other observable market inputs such as CVA, DVA, FVA adjustments is negated).
- The valuation methodology of the cross-currency swaps includes a liquidity premium (which swaps less liquid currencies into those that are considered more liquid in the market and vice versa).
- The counterparty's Probability of Default is estimated using market CDS spreads resulting in credit valuation adjustments.
- The Group's own creditworthiness and Probability of Default are estimated using input such as secondary spreads and cost of funding curve as well as information from counterparties resulting in a debit valuation adjustment.
- Other techniques, such as discounted cash flow analysis based on observable interest rates or yield curves at commonly quoted intervals, are used to determine the fair value for the remaining financial instruments.

Financial instruments in level 3

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

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

For subsequent measurement of the equity investment in Constellation Automotive Holding S.a.r.l. the Group applies a level 3 market approach using an enterprise value to revenue multiple observed in the market for comparable companies to Constellation Automotive Holdings S.a.r.l. business being valued. The deal multiple implied in the initial transaction price at 4 October 2021 was compared to the enterprise value to revenue multiples of the group of listed peer companies at that date. A company-specific discount compared to the market multiple was determined as at 4 October 2021 to reflect the characteristics of Constellation Automotive Holdings S.a.r.l. and is applied to adjust the market multiple in subsequent measurement. Relevant assumptions such as market multiple, company specific discount and peer group are reviewed in subsequent reporting periods. The net debt position of Constellation Automotive Holdings S.a.r.l. that impacts the equity value is updated every reporting period.

The Group applies the market multiple in the valuation as at 30 June 2022, as it has changed outside a corridor of +/-10% of the initial multiple. The change in the fair value of the equity securities of EUR 18.3 million is recognised in other income.

The fair value of the share in Constellation Automotive Holdings S.a.r.l. as at 30 June 2022 is EUR 44.2 million (31 December 2021: EUR 62.5 million).

The sensitivity of the fair value to a change in the multiple of 10% amounts to approximately EUR 7 million.

18 Interest Rate Benchmark Reform

The Group is well advanced in the process of the transition from the IBOR-based instruments to alternative reference rate (ARR) instruments. The transition from USD, CHF and GBP Libor to ARRs has been broadly completed as at 30 June 2022. As of 1 January 2022 the ARRs SOFR, SARON, SONIA and swap rates derived from SOFR, SONIA, SARON are used solely as the interest rate benchmarks for all new interest-bearing financial instruments and lease contracts. Spread adjustments based on historical differences between LIBOR and ARR's have been applied aiming to make transition to the new rates result neutral for the Group and clients. Some USD Libors (Overnight, 1M, 3M, 6M, 12M) will continue to be published and used by the group companies to re-price floating rate leases and derivatives concluded before 31 December 2021 until the end of June 2023 when publication ceases.

The impact of changing from IBOR rates to ARR's is considered not material because the interest rate risk policy of the Group prescribes matched funding which is monitored closely from a risk management perspective.

Any developments in replacing IBOR-based instruments to ARR's in other jurisdictions are continuously monitored with appropriate actions identified and implemented to mitigate risk which may arise from a Group perspective. On 16 May 2022 the cessation of all remaining Canadian Dollar Offer ("CDOR") Rates was announced with final publication occurring on 28 June 2024. The Group, together with affected entities are currently assessing its impact from a Group perspective. As at the balance sheet date other relevant interest rate benchmarks the Group applies are expected to continue for the foreseeable future. Those rates are calculated and administrated in accordance with the European Union Benchmarks Regulation requirements. This allows market participants to continue to use those reference rates for both existing and new contracts.

Contracts which reference IBOR rates that cease to be applicable as announced by local legislators but have yet to transition to an ARR are included in the tables below.

The table below indicates the nominal amount in Euro and weighted average maturity of derivatives in hedging relationships that will be affected by USD Libor reform, as at 30 June 2022. The derivative hedging instruments' nominal amount provides a close approximation to the extent of the risk exposure the Group manages through hedging relationships included in the derivative financial instruments in the statement of financial position.

Local currency amounts	Nominal amount (in million)	Average maturity (years)
Interest rate swaps		
USD Libor	749	2.25

The following table shows the total amounts in Euro of unreformed derivative financial instruments not in hedging relationships at 30 June 2022 that expire after the transition date of June 2023.

Derivatives financial instruments not in hedge - Nominal amount (in million)	USD LIBOR
Derivatives financial instruments assets	91.2

The following table shows the total amounts in Euro of unreformed non-derivative financial assets and liabilities at 30 June 2022 that expire after the transition date of June 2023.

Financial assets and liabilities (in million)	USD LIBOR
Debt securities issued	9.6

Any lease receivables which reference USD Libor have appropriate fallback language in place to transition these contracts to ARR's when required by Regulators.

19 Contingent assets and liabilities

As at 30 June 2022, LeasePlan has made available to companies for which a non-controlling interest is held, a credit facility of EUR 5.6 million, that has not been drawn as at the reporting date.

The probability of any inflow of economic benefits arising from the contingent assets is difficult to estimate and remote. Accordingly, no asset is recognised in the balance sheet.

20 Events occurring after balance sheet date

No material events occurred after 30 June 2022, that require disclosure in accordance with IFRS, nor events affecting the financial position of the Group as at 30 June 2022 or the result for the six months period ended 30 June 2022.

Responsibility statement

Managing Board's responsibility for financial reporting

The Managing Board is responsible for maintaining proper accounting records, for safeguarding assets and for taking reasonable steps to prevent and detect fraud and other irregularities. It is responsible for selecting suitable accounting policies and applying them on a consistent basis, making judgements and estimates that are prudent and responsible. It is also responsible for establishing and maintaining internal procedures which ensure that all major financial information is known to the Managing Board, so that timeliness, completeness and correctness of external financial reporting are assured.

Each member of the Managing Board hereby confirms that to the best of their knowledge:

The company's 30 June 2022 condensed consolidated interim financial statements, which have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and results of the Company and the subsidiaries included in the consolidation as a whole.

Amsterdam, 10 August 2022

Tex Gunning - Chairman of the Managing Board and CEO

Jochen Sutor – CRO

Toine van Doremalen - CFO

Independent auditor's review report



Independent auditor's review report

To: The Shareholder and the Supervisory Board of LeasePlan Corporation N.V.

Our conclusion

We have reviewed the accompanying condensed consolidated interim financial statements as at 30 June 2022 of LeasePlan Corporation N.V. (or hereafter: the "Company") based in Amsterdam as set out on pages 6 to 42. Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The condensed consolidated interim financial statements comprise:

- 1 the condensed consolidated statement of financial position as at 30 June 2022;
- 2 the condensed consolidated statements of profit or loss and comprehensive income for the three-month and six-month period then ended;
- 3 the condensed consolidated statements of changes in equity, and cash flows for the six-month period then ended; and
- 4 the notes comprising of a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of LeasePlan Corporation N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Managing Board and the Supervisory Board for the condensed consolidated interim financial statements

The Managing Board is responsible for the preparation and presentation of the condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, the Managing Board is responsible for such internal control as it determines is necessary to enable the preparation of the condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- obtaining an understanding of internal control, as it relates to the preparation of the condensed consolidated interim financial statements;
- making inquiries of management and others within the entity;
- applying analytical procedures with respect to information included in the condensed consolidated interim financial statements;
- obtaining assurance evidence that the condensed consolidated interim financial statements agree with, or reconcile to the entity's underlying accounting records;
- evaluating the assurance evidence obtained;
- considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- considering whether management has identified all events that may require adjustment to or disclosure in the condensed consolidated interim financial statements; and



— Considering whether the condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represents the underlying transactions free from material misstatement.

Amsterdam, 10 August 2022

KPMG Accountants N.V.

B.M. Herengreen RA

Glossary

AT1

Additional Tier 1 capital securities.

B2C runrate

Vehicles sold B2C as a share of total marketable vehicles over the latest reporting period.

CaaS

Car as a Service.

Digital LeasePlan

This programme aims to move the Group towards becoming a data driven company delivering digital car services steered by the latest digital technology of data analytics, artificial intelligence and algorithms.

ECB

European Central Bank.

ECL

Expected Credit Loss.

EOCF

End of contract fees.

EV

Electric vehicle.

LCV

Light commercial vehicles.

LeasePlan Bank

The online retail deposit bank operated by LeasePlan Corporation N.V. under a banking licence from DNB.

NCI

Non-controlling interests.

ORX

Operational Riskdata eXchange Association is operational risk management association in the financial services sector.

PLDV

Profit-and-loss on Disposal of Vehicles.

RMT

Repair, maintenance and tyres.

RoW

Rest of the world.

RV

Residual value of a vehicle.

SARON

Swiss Average Rate Overnight the overnight interest rate of the secured money market for Swiss francs.

SOFR

Secured Overnight Financing Rate is a benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR).

SONIA

Sterling Overnight Index Average is the interest rate applied to bank transactions in the British Sterling Market during off hours.

TREA

Total Risk Exposure Amount, defined by Article 92(3) of Regulation (EU) No 575/2013 (CRR).