Universal Registration Document

Including the Annual financial report

2023

ALD becomes ayvens

SOCIETE GENERALE GROUP

Contents

Universal Registration Document

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Ayvens is the leading global sustainable mobility player committed to making life flow better.

We've been improving mobility for decades, providing full-service leasing, flexible subscription services, fleet management and multi-mobility solutions to large international corporates, SMEs, professionals, and private individuals. With more than 14,500 employees across 42 countries, 3.4 million vehicles and the world's largest multi-brand EV fleet, we're leveraging our unique position to lead the way to net zero and spearhead the digital transformation of the mobility sector.

This Universal Registration Document was filed on 12 April 2024 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal Registration Document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal Registration Document. The whole is approved by the AMF in accordance with Regulation (EU) 2017/1129.

The Universal Registration Document is a copy of the official version of the Universal Registration Document which has been prepared in XHTML format and can be found on the issuer's website.

In addition to historical information, this Universal Registration Document includes forward-looking statements and unaudited consolidated *pro forma* financial information.

Any historical information contained in this document is not indicative of future performance. All statements included in this document other than statements of historical facts, including, without limitation, those regarding financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives) are forward-looking statements. The forward-looking statements are generally identified by the use of forward-looking words, such as "anticipate", "believe", "estimate", "expect", "intend", "plan", "project", "predict", "target", "will", "should", "may" or other variations of such terms, or by discussion of strategy. These statements relate to Ayvens' (1) future prospects, developments and business strategies and are based on analyses or forecasts of future results and estimates of amounts not yet determinable. These forward-looking statements represent the view of Ayvens only as at the dates they are made, and Ayvens does not have any obligation to update forward-looking statements, except as may be otherwise required by law. Such forward-looking statements are based on numerous assumptions regarding present and future business strategies and the relevant future business environment and involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. These include changes in general economic and business conditions, as well as the factors described in Section 4.1 "Risk Factors" of this Universal Registration Document.

The information herein may contain data that may no longer be complete or current. To the extent available, the industry, market and competitive position data contained in this Universal Registration Document come from official or third party sources. Third party industry publications, studies and surveys generally state that the data contained therein have been obtained from sources believed to be reliable, but no representation or warranty, express or implied, is made that such information, assumptions, performance data, modelling or scenario analysis is accurate, complete or up to date and it should not be relied upon as such. While Ayvens believes that each of these publications, studies and surveys has been prepared by a reputable source, Ayvens has not independently verified the data contained therein. In addition, certain of the industry, market and competitive position data contained in this document come from Ayvens' own internal research and estimates based on the knowledge and experience of Ayvens' management in the market in which it operates. While Ayvens believes that such research and estimates are reasonable and reliable, they, and their underlying methodology and assumptions, have not been verified by any independent source for accuracy or completeness and are subject to change without notice. Accordingly, undue reliance should not be placed on any of the industry, market or competitive position data contained in this Universal Registration Document.

This document contains certain tables and other management analyses (the "like-for-like Information") which have been prepared in reliance on information provided by Ayvens or its affiliates. Numerous assumptions have been used in preparing the like-for-like information, which may or may not be reflected in the material. As such, no assurance can be given as to the like-for-like information's accuracy, appropriateness or completeness in any particular context, or as to whether the like-for-like information and/or the assumptions upon which they are based reflect present market conditions or future market performance. The like-for-like information should not be construed as either projections or predictions or as legal, tax, investment, financial or accounting advice.

The unaudited *pro forma* consolidated financial information included in this Universal Registration Document has been prepared in accordance with Annex 20 of Delegated Regulation 2019/980 supplementing European Regulation 2017/1129 and by applying the guidelines issued by ESMA (ESMA32-382-1138 of 4 March 2021) and the provisions of AMF Position-Recommendation 2021-02 on *pro forma* financial information, using historical consolidated financial information of ALD SA and LeasePlan Group B.V., together with its subsidiaries (the "LeasePlan Group"). It is presented for illustrative purposes only and should not be considered to be an indication of the results of Ayvens following the acquisition of the LeasePlan Group.

(1) "Ayvens" refers to ALD SA and its consolidated entities

1

Ayvens at a glance

1.1 History and development

2001

Acquisition of ALD Interleasing by Societe Generale and creation of the ALD Automotive brand

Leader on its main markets: France, Italy, The Netherlands, Spain, United Kingdom, Germany, Belgium

Development in other Western and Northern European markets

291,000 vehicles

19 countries
France, Italy, the Netherlands, Spain, United Kingdom, Germany, Belgium in particular, and the Nordic countries (Finland, Norway)

2002-2005

Expansion in Eastern Europe, South America, Africa and Asia. Already present in all the BRIC countries (Brazil, Russia, India and China), the Group is also developing in other Latin American countries, notably in Mexico, Chile, Peru and Columbia, and has built up strong positions in markets outside Western Europe.

2003

Acquisition of Hertz Lease Europe
(180,000 vehicles in 12 countries)

22 countries
Slovenia, Russia, Switzerland

2004

500,000 vehicles

29 countries
Ukraine, Brazil, Croatia, India, Estonia, Romania, Turkey

2005

Acquisition of Ford Lease
(61,300 vehicles in 9 countries)

33 countries
Lithuania, China, Latvia, Greece

2006

40 countries
Algeria, Serbia, Mexico

2007

Global partnership with Wheels Inc.

2007-2016

In April 2009, the Group entered into a global strategic co-operation alliance with Wheels, a specialist and leader in vehicle Fleet Management for large corporate customers in North America. In 2012, the Group entered into a similar alliance with Fleet Partners, which extended its coverage in the Asia Pacific region. In 2014, another strategic alliance was concluded with ABSA (company based in South Africa, Absa Vehicle Management Solutions), which enabled the Group to extend its offering to South Africa. In 2016, the Group expanded its strategic partnerships in the Latam region (in Argentina with Autocorp and Central America with Arrend).

2008

750,000 vehicles

2009

Partnership with Fleet Partners (Australia, New Zealand)

2010

Launch of ALD Carmarket

2013

1 million vehicles

2014

39 countries
Kazakhstan, Bulgaria

2015

40 countries
Chile

2016

Acquisition of Parcours, 63,700 vehicles in France, Spain, Belgium, Portugal and Luxembourg

Partnerships with Autocorp and Arrend

41 countries
Peru

2017

IPO

43 countries
Ireland, Colombia

2017

IPO: in June 2017, Societe Generale sold a total of 20.18% of ALD's issued share capital via an Initial Public Offering (IPO) announced on 5 June 2017. The objective of the IPO was to enable the ALD Group to gain visibility and reputation in the mobility ecosystem as well as to access new means of financing and to increase its capacity to accelerate its development and seize new growth opportunities in both the corporate and B2C markets. ALD's shares commenced trading on the regulated market of Euronext Paris on 16 June 2017. The Company's shares were valued at EUR 5.78 billion.

2019

- Acquisition of Stern Lease in the Netherlands (~14,000 vehicles), the rental activity of Stern Group
- Acquisition of the BBVA leasing portfolio in Portugal
- ALD selected by Amazon to launch 'Motors' personal car leasing platform in Spain
- Partnership with Polestar

2019

Launch of ALD Electric

Launch of ALD Move in the Netherlands, the Group's first Mobility as a Service solution

2020

- Move 2025 strategic plan
- Capital Markets Day
- Joint launch with Ford Fleet Management
- Creation of a Malaysian subsidiary with Mitsubishi UFJ Lease & Finance
- Partnership with Mitsubishi Auto Leasing in Japan
- Partnership with Shouqi in China
- Divestment of ALD Fortune (China)

Launch of ALD Flex

2021

- Acquisition of Bansabadell Renting in Spain and of digital subscription company Fleetpool in Germany
- Stake in Skipr, a Mobility as a Service startup
- Partnerships with smart Europe, Tesla, Lynk & Co, accelerating the transition to sustainable and low-emission mobility

1.81 million vehicles
43 countries

2022

Launch of ALD Move in France and Belgium

Development of multi-cycle lease

2023

Acquisition of 100% of LeasePlan (1.6 million vehicles)

Disposal of ALD's entities in Russia, Belarus, Portugal, Ireland and Norway (except NF Fleet Norway) and LeasePlan's entities in the Czech Republic, Finland and Luxembourg

Capital Markets Day: release of "PowerUP 2026" strategic plan

Launch of new brand

ayvens
SOCIETE GENERALE GROUP

3.42 million vehicles

43 countries

2024

Disposal of LeasePlan Russia

42 countries

The Company was incorporated in 1998 under its former corporate name “Lysophan”. In 2001, the former corporate name was replaced by “ALD International”. In March 2017, this was in turn changed to “ALD”. In October 2023, the new brand ‘Ayvens’ was launched following the acquisition of LeasePlan, to unite ALD and LeasePlan together under a single identity.

Key milestones in the Company’s development include the acquisition by Societe Generale, its parent company, of Deutsche Bank’s European car leasing activity in 2001 and Hertz Lease Europe in 2003, thereby consolidating the Group’s leading market position in almost all of its key European markets.

Since 2004, the Group has established multiple subsidiaries in Central and Eastern Europe and South America, Africa and Asia. Already present in the BRIC countries (Brazil, Russia and India – plus China, which it exited in 2020), the Group has further expanded into Latin American countries, notably Mexico, Chile, Peru and Colombia, and has built up strong positions in markets outside Western Europe.

In 2009, the Group entered into a global strategic co-operation alliance with Wheels, a specialist and leader in vehicle Fleet Management for large corporate customers in North America. In 2012, the Group entered into a similar alliance with Fleet Partners, which extended its coverage in the Asia Pacific region. In 2014, another strategic alliance was signed with ABSA (South Africa-based company Absa Vehicle Management Solutions), which extended its coverage to South Africa. In 2016, the Group expanded its strategic partnerships in the Latam region: in Argentina with Autocorp and Central America with Arrend. In 2020, new partnerships were added in Asia, notably with Mitsubishi Auto Leasing Corporation in Japan, with Mitsubishi HC Capital Inc. in Malaysia, and with Shouqi in China. In 2023, the partnership with Fleet Partners in Australia and New Zealand was terminated and replaced by a partnership with SG Fleet. These alliances helped to expand the Group’s global presence which included, either directly or through such alliances, 58 countries as at the date of this Universal Registration Document.

In addition to its regional partners, the Group has forged partnerships with more than 200 car manufacturers, banks and insurers, energy suppliers and mobility platforms. Aside from its direct distribution, the Group uses indirect distribution channels to offer its Full Service Leasing and Fleet Management.

In 2017, Societe Generale sold a total of 20.18% of ALD’s issued share capital *via* an initial public offering (IPO) announced on 5 June 2017. The objective of the IPO was to enable the ALD Group to gain visibility and reputation in the mobility ecosystem as well as to access new means of financing and to increase its capacity to accelerate its development and seize new growth opportunities in both the corporate and B2C markets. ALD’s shares commenced trading on the regulated market of Euronext Paris on 16 June 2017. The initial public offering implied a total valuation of the Company’s shares of EUR 5.78 billion.

In 2021, the Group strengthened its position in Europe through the acquisition of Bansabadell Renting, boosting its presence in Spain. Moreover, the acquisition of a stake in Skipr offered the Group new growth opportunities in the field of consulting services for mobility transformation with digital access to multimodal, flexible and sustainable solutions and the capacity to bolster its ALD Move offer in Europe.

In 2022, ALD successfully completed an EUR 1.2 billion rights issue, securing the financing of part of the cash component of the acquisition price for LeasePlan, one of the world’s leading fleet management and mobility companies.

In May 2023, ALD closed the acquisition of 100% of LeasePlan, for a total consideration of EUR 4.9 billion (1), paid through a combination of cash and ALD shares, to create the leading global sustainable mobility player with *c.* 3.4 million vehicles managed. Upon the acquisition of LeasePlan, which holds a banking licence, ALD became a Financial Holding Company, a regulated institution supervised by the European Central Bank.

In September 2023, ALD I LeasePlan presented its “PowerUP 2026” strategic plan, following the transformative acquisition of LeasePlan.

In October 2023, ALD I LeasePlan unveiled "Ayvens", its new global mobility brand, which represents another strategic milestone in the Company’s development and highlights the new brand promise.

(1) Based on ALD’s stock price of EUR 11.43 as at 22 May 2023, including warrants and estimated fair value of contingent consideration

1.2 Detailed profile

1.2.1 Business model

Ayvens [1] is a full service leasing [2] ("**Full Service Leasing**") and fleet management [3] ("**Fleet Management**") Group with a managed fleet of 3.420 million vehicles as at 31 December 2023. It operates directly in 42 countries and through commercial alliances indirectly in 16 countries as at the date of this Universal Registration Document. The Group is active on the whole Full Service Leasing value chain and focuses on providing solutions encompassing a broad range of services that can also be provided on a standalone basis.

The Group benefits from a diversified income base consisting of three principal components: the Leasing contract margin ("**Leasing contract margin**"), the Services margin ("**Services margin**", and together with the Leasing contract margin, the "Total Margins") and the Used Car Sales result ("**Used Car Sales result**").

Under its primary product offering, Full Service Leasing, the Group purchases vehicles with a view to leasing them to its customers. During the lease period, it earns a financing spread (Leasing contract margin) equal to the difference between, on the one hand, the leasing contract revenue it receives from customers, equal to the expected depreciation of the leased vehicle plus the interest charge for funding the vehicle as well as other associated costs, and, on the other hand, the leasing contract costs, which are comprised of the costs for the expected depreciation of the leased vehicle and the costs of funds the Group incurs to fund the vehicles.

The Group also generates income from the wide range of services that it offers under both its Full Service Leasing and Fleet Management products, such as maintenance and repairs, insurance, tyres and replacement vehicles. This income is referred to as the Services margin, representing the difference between the fixed costs invoiced in the monthly rental and the costs incurred by the Group in providing these services.

Lastly, the Group generates income from the remarketing of its used vehicles at the termination of a lease contract, referred to as the Used Car Sales result. The Group markets and sells used vehicles at the end of their lease through various channels: dealers, directly to the users of the vehicles or sales to individual customers *via* auctions, respectively through its auction platforms (Ayvens Carmarket) and online vehicle sales to retail customers (under the Ayvens brand) or more than 60 showrooms in 28 countries. Ayvens Carmarket is the main channel used to market and resell its used vehicles. *Via* this website, the Group can also remarket, on behalf of its customers and partners, used cars which it does not own, earning a fee from the proceeds of the sale.

The following table sets out the distribution of the Group's three principal sources of consolidated Gross operating income ("Gross operating income") for the financial years ended 31 December 2023, 2022 and 2021:

(in EUR million)	**Year ended 31/12/2023 [4]**	**31/12/2022 [5]**	**31/12/2021**
Leasing contract margin	1,261.9	1,181.2	732.8
Services margin	1,354.2	715.1	650.0
Used Car Sales result	349.5	747.6	437.7
GROSS OPERATING INCOME	**2,965.6**	**2,643.9**	**1,820.5**

(1) "Ayvens" refers to ALD SA and its consolidated entities
(2) Under a full service lease, the client pays the leasing company a regular monthly lease payment to cover the financing, depreciation of the vehicle and the cost of various services provided in relation to the use of the vehicle (such as maintenance, replacement car, tyre management, fuel cards and insurance)
(3) Fleet Management services include the provision of outsourcing contracts to clients under which the vehicle is not owned by the Group but is managed by the Group and for which the client pays fees for the various Fleet Management services provided. These services are generally identical to those listed under the full service leasing above, with the exception of the financing service, as the vehicle is owned by the client
(4) LeasePlan consolidated from 22 May 2023
(5) FY 2022 was restated for IFRS 17, which applies from 1 January 2023

Leadership position in a

Unrivalled position in the mobility sector

Long-term megatrends driving strong growth in the mobility sector

Electrification

- Around 70% of new vehicles to be EVs & eLCVs by 2030[1]
- New EV / Battery technology & business models

Behavioural changes

- Shift from ownership to usership
- Flexible leasing solutions
- Used car / Multi-cycle lease

New opportunities from digital

- Increasing digitalization for a seamless digital experience
- Data-driven value creation

Emerging ecosystem

- Fragmentation and expansion of value chains
- New partnership opportunities

Evolving competition

- Continuing OEMs consolidation and implementation of agency model
- New entrants (EV, non-European and tech players)
- Partnership opportunities

We make mobility easy for our clients, so they can focus on their business

Full service leasing

Fleet management

1 We finance vehicles

2 We provide a wide range of services[2]

3 We sell the vehicles or lease them again

Unrivalled leadership

Our leadership

- #1 multi-brand player — 3.4 million fleet[3] — ayvens
- #1 in 29 countries — including the top European markets
- #1 multi-brand EV fleet — 523,000 Electric Vehicles[4]

Our scale

- EUR 52.0 billion — Earning assets[3]
- Scalability — leading to best-in-class operating efficiency
- 800,000 vehicles — 4 million tyres — purchased per annum

The industry benefits from very attractive dynamics

1. A highly profitable business

- Structurally high returns
- Operational efficiency enhanced by industrialized processes and scale

2. Barriers to entry

- Access to long-term funding at competitive cost
- Scale really matters

Improved procurement conditions

Large infrastructure investments

Geographical coverage

3. Strength and resilience

- Client stickiness
- Predictability of margins (3 to 4-year contracts)
- Structurally low credit risk
- Asset-backed business supporting profitability through the cycle

(1) Source: BCG, BofA, CVA and IEA
(2) Include: new vehicle selection and advisory, registration and delivery, repair, maintenance and tyres, insurance, accident management, tax and fine management, fuel and charging services, driver support and replacement vehicle, reporting and optimization, etc.
(3) As at 31 December 2023
(4) Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs)

very attractive industry

Unique resources supporting our ambitions

#1 global multi-brand, multi-channel player offering the broadest range of products across all segments

Best-in-class product range

- **One-stop shop with high potential for cross and up-selling**
  Flex, Multi-cycle, LCV
- **Ability to anticipate market needs**
  Subscription / Multimodality

Broadest client reach

- **Leadership in B2B and blue chips**
- **Leading innovative capabilities in B2C**

Unrivalled geographical footprint

- **42 countries**(1)
  Coverage is key for large corporates customers
- **50 customers**
  served in more than 20 countries

Enhanced distribution capabilities

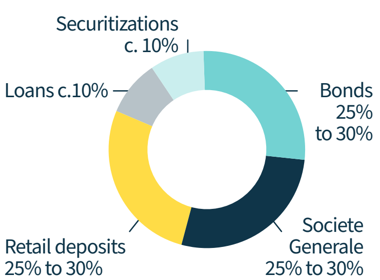
- **Leadership on partnerships**
- **430 partners**

Best talent pool

- **14,580**(2)
  employees
- **Highly international management profile**
  7 nationalities at Exco level
- **Strong client and performance-driven mindset**
- **Proactive training policy**
  c. 240,000 hours of training(3)

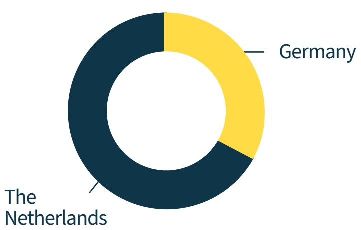
Competitive advantage in access to funding

1. Diversified target funding structure



2. Strong retail deposits base

EUR 11.8 billion
as at 31 December 2023



3. Established issuer on market

Best debt credit ratings among multi-brand car leasing players

- A1 Moody's
- A- S&P Global
- A- FitchRatings

EUR 4.37 billion bonds(4) **issued in 2023**

Sound risk management framework

- **Robust governance framework**
- **Benefiting from being part of the Societe Generale Group**
- **Regulated status and supervision by the European Central Bank**
- **Prudent approach to risks**

(1) As at the date if this Universal Registration Document
(2) As at 31 December 2023
(3) In 2023
(4) Public issuances and private placements

Shaping the future

PowerUP 2026 strategic plan

Leveraging the power of leadership to shape the future of mobility

2020 – Move 2025 ALD Automotive Strategic Plan

Establish leadership position

- Become a fully integrated sustainable mobility provider and the global leader in the car leasing industry

2023 – PowerUP 2026

Achieve excellence

- New brand
- Successfully integrate LeasePlan
- Lead the sector's transformation
- Build excellence in our operating platform, deliver synergies and superior financial return

2026

Shape the future of mobility

- Address fast-growing markets from a leadership position
- Lead innovation towards new mobility (MaaS[1], connected and autonomous cars…)

ESG drives everything we do

Shape the future of sustainable mobility, with a full suite of client solutions

- Electric Vehicles (new & used)
- MaaS & multimodality
- Multi-cycle
- Consultancy services

Act across our value chain to benefit the environment and the community

- Reduction in internal footprint
- Responsible sourcing
- Circularity in vehicle operations
- Societal commitment

Behave responsibly, internally and with external stakeholders

- ESG and risk management
- Internal ethics and conduct
- Customer satisfaction
- ESG training and objectives

Be a supportive and responsible employer

- Employee experience
- Corporate culture
- Diversity, Equity and Inclusion
- People development

(1) Mobility as a Service

# of mobility

Value creation for our stakeholders

2023 financial performance

- **EUR 816.2 million** Net income group share
- **12.4%** Return on Tangible Equity (ROTE)
- **12.5%** CET 1 ratio as at 31 December 2023
- **EUR 0.47** Dividend per share

Main strategic and financial objectives for 2026

CLIENTS

Focus on profitable growth

Earning assets(1) +6%
CAGR 2023-2026

Promote multimodality

Active users of MaaS platform

200k in 2026
launched in 2022

OPERATIONAL EFFICIENCY

Successfully integrate LeasePlan

Annual synergies EUR 440m by 2026

Leverage leadership and scale to achieve best-in-class efficiency

Cost / Income ratio (excl. UCS results) c. 52% in 2026
vs. 56% in 2022(2)

RESPONSIBILITY

Lead the way to sustainable mobility

Share of EV in new car deliveries

50% in 2026
vs. 28% in 2022

Step up decarbonization

Running fleet CO_2 emissions <90g/km(3)
vs. 112g in 2022

Internal CO_2 emissions(4) -35% vs. 2019

Maintain employee engagement at high level

Employee engagement

75% in 2026
vs. 74% in 2022

PROFITABILITY

Achieve superior financial return

ROTE(5) 13%-15% in 2026

Maintain robust capital position

CET 1 ratio c. 12%

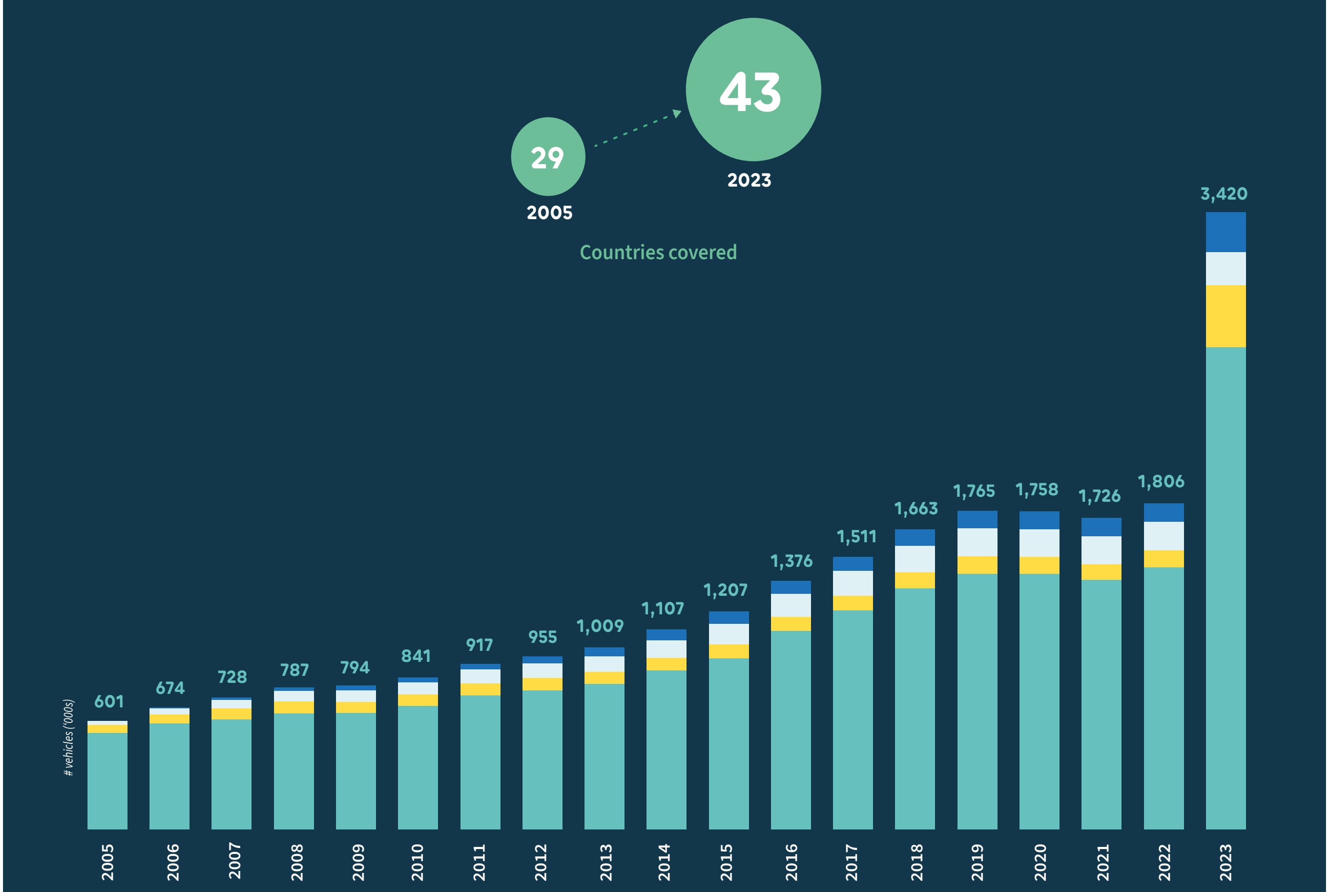
Offer attractive shareholder return

Dividend payout 50%

(1) Net carrying amount of the rental fleet plus receivables on finance leases
(2) Cost / Income ratio of the combined entity in 2022, based on public disclosure, excluding UCS results, reduction in depreciation costs and non-recurring items
(3) WLTP (Worldwide harmonized Light vehicles Test Procedure)
(4) Scope 1, Scope 2 and Scope 3 limited to business travel, paper and waste
(5) Return on Tangible Equity

1.2.2 Market and product offering

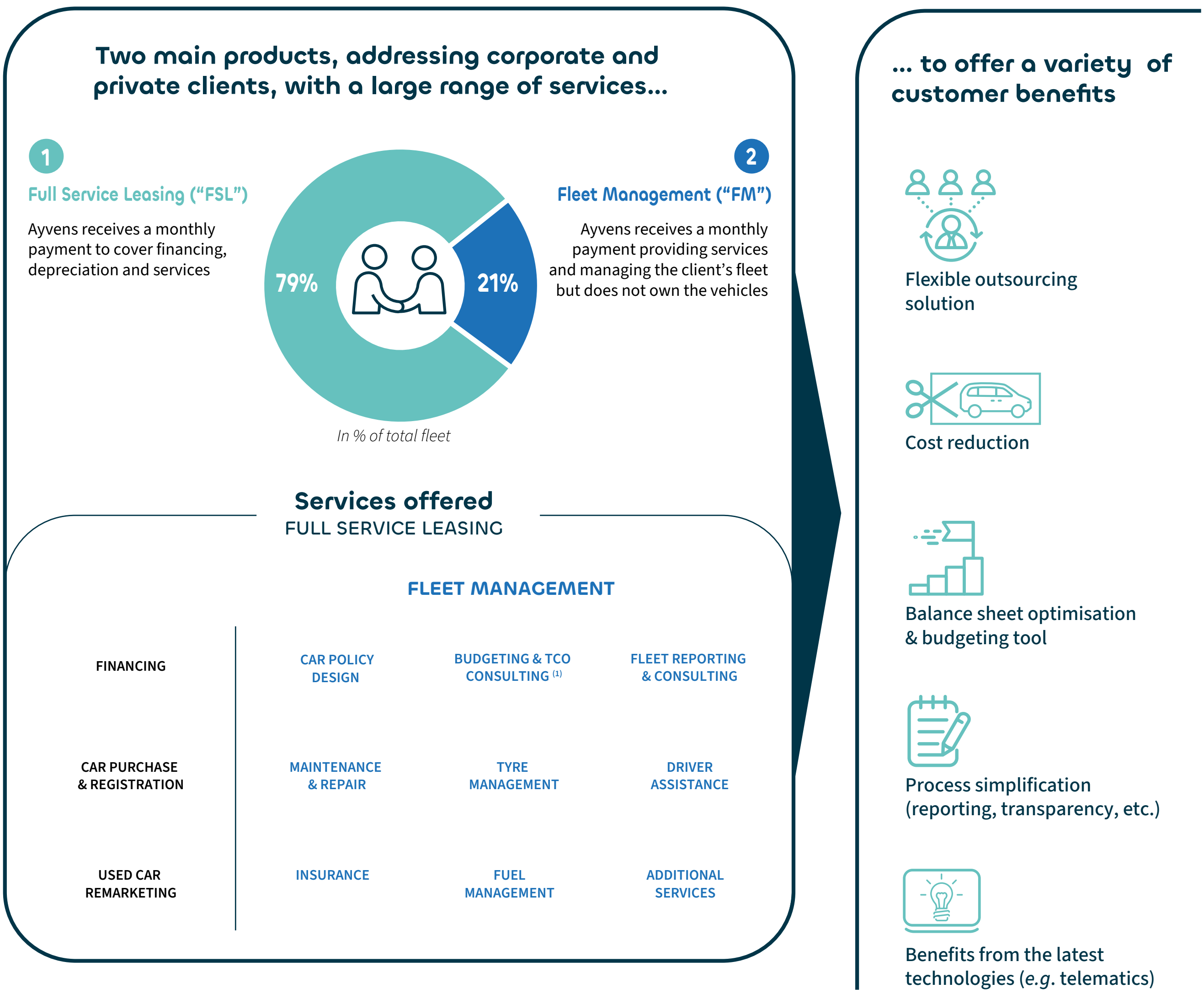
Fleet growth over the years



Note: Data as of 31/12
South America, Africa & Asia: Brazil, Mexico, India, Morocco, Algeria, China, Chile, Peru, Colombia, Malaysia, UAE
Central & Eastern Europe (CEE): Czech Republic, Hungary, Turkey, Poland, Romania, Austria, Ukraine, Switzerland, Bulgaria, Greece, Slovakia, Croatia, Serbia, Slovenia, Lithuania, Latvia, Estonia, Russia
Northern Europe: Denmark, Finland, Norway, Sweden
Western Europe: Belgium, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, UK

SOUTH AMERICA, AFRICA & ASIA | CENTRAL AND EASTERN EUROPE | NORTHERN EUROPE | WESTERN EUROPE

The Ayvens offering meets all customer needs



Note: Data as of 31/12/2023

(1) TCO: Total Cost of Ownership (i.e. cost including usage of the car during the life of the leasing contract including leasing cost and services, fuel consumption, direct and indirect taxes, etc.).

1.2.2.1 Offers

In addition to traditional Full Service Leasing offers, Ayvens has recently developed new mobility offers, such as ALD Flex, resembling a subscription contract, and ALD Move, which does not necessarily include a vehicle. These products are detailed in Section 1.2.8.2 "Innovative products" of this Universal Registration Document.

Full Service Leasing

Full Service Leasing allows customers to use a vehicle without legal ownership.

In a full service lease, the customer pays a monthly rent which covers the financing, depreciation of the vehicle and the cost of various management services provided relating to the vehicle (such as insurance, tyres, repair, replacement car, fuel card and insurance). The fixed monthly lease payment gives the customer visibility and stability in his/her vehicle lease costs. This also means he/she does not have to use his/her own funding to acquire the vehicle.

A full service lease includes various management services, which help simplify the customer's fleet administration: by thus delegating the management of its fleet, the customer avoids the need for an internal operating structure managing the relationship with drivers, suppliers and car manufacturers and having to sell the vehicle at the end of the lease while optimising costs. Customers also benefit from increased controls on drivers and fleet managers by the service provider, thereby improving efficiency, controlling costs and allowing the customer to focus on his/her core competencies.

Services included in a full service lease contract are tailored to the specific needs of customers. Under the fixed-payment model, customers pay a fixed monthly cost, but are not provided with a breakdown of the actual costs of the services incurred. The leasing company absorbs both positive and negative variances from the contracted costs. No settlement of the difference between actual and fixed contracted costs occurs at the end of the contract.

Under a full service lease, vehicles are chosen by the customer, together with the desired associated services. The leasing company has a consulting role and will advise the customer on selecting the vehicle-related services. Typical services available under a full service lease include the following:

- **designing a car policy and vehicle selection** – the customer can choose the type of vehicle (brand, powertrain, drive, model and options) he/she wishes to include in their car policy. The leasing company purchases the vehicle selected by the customer or the driver;
- **repair, maintenance and tyres** – the leasing company provides repair, maintenance and tyre replacement services for both routine and emergency situations through its network of selected workshops and tyre fitters;
- **insurance** – third party liability, theft, passenger and material damage insurance;
- **driver support and breakdown assistance** – examples include a customer support telephone line to support drivers in case of emergency, breakdown or for any other need;
- **replacement vehicles** – the leasing company may arrange for provision of a replacement vehicle in case of routine maintenance or accident repairs;
- **other** – tailor-made customer services, such as car-sharing solutions, advisory and provision of electric recharging facilities and recharging cards to support customers in their transition to sustainable mobility.

Fleet Management

Fleet Management is the provision of outsourcing contracts to customers under which vehicles not owned by the Group are managed by the Group. The customer pays fees for the cost of various Fleet Management services provided by the Group. These services are generally identical to those listed under the Full Service Leasing product above, with the exception of the financing and remarketing, as the vehicle is owned by the customer.

1.2.2.2 Growth trends and drivers

1.2.2.2.1 New mobility paradigms

Vehicles are increasingly becoming electrified, shared, connected and autonomous, with demand for mobility being strongly impacted by four megatrends: usership, digital, demand for flexible and shared mobility and electrification.

These megatrends are expected to shape the future of the mobility sector for the coming 5 to 7 years:

- **usership:** the mobility sector has seen a strong push away from ownership of assets, including cars, with usership becoming the norm for both corporates and private individuals;
- **digital:** technology and digitalization have enabled the introduction of new products and services, leading to increased expectations from customers for on-demand mobility solutions;
- **flexible and shared mobility:** demand for flexible products and services is also driving significant changes in customer demand and behaviour;
- **electrification:** growing environmental awareness and changes in customer behaviour have led to a sizeable increase in demand for more sustainable mobility solutions. Electric vehicles ("EV") [(1)] are expected to continue to replace thermal cars over the coming years, with electric registrations growing at an estimated 30% per year over the 2021-2025 period [(2)]. The trend is anticipated to continue over the long term, as evidenced by the recent vote by the European Parliament on 8 June 2022 (amending Regulation (EU) 2019/631) to ban the sale of new internal combustion engines in the European Union from 2035.

These megatrends will accelerate the transformation of the mobility sector and create strong growth opportunities for the coming years.

1.2.2.2.2 Market growth perspectives

New customer segments

Fleet leasing companies are currently active in three main customer segments: corporates, small and medium-sized enterprises ("**SMEs**") and individuals. Further growth is expected in each of these three segments, mainly driven by the impact of the aforementioned four megatrends.

- **Corporates.** Historically, this has been the largest segment for fleet leasing companies, as large corporates looked to outsource non-core activities. This segment has experienced renewed growth potential stemming from the strong corporate demand for EV. Overall, average growth of European new car registrations of approximately 5.7% *per annum* is expected in this segment over the 2021-2030 period, from 1.4 million in 2021 to 2.3 million in 2030 [(3)].
- **SMEs.** An increasing number of SMEs have resorted to fleet leasing in recent years and this segment – addressed mainly through partnerships – has not yet reached its full potential and is expected to continue to grow in the future. Overall, average growth of European new car registrations of approximately 6.5% *per annum* is expected in this segment over the 2021-2030 period, from 1.7 million in 2021 to 3.0 million in 2030 [(4)].
- **Individuals.** Private lease activity has been historically limited as individuals adopted other financing solutions (direct purchases, consumer loans, *etc.*). Appetite for leasing solutions has been growing recently as individuals turn to usership, with a preference for more expensive cars (notably electric ones') and a large and high-quality services offering. Overall, average growth of European new car registrations is expected to grow by approximately 9.9% *per annum* in this segment over the 2021-2030 period, from 1.8 million in 2021 to 4.2 million in 2030 [(5)].

The new mobility sector paradigms are also expected to open additional addressable customer segments for fleet leasing companies, notably light commercial vehicles ("**LCVs**") and employees (Business-to Business-to-Employee, or B2B2E).

- **LCVs.** Currently, there is limited penetration of fleet service companies in this segment, but this is expected to increase rapidly, particularly with the development of new offers and services such as "last mile delivery", which is tailored to the fast-growing e-commerce sector. Overall, this is expected to translate into strong growth opportunities in the LCV and electric-LCV segments.
- **B2B2E.** Data-driven digital solutions are facilitating the ability to serve corporate clients' employees, which is expected to generate profitable growth in this segment.

(1) Battery Electric Vehicles (BEVs), Plug in Hybrids (PHEVs), Fuel Cell (FCEV)
(2) EV Volumes
(3) CVA estimates for European Union, Norway, Switzerland and the UK
(4) CVA estimates for European Union, Norway, Switzerland and the UK
(5) CVA estimates for European Union, Norway, Switzerland and the UK

Products and services

In addition to current products and services provided by fleet leasing companies (car financing, maintenance and repair, insurance, digital services, *etc.*), the mobility sector's substantial transformation is expected to lead to the development of new mobility products and services.

EV should offer new revenue generation opportunities in the form of consultancy and other services (large corporates seeking to be accompanied in their fleet transition from thermal to electric, access to charging infrastructure, possibility to switch to a thermal vehicle for specific occasions, *etc.*).

Connected vehicles also create possibilities for new products and services, notably in terms of Fleet Management (reporting, budget, *etc.*), as well as through telematics, with the deployment of second-generation insurance products.

Enhanced digital capacities will allow for the development of more flexible offers for customers (ability to switch cars on a more frequent basis, access to vehicles for shorter durations, *etc.*) and multi-modal and shared mobility solutions.

The penetration of these new mobility services is expected to increase rapidly over the coming years, with subscription and flexible lease products expected to grow by an average of approximately 20% *per annum* between 2021 and 2030 (1) and last-mile delivery growing by approximately 15% *per annum* over the same period (2).

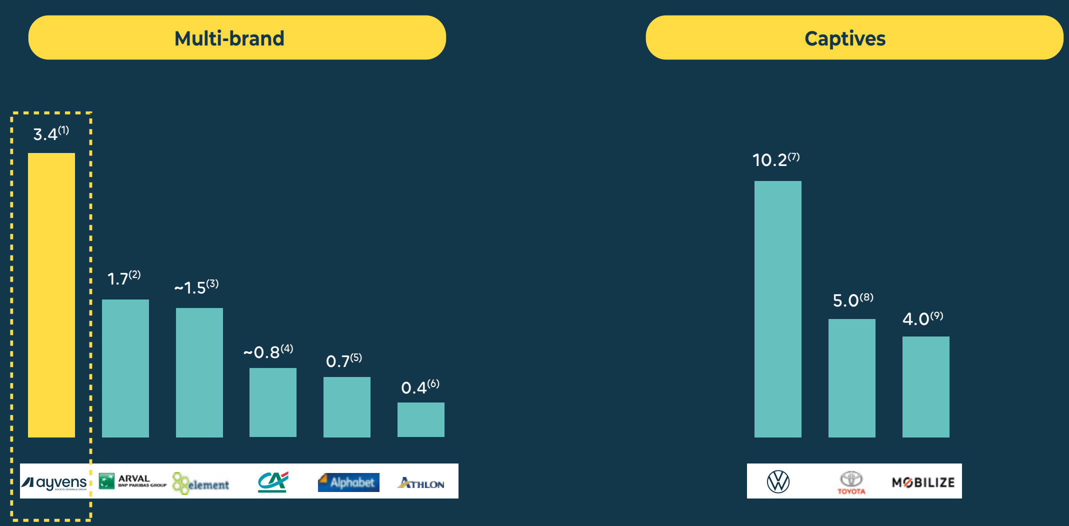
Overall, both existing and new addressable markets should benefit from these new services, which are expected to accelerate growth and lead to increased revenue generation opportunities.

Ayvens believes it is well-positioned to benefit from all of these trends, with its core products of operating leasing and Fleet Management and its ability to provide flexible use options responding to the mobility demands of all customer segments.

Through its product offering, Ayvens' business model is ideally placed to address future mobility trends, which will be driven by an increasing use of new technologies, shared mobility, and a shift away from ownership of assets.

1.2.3 Competitive environment

Total fleet as at 31 December 2023 (in million)



1. *As at 31/12/2023*
2. *As at 31/12/2023 based on Arval's press release on 2 February 2024*
3. *As at 31/12/2023 based on Q4 2023 Element Investor presentation*
4. *As at 30/06/2023 based on Leasys' consolidated H1 2023 report*
5. *As at 30/06/2023 based on BMW Group H1 2023 report*
6. *As at 30/06/2022 including Athlon & Daimler Fleet management report*
7. *VW Group 2023 annual report*
8. *Toyota presentation materials for Investors as of February 2024*
9. *Ayvens' estimate based on RCI Banque's 2023 investor presentation*

(1) *Global subscription market growth; source: Strait Research (September 2022)*
(2) *Last mile delivery global market growth; source: Quince Market Insight (November 2021)*

1.2.3.1 Competitive landscape

Globally, the Full Service Leasing market remains fragmented, with few players providing global coverage. Ayvens became the leading multi-brand player following the acquisition of LeasePlan. Arval is Ayvens' closest competitor. Other multi-brand companies have traditionally focused on their home market and region (such as Sumitomo and Orix in South East Asia, and American leasing entities such as Element Fleet, Holman and Wheels, present largely in North America). In addition, certain captive financing subsidiaries of car manufacturers are well positioned in the market, generally promoting their own brand.

Among all global operators, Ayvens has the largest geographical coverage, managing c. 3.4 million vehicles across 42 countries as at the date of this Universal Registration Document. The Group has built a global network, successfully rolling out its business model in new customer segments, leveraging its international customer base and its strong commercial partnership culture to penetrate new customer segments. It should be noted that players that are only present in North America, where leases are mainly finance leases, generally lack the expertise to underwrite business in geographies where business is primarily composed of full service leases, notably Europe.

1.2.3.2 Competitors

In its activities, the Group competes with other international Fleet Management companies. These include both vertically integrated companies offering Full Service Leasing and financing services and companies that offer Fleet Management only.

The principal international multi-brand leasing companies operating in the same geographic regions as the Ayvens Group are Arval (1.7 million (1) vehicles financed), Alphabet (0.7 million (2) vehicles managed) and Athlon/Daimler Fleet Management (0.4 million (3) vehicles managed). In some of the Group's markets, it also competes with strong local players offering full service leases.

The Group competes with the captive finance subsidiaries of car manufacturers, the largest of which finance fleets that run into several millions. Lastly, the Group also competes with third-party service providers that offer fleet consulting, bidding solutions and procurement.

Competitors in the global leasing services market generally fall into three broad categories based on their ownership structure, namely bank affiliates, car manufacturers' captives and independent operators. The ownership structure of a given competitor is often a key driver in the nature of its operations.

(i) Bank affiliates

Bank affiliates include entities that are part of a financial group, mostly subsidiaries of banks, such as Arval (BNP Paribas). In most cases, multi-brand vehicle leasing activities began as an extension of conventional banking products to meet the needs of corporate customers. Banks have gradually developed semi-autonomous leasing units within their structure.

These bank affiliates leverage the parent bank's distribution network among others. This serves as a sales channel within a diversified distribution chain for their own leasing products. Bank affiliates are included in the financing plans of their parents and/or affiliates. However, for the most part, they are local or regional players without a global reach.

(ii) Car manufacturers' captives

Car manufacturers' captives, *i.e.* entities owned and controlled by car manufacturers, generally focus on increasing sales of their owner's vehicle brands. These entities benefit from brand synergies and access to the dealership network of their manufacturer, parent or affiliate, but the growth of the business is tied to the underlying demand for the manufacturer's specific vehicle brands.

The importance of captive operating lease and Fleet Management companies, such as Volkswagen Leasing, RCI Mobilize, Stellantis and Toyota, is increasing as their parent companies seek to present themselves as all-round providers of mobility solutions which are able to capture a greater share of the market for acquiring and operating vehicles, rather than solely as car manufacturers.

Given the financing advantages enjoyed by leasing businesses owned by financial institutions, the majority of larger car manufacturers have also established special financial services subsidiaries to oversee their cash financing and leasing businesses and, in some cases, to assist in raising funds for their manufacturing businesses.

(iii) Independent operators

Multi-brand independent operators include entities that are not directly related to banking institutions or car manufacturers. Lack of scale and access to external financing on attractive terms are the key challenges faced by such entities.

(iv) Regional players

Regional players are companies that are only present in one country or a small number of countries.

(1) Financed vehicles as at 31 December 2023
(2) Fleet under management as at 30 June 2023 (source: BMW)
(3) Fleet under management as at 30 June 2022, including Daimler Fleet (source: Daimler)

1.2.4 Product distribution

The Group has two product offerings: Full Service Leasing and Fleet Management. The following table gives the breakdown of the managed fleet (in thousands of vehicles) by product offering for the financial years ended 31 December 2023, 2022 and 2021:

(in thousands of vehicles)	Year ended 31/12/2023		Year ended 31/12/2022		Year ended 31/12/2021	
Full Service Leasing	2,709	79%	1,464	81%	1,427	83%
Fleet Management	710	21%	342	19%	299	17%
TOTAL FLEET	**3,420**	**100%**	**1,806**	**100%**	**1,726**	**100%**

Full Service Leasing

Full Service Leasing contracts represented 79% of the Group's fleet as at 31 December 2023. 98% of the Group's Full Service Leasing contracts were operating leases as at the same date. The Group's full service leases are typically for a duration of 36 to 48 months.

Fleet Management

Fleet Management represented 21% of the Group's fleet at 31 December 2023. Through its range of services and specially negotiated rates, the Group provides solutions to customers to identify and control their costs by streamlining and simplifying the Fleet Management process. The Group offers two Fleet Management solutions: (1) a flat rate plan for the services provided and (2) a plan where the Group handles vehicle invoice processing for the customer.

1.2.4.1 Customers

The Group has over 400,000 corporate clients and a diversified customer base. The concentration of the Group's top 10 customers (1) remained limited at 5.1% as at 31 December 2023 compared to 5.6% as at 31 December 2022.

The Group's leasing contracts have an average length of 45 months. The Group strives to establish and maintain a lasting relationship with its customers. To do this, it must maintain an excellent level of service and high customer satisfaction. In addition, for international customers, succeeding in tender processes is essential to retaining or obtaining contracts. The major challenge for the Group is to win calls for tender to maintain or increase the portfolio of vehicles managed for clients.

1.2.4.2 Distribution channels

The Group has a customer base accessed through a variety of direct and indirect channels.

Direct sales

Direct sales are made by the Group's internal sales teams in its different countries of operation supported by the central Ayvens international team. Teams responsible for relations with large accounts coordinate the activity between customers and the various countries concerned. Local Ayvens sales teams bid at tenders from local or international corporate accounts (either corporate or public entities) who receive dedicated sales and account management.

The Group also targets private lease customers directly *via* its online platform.

Partnership

The Group may enter into a partnership agreement either through White Labelling (see below) or directly under the Ayvens brand. Vehicles may be financed by the Group, the partner, or both.

Through White Labelling, under the terms of which a product is supplied by the Group and then packaged and sold by other companies under different brands ("**White Labelling**"), partners can offer a full service lease operated by the Group under their own brand name. Thanks to these agreements, the Group has built a powerful network to reach small- and medium-sized enterprises and individuals.

SMEs

The Group uses its partnerships with car manufacturers, banking networks and insurers, energy suppliers and mobility platforms to address the needs of mostly small- and medium-sized enterprises.

B2C – Private lease

The Group has a presence in the private customer (B2C) segment. To reach this recent customer segment and with the aim of optimal operational efficiency, the Group draws on its existing distribution partnerships through online platforms developed in-house.

The Group intends to continue to develop these new channels, including through (i) B2B2C, leveraging its distribution partnerships, (ii) B2C, *via* the Group's web portal and external web portals and (iii) B2B2E, to the employees of the Group's corporate customers.

The Group managed 268 thousand vehicles as at 31 December 2023 for private individuals, either through partnerships or directly. The Group is able to manage the entire life cycle of leases to private individuals through digital channels. The Group's flexible offers are particularly adapted to these customers' needs, as its different offerings allow for *a-la-carte* services and contract modifications in terms of duration, mileage and other options.

(1) By size of fleet financed

1.2.5 Regions

43 Countries

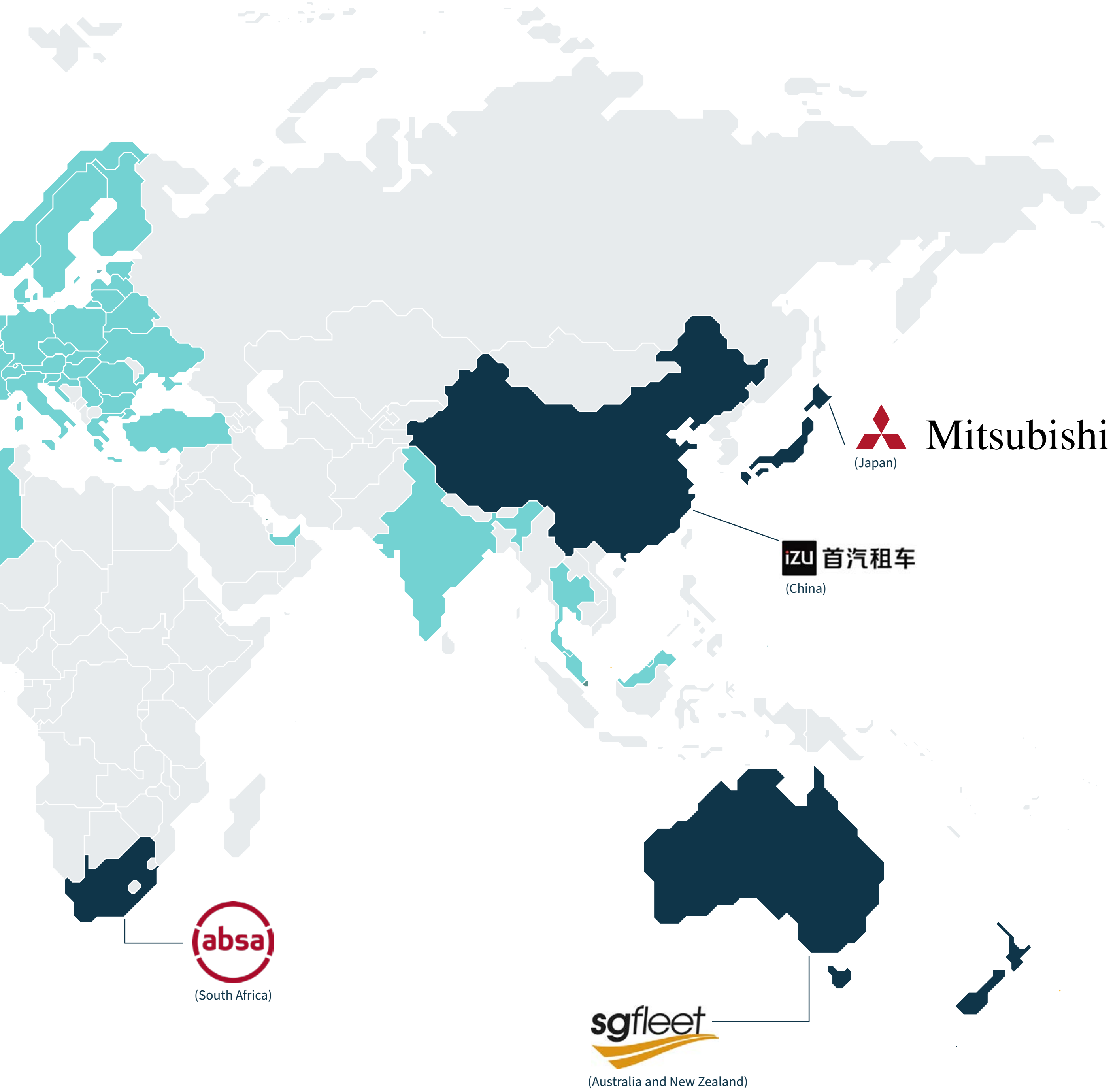
14,500+ Employees

3.4 million Total fleet

523,000 Electric vehicles

Ayvens
Alliance partners

As at 31 December 2023


Mitsubishi
(Japan)
首汽租车
(China)
absa
(South Africa)
sgfleet
(Australia and New Zealand)

The Group's wide geographical coverage makes it the largest player in the Full Service Leasing and Fleet Management industry in Europe and the world, allowing it to generate economies of scale reinforcing the Group's competitive position. As at the date of this Universal Registration Document, following the sale of LeasePlan Russia in February 2024, the Group had a direct presence in 42 countries spread over five continents, enhanced by strategic alliances in 16 countries.

The following table shows a breakdown of product offerings by number of vehicles and geographic region for the financial year ended 31 December 2023:

	At 31/12/2023		
(in thousands of vehicles)	**Full Service Leasing**	**Fleet Management**	**Total**
Western Europe	2,093	579	2,672
Central and Eastern Europe	306	38	344
Northern Europe	150	71	221
South America, Africa and Asia	160	22	183
TOTAL FLEET	**2,709**	**710**	**3,420**
%	**79%**	**21%**	**100%**

Revenues from external customers and fleet by country generating more than EUR 1 billion are detailed below (see Section 6.2 note 6 "Segment information" of this Universal Registration Document):

	Year ended 31/12/2023		Year ended 31/12/2022	
(in EUR million)	**Revenues from external customers**	**Rental Fleet**	**Revenues from external customers**	**Rental fleet (1)**
France	3,003.1	8,139.0	2,260.4	5,495.9
Italy	2,198.8	6,303.0	1,257.6	2,532.1
UK	2,004.0	5,520.3	1,116.4	2,326.7
Germany	1,925.1	4,084.1	1,092.4	2,282.1
The Netherlands	1,726.9	5,389.9	686.0	1,528.4
Spain	1,553.2	3,967.0	820.1	1,959.8
Belgium	1,157.3	3,340.5	680.6	1,604.6
Other countries (1)	5,315.3	13,021.4	3,501.3	6,350.1
TOTAL	**18,883.7**	**49,765.2**	**11,414.8**	**24,079.6**

(1) Including balances of disposal groups classified as held for sale in the year ending 31 December 2022

1.2.6 Global alliances

In addition to its direct presence in 42 countries as at the date of this Universal Registration Document, the Group provides its customers with access to 16 countries through alliances, including with Wheels in the US, Puerto Rico and Canada, SG Fleet in Australia and New Zealand, ABSA in South Africa, Arrend Leasing in Guatemala, Nicaragua, Honduras, Salvador, Costa Rica and Panama, AutoCorp in Argentina and Uruguay, Mitsubishi Auto Leasing Corporation in Japan and Shouqi in China, following the sale of the former subsidiary in China. These alliances allow the Group and its partners to jointly develop international cross-border business opportunities to provide Full Service Leasing, Fleet Management and other related services to customers in multiple countries. They also provide global account management, consolidated global reporting and dedicated consulting support. This enables the Group to provide harmonised fleet and reporting services that meet the needs of its international customers.

In particular, under these global alliances, the Group and the partner undertake to refer to each other requests from international customers that concern the provision of services in the other party's geographic focus. The parties generally commit to liaise with each other to prepare answers for tenders, in case of such referral, and, more generally, to exchange information necessary for global responses for tenders and the management of customer accounts. Each party is, however, responsible for making its own credit assessment of its potential customers and for defining its service levels locally. Each party is also entitled to retain all the revenues generated from the provision of services.

They have durations ranging from a three-year term to an unlimited duration cancellable by each party without cause with six months' notice.

The Wheels global alliance provides for closer cooperation than other alliances. Under the Wheels global alliance, the Group and Wheels undertake to cooperate on an exclusive basis and not compete in the other party's geographical zone, to submit joint answers to international customers requiring the provision of services by both parties in their respective geographical areas and to jointly develop and offer to international customers certain combined services. The Wheels global alliance also has an established system of governance for collaboration. It provides for standardised service levels and the carrying out of joint projects with a budget and sharing of costs and expenses. Lastly, it regulates the use by the partners of their respective brands (notably through co-branding).

1.2.7 Other service providers

The Group's value proposition to customers is enhanced through its network of suppliers. In addition to decades of experience working with major car manufacturers, the Group also has strong relationships with dealers, oil companies, suppliers of recharging solutions for EV, garages, tyre dealers, short-term rental companies (which provide pre-delivery and replacement vehicle services), insurance companies and other essential service providers that enable it to deliver tailor-made solutions to its customers at attractive prices.

The Group has entered into framework agreements with a number of these suppliers in order to complement its full service offering and provide its customers with competitively priced vehicle parts, maintenance and repair services. The Group works with car manufacturer dealer networks for car delivery, maintenance and repair and specialised networks for short-term rental, tyres, body repairs, spare parts and glass.

The Group has obtained attractive commercial terms in each of its framework agreements, such as direct discounts on prices, special hourly rates, as well as bonuses based on the achievement of certain volume levels or market shares and other yearly targets. Annual volume targets are negotiated with international suppliers in coordination with local subsidiaries, which obtain the benefit from additional volume rebates on top of those negotiated locally. Local procurement services assess quality, cost and effectiveness in their selection process. They seek, through innovative solutions, to optimise the total cost of ownership for fleet managers and services for drivers.

1.2.8 Innovation

The mobility environment is evolving rapidly: on the supply side, new players, new solutions and breakthrough technologies are emerging, while on the demand side there is a clear market trend towards usership instead of ownership, with the driver becoming the decision maker, rather than the car owner.

The Group anticipates connected and intelligent cars becoming the norm in the mid-term. In the long term, the Group expects the introduction of autonomous cars, the development of a multi-player ecosystem and the convergence between corporate and retail needs.

The Group is positioning itself to be at the centre of the development of new mobility solutions by favouring flexibility in its product offering in order to meet all the mobility requirements of customers.

1.2.8.1 Digital solutions

International Digital Framework – A library of functionalities for a customised digital journey

The Group has invested in a framework tool for the implementation of digital new customer acquisition functions. This cutting-edge technology uses an agile approach and enables Ayvens to offer its partners a catalogue of functionalities that fit into their own customer journeys, and ensure perfect integration into their systems. Once the solution is implemented, the customer moves from the partner's ecosystem to that of Ayvens without experiencing any transition. The process is 100% digital, from the first click to the delivery of the vehicle.

MyAyvens – A unique global platform throughout the lease

The Group has developed online tools to meet the needs of its customers throughout the term of the lease. The current digital portals of ALD (MyALD) and LeasePlan (MyFleet) are currently deployed in more than 40 countries and will be integrated into one single platform under MyAyvens, for progressive implementation across the Group. This new portal will provide one central point of connection to drivers and fleet managers for accessing fleet data and contract information, reporting tools, car configurator, web quoter and various self-serve online services.

Connected cars

The connected cars offering encompasses all devices that capture data on vehicle trips, driver behaviour and risk factors and technical information about the vehicle itself, subject to data privacy regulations. This technology enables the Group and its customers to optimise real time Fleet Management, including through better management of driving risks or location of stolen vehicles. In addition, it can provide data on business mileage for expense reporting, fuel consumption and CO_2 emissions.

This technology contributes significantly to the improvement of the customer experience and the development of products such as car-sharing or insurance based on driver behaviour. The data collected also makes it possible to optimise the cost of using vehicles (maintenance, fuel).

To accelerate its deployment in all countries, the Group signed a strategic partnership agreement with Vinli in 2018. Vinli provides the Group with the platform and services to retrieve and store this data and to accelerate the development of new products based on this data.

Ayvens wishes to provide its customers with new, high value added connected products and services based on the interpretation of data provided by connected cars.

ALD ProFleet is a connected car solution that delivers company and commercial fleet managers greater insight into daily fleet activities and fuels longer-term strategies – regardless of the size of the fleet. It serves as a single interface for the fleet manager to produce real time reports about their whole fleet with a high level of accuracy to make better data-driven decisions. This solution enables fleet managers to improve their day-to-day operations in terms of fleet utilization and efficiency, promote cost savings, improve the driver experience as well as harness the power of real-time data to effortlessly manage business mobility through a single, digital interface. It is currently present in several countries in Latin America and Europe.

Ayvens Carmarket – The new Group platform dedicated to the online sale of used cars

Ayvens Carmarket is the Group's used vehicle distribution channel. Recently rebranded and inherited from the ALDCarmarket.com platform, it consists of a single online remarketing platform (Carmarket.Ayvens.com) enabling professional dealers or traders to acquire vehicles from Ayvens' Full Service Leasing activity, as well as to subscribe to services facilitating these transactions. This digital solution tool allows the Group to leverage its multi-channel capability with its other remarketing platforms dedicated to retail to seize any business opportunity in the countries where it operates.

This platform speeds up the dealers' decision-making by providing direct access to information on used vehicles, including vehicles' detailed description, condition and maintenance history. It also offers specific services to simplify the sale of these vehicles.

Vehicle channelling and the decision-making process have been also strengthened and improved thanks to the implementation of a predictive pricing tool based on an IA algorithm. This tool has been deployed in Spain, Belgium, the Netherlands, France and Luxembourg since 2021. Three types of sales events are offered on the AyvensCarmarket.com platform for professional dealers:

- auction (an offer is manually or automatically posted online and the dealer who offers the best bid gets the vehicle);
- sale by closed bidding (buyers make a closed bid, the Group selects the best offer and awards the vehicle to that person); or
- fixed price sale (buyers select a vehicle and buy it instantly at the indicated target price).

This remarketing platform is an international e-commerce portal for international and local traders as well as local dealers. It provides a unique, global stock of selected high-quality vehicles which were previously leased.

The platform provides customers with access to used vehicles for sale in various countries where the Group is present and allows customers to purchase them and in certain cases, arrange their delivery. This platform has been rolled out in 38 countries.

In addition to this remarketing platform, the Group can rely on some retail platforms targeting private individuals (Shop.AyvensCarmarket.com, usedcars.leaseplan.com). These platforms allow individuals to buy quality vehicles online, selected by the Group and available in the physical showroom network of Ayvens. Depending on the countries, the platform offers two types of solution:

- the purchase of used vehicles at a fixed price (with the option of online financing with credit partners);
- Full Service Leasing of used vehicles (with online reservation and online payment of the deposit, depending on the country).

When the vehicle is purchased online, it can be delivered to the customer, who has a right of cancellation up to 14 days. This platform is an integral part of "Clicks n'Bricks", a project aimed at providing the Group with a system combining a digital purchasing process with physical showrooms, in order to offer the most complete and tailored experience to private customers. The Clicks n'Bricks offering is currently available in 24 countries.

1.2.8.2 Innovative products

The Group has developed a wide range of innovative products and aims to offer its customers cutting-edge sustainable and flexible mobility solutions.

Sustainable solutions

The Group seeks to position itself as leader in eco-friendly fleet and mobility solutions and offers hybrid and EV worldwide.

In order to support its customers in their transition to EV, and to propose a comprehensive offer for this type of engine, Ayvens has developed dedicated products.

ALD Electric – The purpose of this offer, available in 34 countries in 2023, is to cover all the needs of the driver and fleet manager in terms of EV. It includes the installation of recharging terminals, at home and/or in the office, the provision of recharging cards giving access to a large network of public recharging terminals, consulting services designed to support customers in the transition to electric fleets, and dedicated reporting tools for fleet managers. This extensive offer can be combined with the ALD Switch option, described below.

Used car lease - With this offer, Ayvens adresses a wider range of client segments while lengthening the use of assets and promoting circularity in vehicle operations. Multi-cycle lease is particularly suited to EV. As at 31 December 2023, 72,000 vehicles were leased under the Group's multi-cycle offer.

ALD Switch – ALD Switch provides the ability to tailor vehicle requirements according to need (*e.g.* switching to a different car when going on holiday). The ALD Switch offering, already available in 8 countries, is comprised of the permanent use of an EV and access to a combustion engine/hybrid vehicle when the customer needs such a vehicle (for up to 60 days per year).

ALD Move – The Group's commitment to innovative and sustainable mobility and its commitment to shape the future of the industry is further evidenced by the availability of the ALD Move offer in the Netherlands, France and Belgium. This product's potential customer base is much larger than that of traditional car leasing, as it targets all the corporate clients' employees, including those not eligible for company cars. By providing users with a high number of flexible and adapted travel options, ALD Move leverages multimodality, thereby contributing to the reduction of the carbon footprint, within a dedicated budget.

In particular, ALD Move provides corporates with:

- a centralized administrative management platform to define and control employees' mobility budgets and expenses;
- a CO_2 emissions report to quantify the reduction of their carbon footprint; and
- a dedicated team to provide support in the implementation of their mobility strategy.

Employees benefit from:

- a payment card for mobility services;
- a mobile application to help them plan their multi-modal trips; and
- a web interface to manage their mobility budget.

In addition, Ayvens has developed a consulting offering to promote sustainable mobility solutions and support the transformation of its customers' mobility profile:

TCO calculator in Green Scorecard – The platform promotes electrification by computing a vehicle's Total Cost of Ownership and CO_2 emissions and by benchmarking it with more sustainable alternatives. Green Scorecard is now live in France, Italy, the UK and the Netherlands and will be rolled out in 5 other countries in 2024.

Net Zero Programme – This tool supports customers in reaching their CO_2 reduction targets by building their CO_2 baseline for mobility and modelling projections based on the client's CO_2 reduction targets, calculation methodology, the integration of green cars, the renewal cycle of contracts, and the maturity of countries towards electrification. This tool was fully digitalized in the Green Scorecard in 2023.

These new solutions are part of the Group's proactive policy to diversify engine types and promote sustainable solutions. They have proved effective. In 2023, EV [(1)] accounted for 35% of Ayvens' new passenger vehicle registrations in Europe [(2)].

3d coverage - With this product, initially proposed by LeasePlan, Ayvens goes beyond fleet insurance. This offer not only includes comprehensive insurance coverage and integrated fleet management services, but also a programme aiming at actively preventing risks. Thanks to smart technologies analysing driver behaviour and the root causes of accidents, the Fleet Safety Programme recommends preventive actions to drivers and fleet managers alike. The 3d coverage product is available in 23 countries.

Flexible solutions

These flexible solutions are offered in one or more countries where the Group operates depending on the maturity of the Full Service Leasing market and customer demand.

Ayvens Flex – Flexible leasing offers corporate customers a mobility solution on a medium-term contract, a shorter commitment than for a classic full service leasing product. 'Ayvens Flex' will be the main product combining ALD Flex and FlexiPlan (LeasePlan) services in 2024. This offer, particularly suited to B2B customers, makes it possible to benefit from a vehicle immediately and with only a one-month commitment. It provides new or used vehicles, broken down by category, for a fixed monthly fee. Available in 36 countries, this product represented c. 126,000 vehicles as at end December 2023.

Subscription – In 2021, ALD announced the acquisition of Fleetpool, the leading automotive subscription provider in Germany, to leverage its mobility offer for individuals and companies, as well as car manufacturers wishing to diversify their distribution model and service offering. Ayvens addresses these customers through a simple all-inclusive and fully digital subscription product offering short-term vehicle leases.

Car-sharing – The Group has developed corporate car sharing solutions referred to as "ALD Sharing" through a station-based service model. ALD Sharing allows employees to choose and book a vehicle amongst their firm's fleet of vehicles, from their company's car sharing website and an app, for professional or private use. ALD Sharing is a cost-saving solution for businesses, as it provides an alternative to costly short-term rentals and taxis, while simultaneously improving their environmental footprint by introducing EV vehicles into the corporate car sharing fleet. It is currently live in 8 countries.

1.3 Information technology

IT systems and telecommunications are an integral part of the Group's policy for managing points of sale and reservations across all distribution networks. The mission of the Group's central IT Department covers mainly the rental management system used by most subsidiaries, the online auction platform dedicated to professional dealers for the acquisition of used vehicles, and other important areas such as the MyAyvens platform. The Group's larger subsidiaries have their own IT Departments and generally their own platforms, which they manage locally with the help of external service providers where necessary. The Group's central IT Department approves the subsidiaries' IT budgets. Local IT teams are supervised locally. However, IT systems for smaller subsidiaries are generally managed by the Group's central IT Departments.

The central back-office systems (SOFICO MILES, ALDAVAR and NOLS) are the centrepieces of the Group's IT systems and cover most subsidiaries that do not have their own IT Department. These applications support all of the Group's back-office activities and processes and cover the entire contract cycle and asset base, as well as all vehicle service management. The Group's ALDAVAR and NOLS softwares are gradually being replaced by a solution recognised on the market, SOFICO MILES.

The Group seeks to offer innovative and inexpensive services. To do this, it invests regularly to maintain and improve its IT system. All IT projects are regularly and centrally evaluated in the light of business needs. Particular attention is paid to technical projects aimed at establishing and guaranteeing the continuity of services and their security. The added value of each application project aimed at maintaining and improving the operational capabilities of the system is assessed, in particular, with regard to revenue growth, cost reduction and compliance and legal risks.

An Information System Architecture and Strategy Committee is responsible at the holding level for verifying the conformity of the Group's IT strategy, around the main cross-functional pillars (Project Management Operations, Architecture, Infrastructure, Security, Data and Functional Processes). This strategy is in line with the guidelines given by Societe Generale (taking into account the specificities of the Group's activity). The Group has established security principles designed to reduce the risk of information leakage and external fraud, and to make the services provided on the Internet more reliable, while preserving the customer experience. The Group's security policy is defined in accordance with the security framework established by Societe Generale. Each Group entity must integrate its own needs and take into account the context (organizational, structural, legislative, regulatory, contractual and technological) in which it operates. All local information security policies must be validated in accordance with the specific Group policy. Each entity must designate a local Security Correspondent, who will be responsible for the IT security of the entity or region concerned. This Security Correspondent is required to apply the Group's procedures and to establish/update local security policies.

(1) Battery Electric Vehicles (BEVs), Plug-in Hybrids (PHEVs), Fuel Cell (FCEV)
(2) European Union, UK, Norway, Switzerland

The Group's digital application environment comprises several major platforms developed internally or in partnership with certain customers and preferred suppliers from ALD and LeasePlan. These platforms are subject to continuous improvement or expansion to new countries or customer partnerships and will be rationalised into one single environment. Some modules and innovations also aim to encourage data-driven decision-making (Big Data), to adapt products and prices in real time (Dynamic Pricing) and, more generally, to accelerate digital development and strengthen the customer relationship management strategy (Cloud CRM). These particularities offer the Group the double advantage of benefiting from economies of scale by pooling its technical capital between several solutions, as well as the ability to rapidly deploy its solutions to all its subsidiaries.

LeasePlan's Next Generation Digital Architecture (NGDA) programme was launched in 2019 to deliver a harmonized and standardized global digital architecture. The first phase of the program consisted of an initial rollout to three entities with the intention of then rolling out the platform across the rest of the Group. After a strategic review of the programme was conducted following the closing of the LeasePlan acquisition, a decision was made by the Group to stop new developments across the NGDA perimeter. A portion of the technology assets, most notably market-facing with customers and suppliers, will be retained and redeployed across all Ayvens entities. Going forward, Ayvens will leverage the existing back-office systems of ALD, which are modern and fit for purpose. The extension of Ayvens' industrialized technology integration layer, already well used across the ALD legacy perimeter, will support the integration process and the accelerated deployment of the global digital platform from 2026 and beyond.

For more information on IT risks, see section 4.1.4.1 "IT and cybersecurity risks" of this Universal Registration Document.

1.4 Strategy

The following discussion of Ayvens' results of operations and financial condition contains forward-looking statements. Ayvens' actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Universal Registration Document, particularly under "Risk Factors".

Having established a leadership position through its "Move 2025" strategic plan and the acquisition of LeasePlan, Ayvens intends to lead the sector's transformation under the "PowerUP 2026" plan: the objectives are to achieve excellence in its operating platform and deliver synergies and superior financial return through the successful integration of LeasePlan. Ayvens' long-term strategy is to leverage the power of leadership to shape the future of mobility by addressing fast-growing markets and fostering innovation towards new mobility like Mobility-as-a-Service and connected and autonomous cars. Ayvens' strategic ambition is to become the leading global sustainable mobility player.

1.4.1 Megatrends and vision for 2030

Ayvens is uniquely positioned to lead the rapidly changing mobility ecosystem in the context of long-term megatrends:

- electrification is accelerating under the effect of regulatory factors and increased climate risk awareness. The transition from ICE cars to EV (BEV and PHEV) has reached a turning point and EV are becoming more attractive and affordable;
- behavioural trends such as the changing face of urban mobility and the shift from ownership to usership will foster the development of car leasing on the consumer segment and new solutions like flexible leasing and multi-cycle/used car leasing;
- new opportunities from digital will arise, as "on-demand" mobility and seamless digital customer journeys are becoming essential for customers and data-driven value propositions emerge;
- the rise of digital models will also fragment and expand the traditional value chain as niche players will emerge, creating new ecosystems with new competitors but also opportunities for partnerships;
- competition in the industry is changing, with continuing OEM consolidation and the entrance of new players (EV and non-European players, new mobility and tech players), also creating opportunities for partnerships.

Based on these megatrends, Ayvens' long-term vision for 2030 is to become a global mobility platform, offering all types of mobility on the path towards zero emissions and where the circular economy in the form of multi-cycle leasing will have more emphasis. Cars will become increasingly connected and eventually fully autonomous, and mobility will move beyond the car towards Mobility-as-a-Service (MaaS) by including different modes of sustainable transportation.

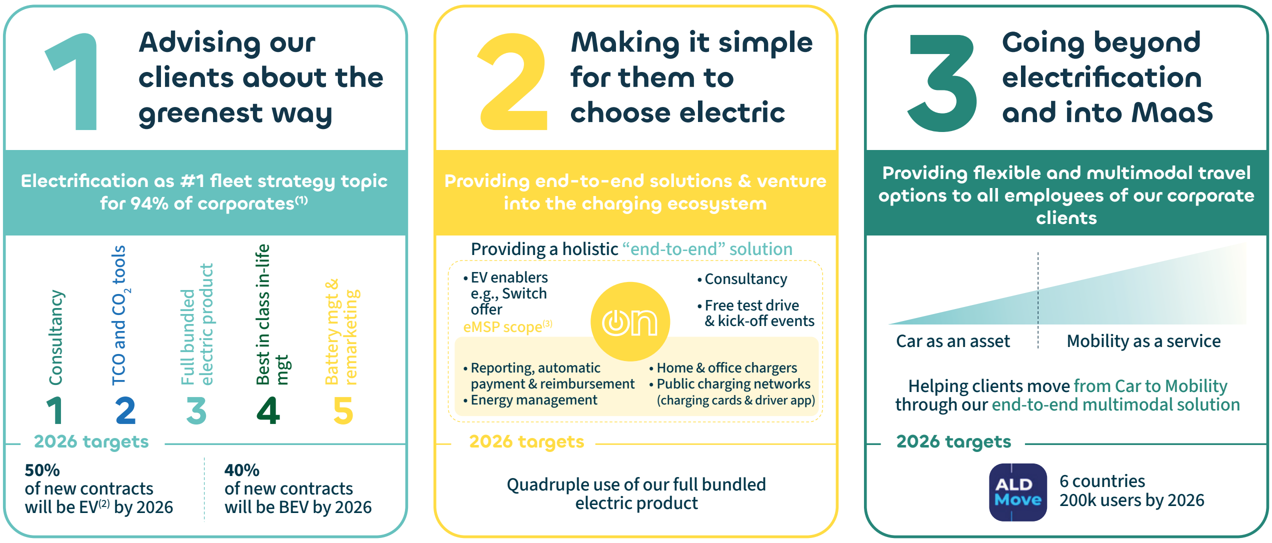
In this context, it is critical for Ayvens to achieve excellence to further strengthen its operating platform capabilities and leadership position in the market to lead the sector's transformation and shape the future of mobility over the long term. These strategic ambitions have been translated into the "PowerUP 2026" plan, which is based on three major promises and one commitment.

1.4.2 "PowerUP 2026" strategic plan: becoming the leading global sustainable mobility player

Promise #1: Our job is to make **sustainable mobility easy**, so you can focus on your business – 4 pillars (sustainable mobility, power of choice, power of scale, powerful engine)

Lead the way to sustainable mobility

Ayvens' promise is to make it easy for its clients to choose the greenest solution. Ayvens takes strong commitments to preserve the planet, which implies:



(1) Survey on ALD's key international accounts, 2022
(2) Passenger cars and funded fleet only, in EU, UK, Norway and Switzerland
(3) Electric Mobility Service Provider

Always advising clients for the greenest way

Electrification is seen as the main strategic fleet topic by Ayvens' corporate clients. The Group is their trusted advisor in this journey, for which it has developed a structured approach including consultancy, TCO & CO_2 tools, full bundled electric product, best-in-class in-life management, battery management and remarketing. Ayvens' objective is to reach 50% EV (of which 40% BEV) in new contracts by 2026.

Making it simple for clients to choose electric

The Group's electric strategy entails providing an end-to-end solution. Ayvens offers a full bundled electric product, connecting drivers to their charging ecosystem, simplifying access to charging, and improving control by fleet managers.

Going beyond electrification and into Mobility-as-a-Service (MaaS)

As mobility is changing, the Group's clients and their employees' expectations are evolving as well. Ayvens helps them move from the traditional car towards a broader spectrum of mobility through its end-to-end multimodal solution. This includes for example redesigning the mobility policy, mobility budgets, selecting relevant multi-modal transport options, facilitating access through a dedicated app, and managing reporting through seamless administrative processes.

Bring the power of choice

The Group's promise is to be the industry player with the widest range of products, truly multi-channel and multi-brand, which implies:

Offering the widest range of products in the industry

The Group's legacy products covers Full-Service Leasing and Fleet Management, but Ayvens continuously adds to its product range (e.g. Electric Vehicles, Light Commercial Vehicles, Flexible contracts, Insurance), which is essential to maintaining its unique selling point and profitability.

Being the only truly multi-channel player

The Group covers all existing market segments, from single customers to corporate clients, via their preferred channel ranging from direct, digital, and indirect *via* partnerships. Ayvens' strategy is to leverage its core corporate channel for further growth and extend selectively to new SME/consumer segments.

Being a multi-brand alternative to OEM captives

The market for consumers & micro-SMEs (<5 vehicles) is large, fragmented and growing, presenting an opportunity to launch a differentiating offer. Ayvens will address this market in a digital way, both directly and through partners, aiming for profitability over size. Moreover, it is a highly innovative space for testing new business models, like AI-based customer service, home maintenance, connected and reward services.

Simultaneously the Group will focus on improving its margins through steering growth towards profitable segments, countries and customers, while identifying and leveraging best practices.

Serve clients through our powerful engine

The Group's promise is to provide seamless mobility services, thanks to its powerful digital engine and operational excellence, which implies:

Delivering a unique and seamless customer experience

The Group believes it is key to always remember that its customers are the reason it exists and to nurture strong customer empathy and a "can do" attitude. Ayvens focuses on earning and keeping customer trust, making customer experience a key differentiator. Ayvens has set ambitious targets for itself and aims to realize these by continuously capturing customer feedback, collecting, analysing, and utilising customer data to fully understand customer needs and expectations.

Delivering excellent in-life management of vehicles and contracts

The Group aspires to create a robust engine in asset management and leasing, supporting a sustainable mobility eco-system with engaged clients, users, and supplier networks. This engine is fuelled by its scale and experience, trusted supply chain network, continuous quality monitoring, excellent tooling to track performance, optimized processes for quality, cost and efficiency, and data science.

Digitalization will support process and service levels

With a focus on business process management and reduced cost to serve, the Group's global, modular back-office systems will support straight through processing, improved automation to drive operational excellence and efficiency.

Leveraging remarketing capacities to foster multi-channel, multi-cycle and flex

Remarketing will be at the core of the Group's asset management capacities, aiming to remarket quality used cars for competitive prices through multi-cycle and sales offers. It is seen as an enabler to become a multi-channel mobility player with scaled capabilities for multi-cycle deployment of assets, by focusing on maximizing bottom line results from end-of-contract vehicles through continuous optimization and strong community building.

Leverage the power of scale

The Group's promise is to be the market leader and to bring value for money to its clients and shareholders, which implies:

Being a leader, globally and locally

Ayvens has an unmatched geographical footprint covering, as at the date of this Universal Registration Document, 42 countries directly and 16 countries indirectly *via* partners, which is key to maintaining absolute leadership in the multinational segment. Ayvens roughly distinguishes three geographies:

- mature G8 Europe: the Group is market leader in these markets, fully covering all channels and segments thanks to strong innovation capacity and an unmatched product range. Beyond that of the corporate segment, additional growth comes mainly from SMEs and consumers;
- rest of Europe: the Group's larger clients need its presence in these markets and the business model is transitioning from corporates-only to other segments as well;
- Latin America, Asia and others: large blue chip accounts are the core business, but the Group sees high growth opportunities as these markets mature.

Leveraging size to buy more efficiently

The Group's size provides unique capabilities around procurement. Ayvens has a leading vehicle selection and configuration process through bulk purchasing and pre-configured vehicles. After-sales steering is done proactively to Ayvens' preferred network and partners to ensure the best service, quality, and cost efficiency, supported by digital tooling for cost-control and post-event analytics.

Leveraging size to mutualize costs

The combination of ALD and LeasePlan allows mutualisation of indirect costs and investments (e.g. sustainable product offering, digital platforms, innovation, marketing) to generate long-term efficiency beneficial to the Group's customers and reinforce competitiveness.

Promise #2: Our people make the difference, and we bring together the best talents in the mobility industry – 4 pillars (growth & performance, people experience & engagement, culture & conduct, diversity, equity & inclusion)

Ayvens' people are key to its success. In order to help them achieve their potential, the Group has defined four key pillars and a critical enabler to ensure its people will make the difference.

Growth and performance

The Group invests in its people to help them grow, develop required competences, and deliver the best results. It believes that building leadership capabilities combined with rewards and incentives as well as expertise and experience on the job, results in growth in its people, ultimately leading to better customer service and performance. Additionally, it will develop the next generation of leaders. To periodically measure its success in this area, the Group has defined a Key Performance Indicator (KPI) on internal mobility.

People Experience & Engagement

The Group operates in a service business which requires motivated people to assist its customers. As an organization and especially through its leaders and managers, it is Ayvens' responsibility to create a working environment that makes its people feel at home and excited to perform their best in delivering customer service. The Group takes care of its people so that they will take care of its customers, stakeholders and the environment. It periodically measures its success in this area based on employee engagement.

Culture & Conduct

Culture drives performance in a people industry. The Group's behaviour is guided by its strong, value-driven culture that links one-to-one to its strategy and customer promise. Its jointly developed Culture Manifesto captures the key beliefs and guiding principles that should guide the behaviour of all its employees. These key beliefs are *1) Customers are the reason we exist, 2) Our people make the difference, and 3) Acting responsibly is the key to our growth*. The guiding principles are *1) Collaboration, 2) Authenticity, 3) Curiosity and 4) Commitment*.

Diversity, Equity & Inclusion

Diverse organizations are more innovative and balanced in decision-making. Therefore, the Group fosters and develops an organization that celebrates and benefits from diversity in people and ideas. It aims to develop an ethical, inclusive and progressive environment in which people are able to thrive, feel safe and be themselves, irrespective of who they are. The Group is convinced this will also help to develop the best ideas in making sustainable mobility easy and acting responsibly. To periodically measure its success in this area, the Group has defined a KPI on the share of women in top positions.

A critical enabler: HR transformation programme

To ensure the Group reaches its ambitions, it aims to deliver HR Processes & Services which are highly *integrated, standardized and digitized*. This will be supported by its HR transformation.

Promise #3: Acting responsibly is the key to our future and being part of the solution benefits all of our stakeholders – 3 pillars (ESG, risk & regulatory and financial performance)

The Group's promise is to be a responsible company, committed to ESG, safe from a risk and regulatory perspective and demonstrating strong and solid financial performance.

Commitment to placing sustainability at the heart of the purpose and mission

With regard to climate change, the Group believes it can be part of the solution by offering sustainable mobility solutions to a broader audience than ever before. Furthermore, with a large value chain and expanding business model, it has the opportunity to use every touchpoint throughout the customer journey to make a positive end-to-end impact. Next, it aims to mitigate the negative impact inherent to its business and maximise the positive impact it can make for all its stakeholders by embracing the ESG mindset and by rethinking how it defines growth and success. Finally, as a market leader, being listed and regulated, Ayvens complies with increasing regulatory requirements and acts with exemplarity and transparency.

Four sustainability pillars

For all pillars, three KPIs were formulated including ambitious targets. Lastly, the Group has aligned its pillars with the widely recognized UN Sustainable Development Goals (SDGs) and it contributes significantly to 13 out of 17 goals.

Managing risks in a responsible way

Acting responsible also means having sound and strict risk management of the main risks associated with its business. The Group distinguishes two types of core risks inherent to its business:

Credit risk

The Group's main mean of mitigating its risks is its legal ownership of the assets, which facilitates repossession of vehicles when needed. Next, its corporate client portfolio has a sound credit profile. Lastly, cars are often essential for its clients' activity and one of the last services they stop paying for.

Asset risk

The Group's main mitigants are: i) the prudent residual value setting process, involving local and central experts, for which it has a strong central control framework in place which supports the residual value management throughout the different points in the asset's lifecycle; ii) a leading digital remarketing platform and proven capability in multi-cycle leasing; and iii) the existence of an active second-hand market, which ensures a continuing demand for used vehicles.

Next to these core risk types, the Group has operational, structural, insurance and model risks, which it mitigates *via* a reinforced control framework on operational, model and compliance risks as required for a regulated entity, together with dedicated resources addressing new/increasing risks (ESG, IT risks, etc.).

A commitment to ensuring successful integration between ALD and LeasePlan: delivering synergies and aligning the operational model will be key for the success of our strategy

Merging both companies forms an opportunity to create a global leader in the rapidly changing operational vehicle leasing and mobility sector, benefitting from several commercial, operational and supply chain synergies and complementary expertise.

The integration would also help Ayvens to accelerate two of ALD and LeasePlan's existing key strategic pillars: (a) digitalization, and (b) sustainability:

- In terms of digitalisation, Ayvens is ideally positioned to lead the data-driven digital transformation of the industry, embracing the mobility sector's global megatrends;
- In terms of sustainability, Ayvens aims to be the leading global provider of sustainable mobility solutions and the partner of choice for clients to support the transition towards EV by establishing new global partnerships around new services for EV.

The main areas of expected synergies are in procurement, facilities, Information Technology ("IT") and other operational costs. Synergies have been estimated at EUR 440 million (before tax) and are expected to fully materialize by 2026.

ALD and LeasePlan have developed detailed integration plans together, covering the preparations for the reorganization and integration. 16 central functions have been identified, which drive the integration plan. Each of them has prepared a central function integration plan (“CFIP”) focusing on how to move towards one organization and create value. Subsequently, each local operational entity has prepared a country integration plan (“CIP”) reflecting the Ayvens Group's CFIP objectives and aimed at integrating the entities locally.

For more details on integration execution risk, refer to section 4.1.1.1 "Risks related to acquisitions" of this Universal Registration Document.

1.4.3 Financial objectives to 2026

Ayvens’ financial objectives to 2026 reflect the company’s ambition to grow its activity strongly throughout the period, while substantially improving its operating efficiency to best-in-class levels and maintaining robust solvency levels:

- Earning assets CAGR of 6% between 2023 and 2026;
- Progressive ramp-up of synergies: EUR 120 million in pre-tax synergies by 2024, EUR 350 million by 2025, and the full amount of EUR 440 million by 2026;
- Total cumulated costs to achieve (CTA) of EUR 525 million over 2022-2025. After EUR 128 million accounted for in 2022 and EUR 170 million in 2023, Ayvens expects these costs to reach a peak in 2024 at EUR 190 million, before they go down to EUR 37 million in 2025;
- Cost/income ratio (excluding Used Car Sales results) of c. 52% in 2026, from 56% [1] in 2022. At this level, Ayvens’ Cost/Income ratio will position as best-in-class, allowing it to decisively widen the gap with competitors and reinforce its financial profile. The deviation from the previous guidance of 47% is explained by higher inflation and LeasePlan IT costs;
- Return on Tangible Equity in the range of 13%-15% in 2026, at the high end of the financial sector;
- Target CET1 ratio at c. 12% and Total Capital ratio at c. 16%;
- Dividend payout ratio at 50%.

Thanks to LeasePlan, the Group has access to a significant base of deposits, amounting to EUR 11.8 billion as at 31 December 2023, thereby strongly increasing the diversification of its funding sources. Funding from parent Societe Generale, bonds and retail deposits would each account for between 25% and 30% of total funding, while securitization and commercial loans would represent c. 10% each.

An established issuer on the market, Ayvens has the best long-term senior unsecured debt credit ratings among multi-brand car leasing players: Moody’s A1/stable, Standard & Poor’s A-/stable and Fitch A- (long-term *Issuer Default Rating "IDR"* BBB+/positive). The Group expects to issue EUR 4-5 billion in bonds annually through ALD SA, EUR 1-1.5 billion in securitization, while increasing its retail deposits base by c. EUR 1 billion p.a.

On successful completion of “PowerUP 2026”, Ayvens will shape the future of mobility and address fast-growing markets from a clear leadership position, combining undisputed industry leadership, the best position for capturing growth and leading the transition to sustainable mobility, best-in-class operating efficiency, a robust financial profile and a strong track record of high profitability through the cycle.

(1) *Cost/Income ratio of the combined entity in 2022, based on public disclosure, excluding UCS results, reduction in depreciation costs, costs to achieve the integration of LeasePlan and non-recurring items*

2

Management report

Structure of Ayvens Group (1)

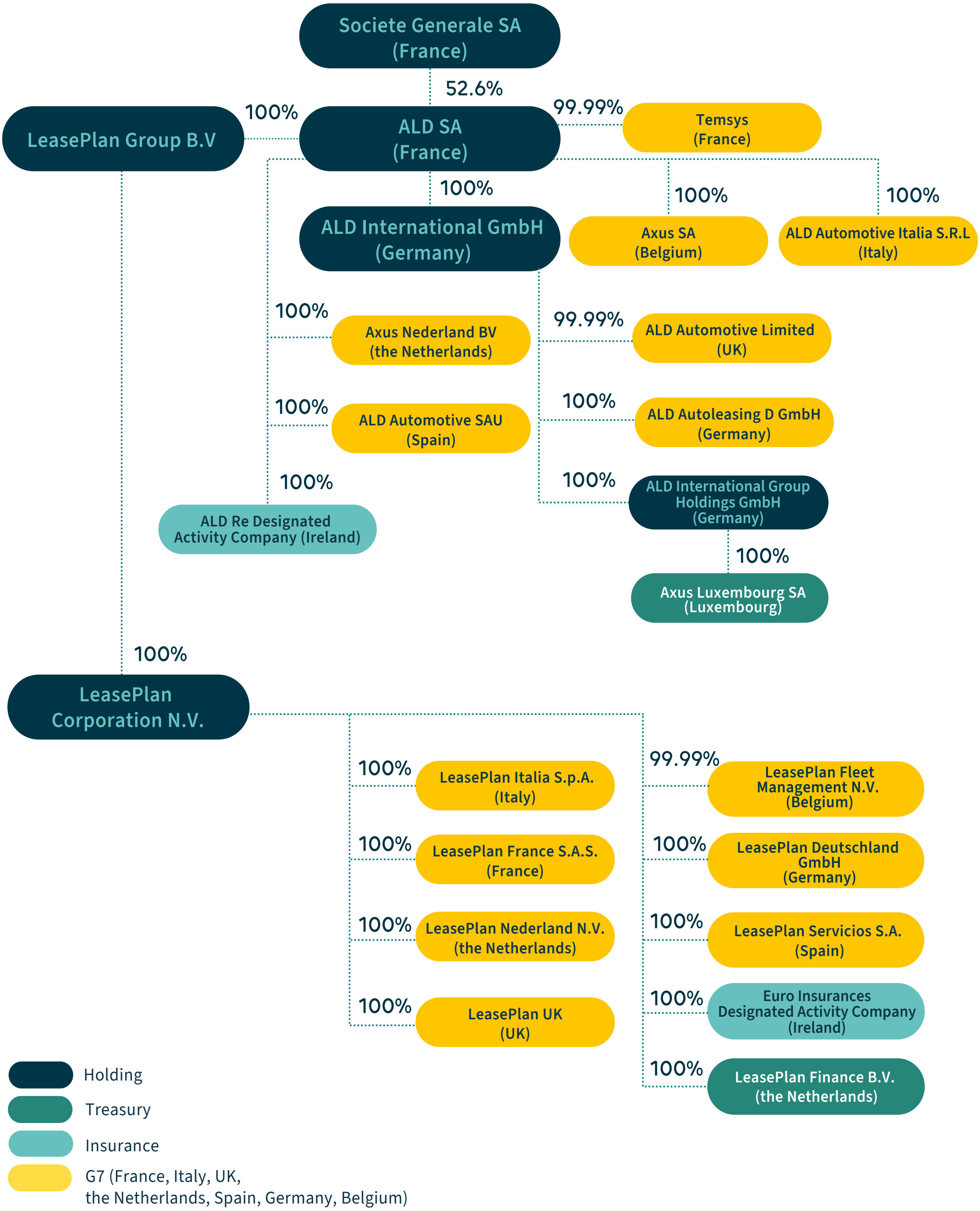
The simplified organisational chart below sets forth the legal organisation of the Group as at the date of this Universal Registration Document. The percentages indicated represent the percentages of share capital.

ALD SA does not carry out any leasing activities itself. Its primary role is to act as a holding company for the Group subsidiaries, to set the strategic direction of the Group, and to supervise the activities of the individual operating companies of the Group. In May 2023, following the acquisition of LeasePlan, which holds a banking licence, ALD SA became a Financial Holding Company, a regulated institution supervised by the European Central Bank. ALD's central functions include notably the following key activities:

- supervision of the subsidiaries;
- management of relationships with Large Corporate Accounts and partners;
- central procurement activities to negotiate volume bonuses with manufacturers and other suppliers (such as tyres, short term rental, etc.);
- treasury, central funding (including administering the Group's EMTN bond issues);
- finance;
- investor relations;
- communication;
- transformation and integration;
- human ressources;
- corporate and social responsibility;
- pricing;
- legal and corporate affairs;
- risk and compliance;
- digital and IT.

(1) "Ayvens" refers to ALD SA and its consolidated entities

Simplified organization chart as at 31 March 2024[1]



(1) Ayvens expects to restructure the Group's operations. As a result, the legal corporate structure could change significantly.

Relationship with Societe Generale and funding

Funding

As at 31 December 2023, Societe Generale accounted for 33% of the Group's funding on an arm's length basis. The remaining 67% consisted of secured and unsecured funding raised mainly from debt capital markets, securitisations, local external banks loans and retail deposits collected in the Netherlands and in Germany. The decrease in Societe Generale's contribution to Ayvens' funding compared to 2022 follows the acquisition of LeasePlan, which had a more diversified funding base. Societe Generale also grants guarantees to local external banks which are funding providers to the Group.

The funds provided by Societe Generale are granted *via* Societe Generale Luxembourg, Societe Generale Paris and some local Societe Generale branches and subsidiaries. Societe Generale Luxembourg and Societe Generale Paris finance ALD SA *via* the central treasury of the Group, which in turn grants loans denominated in different currencies to the Group's operating subsidiaries as well as to its intermediate holding companies.

As at 31 December 2023, the total amount of loans granted to the Group Central Treasury by Societe Generale Luxembourg and Societe Generale Paris was EUR 15,088 million (EUR 12,158 million as at 31 December 2022), including EUR 1,500 million in subordinated Tier 2 debt. The average residual maturity of senior debt was 2.1 years. The Group also benefits from an intra-group funding agreement applicable to entities of Societe Generale. This agreement provides for the terms and conditions of the loans which can be granted by Societe Generale or any of its subsidiaries to other Societe Generale entities. The agreement is of unlimited duration and cancellable by each party with one month's notice, with existing loans remaining subject to the agreement until repayment.

The remaining Societe Generale funding is provided either by local Societe Generale branches or subsidiaries. As at 31 December 2023, the total amount of loans granted to the Group by Societe Generale, including local branches and subsidiaries, was EUR 16,236 million (2022: EUR 13,711 million).

Upon closing of the LeasePlan acquisition, ALD issued EUR 750 million of Additional Tier 1 hybrid capital (AT1), fully subscribed by Societe Generale, whose purpose is to ensure the maintenance of an adequate management buffer over all solvency ratios. This AT1 capital is accounted for as equity instrument.

The Group intends to maintain its strong funding diversification in the coming years.

Ayvens is included in Societe Generale's overall liquidity risk management.

Other shared functions

The Group and its local subsidiaries have entered into agreements with Societe Generale for the provision of certain intra-group corporate services. These services are provided by various divisions of Societe Generale and include the central administration departments, as well as financial, legal, audit, risk management and compliance, tax, human resources, insurance and IT infrastructure services. For these services, Societe Generale charges Ayvens an intra-group corporate services fee, which Ayvens then re-charges to the relevant subsidiaries.

These intra-group service fees are determined on an arm's length basis and the charge is distributed amongst the subsidiaries benefitting from the services, using a formula for transfer prices. They cover the direct and indirect costs incurred in the provision of services, plus a margin reflecting normal market conditions. These tripartite agreements are concluded for an initial term of one year and automatically renewed from year to year unless terminated by either party with three months' notice.

The Group has a contract with SG Global Services centre (India), with which the Group subcontracts IT services including development, maintenance and support of international applications. The Group also subcontracts some technical infrastructure services to Societe Generale, mainly in France.

The Group's relationship with Societe Generale includes other administrative aspects. The Group shares premises with Societe Generale's business divisions, mainly in France and Denmark.

For more information, see Section 3.8 "Related-party transactions" and note 36 "Related parties" in Section 6.2 "Notes to consolidated financial statements" of this Universal Registration Document.

Subsidiaries

Main subsidiaries

The main direct or indirect subsidiaries of the Company are described below.

Temsys SA (France), a limited liability company *(société anonyme)*, is wholly owned by the Company. Its primary corporate purpose is the acquisition, sale and long-term leasing of cars and insurance brokerage. Temsys SA indirectly holds 100% of Parcours SAS.

ALD Automotive Italia SRL (Italy), a limited liability company *(societa a responsabilita limitata)*, is indirectly wholly owned by the Company. Its primary corporate purpose involves the short and long-term leasing of vehicles, the sale and purchase of road transport vehicles, the operation of garages and machine workshops, the maintenance and repair of road transport vehicles both directly and *via* third parties and the provision of ancillary services.

ALD Automotive Group Limited (UK), a limited liability company, is an indirect subsidiary wholly owned by the Company. Its primary corporate purpose is the renting and leasing of cars and light motor vehicles.

ALD Autoleasing D GmbH (Germany), a limited liability company, is an indirect subsidiary wholly owned by the Company. Its primary corporate purpose is the short-, medium- and long-term leasing of all types of moveable goods, in particular German and foreign cars.

ALD Automotive SAU (Spain), a limited liability company *(sociedad anónima)*, is indirectly wholly owned by the Company. Its primary corporate purpose is the study, coordination, planning, calculation of costs and management of the purchase, sale and non-financial leasing of vehicles and vehicle fleets for individuals and legal entities, public or privately owned, and the administration, advising and optimisation of costs of these and related activities and the activities of insurance agent.

Axus SA (Belgium) is a limited liability company *(société anonyme)*. Its primary corporate purpose is the manufacture, trade, operation, rental, including financial leasing, of all elements relating directly or indirectly to motor vehicle equipment, equipment relating to other means of transport, mechanical engineering or other. Furthermore, the Company is able to offer all mobility services and solutions, both in terms of travel, workspaces and connections, and is an intermediary for companies providing mobility solutions.

ALD Re DAC (Ireland), a designated activity company limited by shares, is indirectly wholly owned by the Company. Its primary corporate purpose is to carry out the business of reinsurance, to enter into contracts of retrocession of every kind and to pay or settle claims made against the Company in respect of any contract. It also provides services in the management and administration of reinsurance underwriting activities, insurance- and reinsurance-related consultancy and advisory services and claim processing.

Axus Luxembourg SA (Luxembourg), a limited liability company, indirectly wholly owned by the Company. Its primary corporate purpose is the leasing of moveable assets of any kind and real property and assistance in the financing of companies in which it has an interest.

Axus Nederland BV (the Netherlands), a private limited liability company *(besloten vennootschap)*, is indirectly wholly owned by the Company. Its primary corporate purpose is the sale, purchase, renting, leasing, import and export of trade goods, and in particular motor vehicles, as well as the holding of companies. It also provides financial, managerial and administrative services to such companies.

LeasePlan Corporation NV (the Netherlands) is wholly owned by the Company. Operating in the Netherlands, it holds the international operating companies of the LeasePlan Group, through which it purchases, funds, and manages new vehicles for its customers, providing a complete end-to-end service for medium- and long-term durations. LeasePlan Corporation NV holds a banking licence allowing it to raise deposits under the Dutch deposit guarantee scheme in the Netherlands and Germany.

For more details, see Section 6.2 "Notes to consolidated financial statements", note 40 “Scope of consolidation” in this Universal Registration Document. For more details on recent disposals and acquisitions, see Section 6.3.1 “Changes in the scope of consolidation in the year ended 31 December 2023” in the consolidated financial statements and Section 2.1.4.1 “Historical investments” of this Universal Registration Document.

2.1 Analytical review of 2023 activity

2.1.1 Key indicators

The following table presents the Group's key performance indicators (KPIs) for the financial years ended 31 December 2023, 2022 and 2021.

(in EUR million)	Year ended 31/12/23 (1) (2)	Year ended 31/12/22 (3)	Year ended 31/12/21
Leasing contract margin	1,261.9	1,181.2	732.8
Services margin	1,354.2	715.1	650.0
Used Car Sales result	349.5	747.6	437.7
GROSS OPERATING INCOME	**2,965.6**	**2,643.9**	**1,820.6**
Total Operating Expenses	(1,591.6)	(882.7)	(675.1)
Cost/income ratio excl. Used Car Sales result (4)	*60.8%*	*46.5%*	*48.8%*
Cost of risk (Impairment charges on receivables)	(70.7)	(46.1)	(24.8)
Cost of risk as % of average earning assets (in bps) (5)	*18*	*20*	*11*
Non-recurring expenses	(14.1)	(50.6)	0
OPERATING INCOME	**1,289.3**	**1,664.5**	**1,120.6**
Share of profit of associates and jointly controlled entities	6.4	1.7	(1.9)
PROFIT BEFORE TAX	**1,295.7**	**1,666.1**	**1,118.7**
Income tax expense	(374.0)	(446.0)	(238.6)
Result from discontinued operations	(77.6)	0	0
Non-controlling interests	(27.9)	4.7	7.1
NET INCOME GROUP SHARE	**816.2**	**1,215.5**	**873.0**
Other data *(in %)*			
Return on average earning assets (6)	*2.1%*	*5.1%*	*4.0%*
Return on Tangible Equity (7)	12.4%	26.4%	33.3%
Total equity on total assets (8)	-	*22.1%*	*18.0%*
Common Equity Tier 1 ratio (9)	*12.5%*	-	-

(1) LeasePlan consolidated from 22 May 2023
(2) Including the impact of LeasePlan's Purchase Price Allocation
(3) FY 2022 was restated for IFRS 17, which applies from 1 January 2023
(4) "Cost to income ratio excluding Used Car Sales result" is defined as Total Operating Expenses divided by Gross operating income excluding Used Car Sales result
(5) "Cost of risk as % of average earning assets" means the impairment charges for any period on receivables divided by the arithmetic average of earning assets at the beginning and the end of the period. In 2022, earning assets include entities held-for-sale in Russia, Belarus, Portugal, Ireland and Norway except NF Fleet Norway.
(6) "Return on average earning assets" means net income for the financial year for any period divided by the arithmetic average earning assets at the beginning and the end of the period. Earning assets is defined in the table below. In 2022, average earning assets include entities held-for-sale
(7) "Return on Tangible Equity" means net income for the financial year for any period divided by the arithmetic average of total equity before non-controlling interests, goodwill and intangible assets at the beginning and end of the period
(8) "Total equity on total assets" means total equity before non-controlling interests for any period, divided by total assets, as presented in the consolidated financial statements. See Section 6.1.2 "Consolidated statement of financial position"
(9) "Common Equity Tier 1 ratio" means Common Equity Tier 1 Capital divided by risk-weighted assets

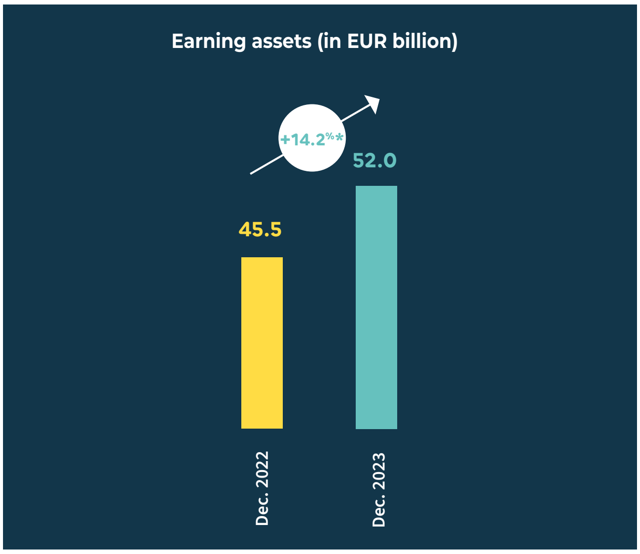
(in EUR million)	Year ended 31/12/23	Year ended 31/12/22	Year ended 31/12/21
Total fleet (in thousands of vehicles) (1)	**3,420**	**1,806**	**1,726**
o/w Full Service Leasing activity (1)	2,709	1,464	1,427
o/w off-balance sheet fleet (1)	710	342	299
Acquisition cost (2)	66,498	31,771.7	29,917
Accumulated amortisation and impairment (2)	(16,733)	(8,544)	(8,206)
RENTAL FLEET (2)	**49,765**	**23,227**	**21,711**
o/w residual value	32,829	15,869	15,275
Amounts receivable under finance lease contracts	2,260	716	777
EARNING ASSETS (3)	**52,025**	**24,798**	**22,488**
Other data:			
Average earning assets (4)	38,411	23,643	21,657

(1) Including LeasePlan's fleet from 2023
(2) "Rental fleet" (carrying amount of the rental fleet), "Acquisition cost" and "Accumulated amortisation and impairment" are presented in note 13 "Rental fleet" of the consolidated financial statements. See Section 6.2
(3) "Earning assets" corresponds to the net carrying amount of the rental fleet plus receivables on finance leases. In 2022, earning assets include entities held for sale
(4) "Average earning assets" means, for any period, the arithmetic average of earning assets at the beginning and the end of the period

2.1.2 Ayvens activity

2.1.2.1 Asset growth driven by sharp increase in vehicle value

Commercial activity remained strong in 2023, with earning assets up by 14.2% year-on-year [1] to EUR 52.0 billion as at 31 December 2023. Growth was primarily driven by inflation on car prices and the transition to Electric Vehicles (EV), which have a higher value than Internal Combustion Engine (ICE) cars.

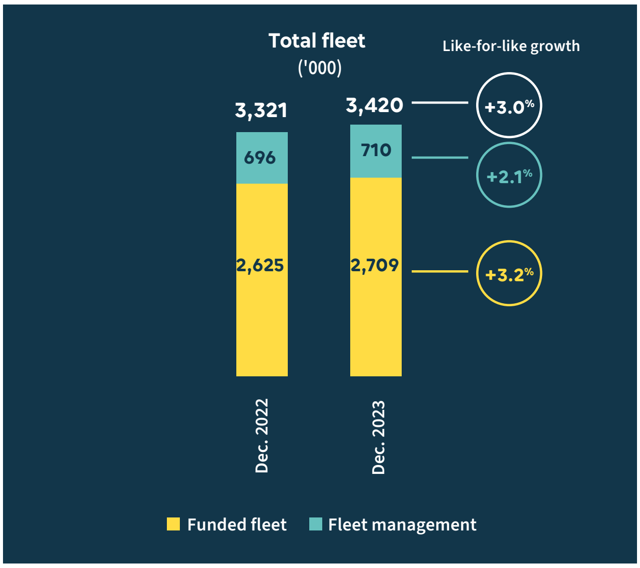


*On a like-for-like basis

Continuing the positive trends of the previous quarters, Ayvens' total fleet stood at 3,420 thousand vehicles as at end December 2023, up by 3.0% [2] compared to end December 2022, reflecting the dynamic demand for mobility services.

Full-service leasing contracts reached 2,709 thousand vehicles as at end December 2023, up 3.2% [3] year-on-year. Thanks to increased registrations of new cars, the order book continued its normalization from the peak observed at the end of 2022.

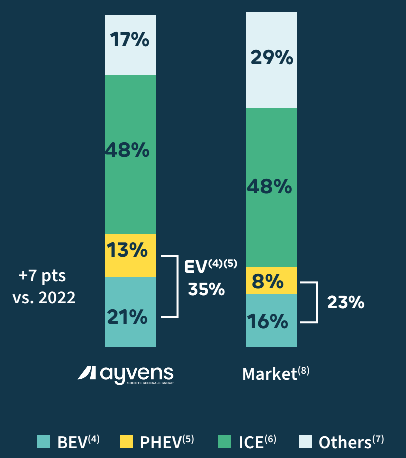
Fleet Management contracts increased by 2.1% [4] vs. December 2022, to reach 710 thousand vehicles.



EV penetration reached 35% [5] of new passenger car registrations over 2023 (*vs.* European market at 23% [6] in 2023), of which 38% in Q4 2023 alone. Ayvens' BEV and PHEV penetration stood at 21% and 13% respectively in 2023.

(1) On a like-for-like basis (scope as at 31 December 2023)
(2) On a like-for-like basis
(3) On a like-for-like basis
(4) On a like-for-like basis
(5) Management information, in EU+: European Union, UK, Norway, Switzerland
(6) Source: ACEA

Passenger car deliveries by powertrain in EU+ in 2023 (1)(2)(3)



1. *Management information*
2. *On a like-for-like basis*
3. *EU+: European Union, UK, Norway, Switzerland*
4. *Battery Electric Vehicles*
5. *Plug-in Hybrids*
6. *Internal Combustion Engine: Petrol and Diesel*
7. *Others: Fuel cell, Gas, Flex Fuel, Full Hybrids, Mild Hybrids and others*
8. *ACEA: European Automobile Manufacturers' Association*

For further details, see Section 6.2 note 13 “Rental fleet” of this Universal Registration Document.

2.1.2.2 Actions to restore profitability

In a structurally high-growth mobility market underpinned by clients’ shifting from ownership to usership, their requirement for full-service leasing solutions, their need for visibility over their costs and their commitment to reducing their carbon footprint, Ayvens is best positioned to provide value, as a multi-brand player offering the best-in-class product range and service quality. Bolstered by the acquisition of LeasePlan, its expertise and scale allow it to lower clients’ total cost of mobility.

In the context of high inflation and interest rates, which negatively impacted its margins, Ayvens’ strengths in a growing market are key to successful implementation of its strategic plan to improve its profitability:

- increased pricing discipline thanks to the timely update of pricing parameters, the activation/inclusion of indexation clauses in new contracts (*e.g.* inflation) along with the repricing of contract extensions and modifications in the context of higher interest rates;
- capital allocation according to profitability targets, based on a full portfolio review: countries, client segments, distribution channels and products;
- better service penetration and upselling, by expanding value added services to clients: Electric, Light Commercial Vehicles, insurance;
- excellence in operational efficiency, by improving asset utilization (flexible fleet, terminated vehicles) and improved management of the order book.

2.1.2.3 Used car market trends

As the leading global industry player, Ayvens supports the transition to more sustainable mobility. Out of a fleet of 2.7 million funded vehicles as at 31 December 2023, 11% were Battery Electric Vehicles (BEV), 9% were Plug-in hybrids (PHEV), while the rest was split between Internal Combustion Engine (ICE) and other powertrains [1]. The combination of stricter European regulations, clients’ interest in environmental matters and rising energy costs confirms that the transition to Electric Vehicles (EV) is structural. Ayvens primarily addresses corporate and SME clients, which are highly committed to reaching their ESG targets through long-term leasing contracts (average duration of c. 4 years).

BEV benefits from the powerful combination of lower carbon emissions and competitive Total Cost of Ownership (TCO) in the most advanced countries [2]. However, the increase in new car deliveries and improved affordability are expected to have an impact on used car prices.

Meanwhile, the sustained shortage of used ICE and PHEV vehicles, together with drivers’ interest in flexibility until stricter regulations come into force and access to charging infrastructure and technology improve, are factors expected to support a gradual normalization of their used car markets.

Against this backdrop, the current BEV used car sale losses are in line with Ayvens’ fleet valuation assumptions. However, the Company has launched a number of actions to proactively manage its asset risk in a changing environment. Regarding the existing portfolio, prudent historical residual values on ICE are expected to offset future potential deterioration on EV used car prices.

2.1.2.4 Key strategic initiatives and operational developments

Appointments to the Executive Committee and Board of Directors

Executive Committee

Ayvens’ General Management team includes Tim ALBERTSEN, Chief Executive Officer *(Directeur Général)*, John SAFFRETT, Deputy Chief Executive Officer (*Directeur Général Délégué* – DGD) and, since 22 May 2023, Berno KLEINHERENBRINK, previously Chief Commercial Officer and Cluster director of LeasePlan, who was appointed Group Deputy Chief Executive Officer (*Directeur Général Adjoint* – DGA). As of 1 September 2023, the General Management team was strengthened with the arrival of Patrick SOMMELET as Deputy Chief Executive Officer (DGA) and Group Chief Financial Officer.

Ayvens’ Executive Committee is composed as follows (in addition to the General Management team):

- Michel ALSEMGEEST, Chief Digital and Information Officer;
- Liza HOESBERGEN, Chief Legal and Corporate Affairs Officer;
- Miel HORSTEN, Chief Operating Officer, supervising Service & Operations, Procurement and Insurance;
- Roderick JORNA, Chief People Officer;
- Annie PIN, Chief Commercial Officer;
- Laurent SAUCIÉ, Chief Transformation and Integration Officer;

(1) *Petrol, Diesel, Fuel cell, Gas, Flex Fuel, Full Hybrids, Mild Hybrids and others*
(2) *Depending on subsidies from governments*

- Hans van BEECK, Chief Risk and Compliance Officer;
- Gilles BELLEMÈRE, Country Managing director of France & Group Regional director, supervising Algeria and Morocco;
- Guillaume de LÉOBARDY, Chief Remarketing Officer & Group Regional director, supervising Brazil, Chile, Colombia, Mexico and Peru;
- Martin KOESSLER, Group Regional director, supervising Austria, Croatia, Germany, Hungary, Serbia, Slovenia and Switzerland;
- Jeroen KRUISWEG, Group Regional director, supervising Belgium, Denmark, India, Ireland, Finland, Luxembourg, Malaysia, Norway, Sweden and Thailand;
- Philippos ZAGORIANAKOS, Group Regional director, supervising Bulgaria, Czech Republic, Estonia, Greece, Latvia, Lithuania, Poland, Romania, Slovakia, Turkey, Ukraine and United Arab Emirates.

Board of Directors

On 7 February 2023, the Board of Directors of Ayvens appointed Frédéric OUDÉA as director, by cooptation, with immediate effect following the resignation of Karine DESTRE-BOHN.

Upon closing of the acquisition of LeasePlan, Ayvens reinforced its governance by increasing the number of its Board of Directors from 10 to 12 members. The appointment of the following Board members was approved by Ayvens' Extraordinary Shareholders' Meeting on 22 May 2023:

- Hacina PY, Chief Sustainability Officer of Societe Generale;
- Mark STEPHENS, Partner at TDR Capital, one of LeasePlan's former shareholders.

The annual Shareholders' Meeting held on 24 May 2023 validated the appointment of Pierre PALMIERI as Member of the Board, replacing Didier HAUGUEL, who had announced his intention to resign from his mandate, as well as the renewal of the mandates of Patricia LACOSTE, Diony LEBOT, Tim ALBERTSEN and Frédéric OUDÉA.

At the Board Meeting held following the 24 May 2023 Shareholders' Meeting:

- Pierre PALMIERI was elected as Chair of the Board, replacing Diony LEBOT, following changes to Societe Generale's governance;
- Didier HAUGUEL was assigned a 2-year mandate as Non-Voting Member of the Board (in line with provisions of Article 14 of the Bylaws), with the specific mission of supervising the progress of the integration of LeasePlan, the transition of the Company to regulated status, and the overall effectiveness of the Company's new governance;
- New internal regulations for the Board of Directors have been adopted, including a new organization with 5 specialized committees (Audit, Risk, Remuneration, Appointment, Strategy).

On 15 December 2023, the Board of Directors of Ayvens appointed Laura MATHER, Chief Operating Officer of Societe Generale, as director, by cooptation, with immediate effect following the resignation of Frédéric OUDÉA.

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

- Pierre PALMIERI, Chair of the Board & Chair of the Strategic Committee (COSTRAT);
- Tim ALBERTSEN, Member of the Board and Chief Executive Officer;
- Diony LEBOT, Member of the Board;
- Delphine GARCIN-MEUNIER, Member of the Board;
- Laura MATHER, Member of the Board;
- Benoit GRISONI, Member of the Board;
- Xavier DURAND, Independent member of the Board, Chair of the Risk Committee (CORISK);
- Patricia LACOSTE, Independent member of the Board, Chair of the Remuneration Committee (COREM);
- Anik CHAUMARTIN, Independent member of the Board, Chair of the Audit Committee (CACI);
- Christophe PÉRILLAT, Independent member of the Board, Chair of the Appointments Committee (CONOM);
- Hacina PY, Member of the Board;
- Mark STEPHENS, Member of the Board.

For further details, see Section 3.1 "Composition of administrative and management bodies" and Section 3.4 "Committees of the Board of Directors" of this Universal Registration Document.

Key strategic initiatives

Acquisition of LeasePlan

The following discussion of Ayvens' results of operations and financial condition contains forward-looking statements. Ayvens' actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Registration Document, particularly under Section 4.1 "Risk Factors".

On 22 May 2023, ALD completed the acquisition of 100% of LeasePlan, for a total consideration of EUR 4,897 million (1), paid through a combination of cash and ALD shares:

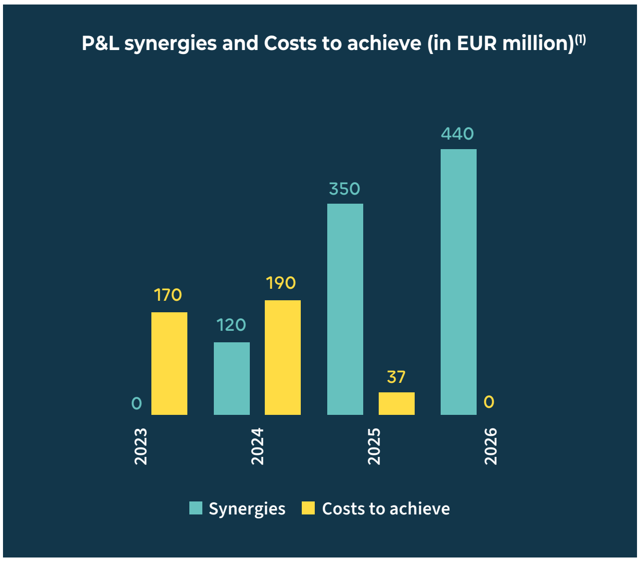
- EUR 1,828 million in cash from (i) a rights issue of EUR 1,212 million (2), and (ii) the issuance of EUR 616 million of subordinated debt fully subscribed by Societe Generale; and
- the issuance for the benefit of the selling shareholders of LeasePlan of (i) 251.2 million newly issued ALD ordinary shares representing 30.75% of ALD's share capital as at the date of completion of the acquisition, representing an amount of EUR 2,871 million (3), and (ii) 26.3 million warrants ("Warrants") of ALD so that the selling shareholders' stake would reach 32.9% in the case of the full exercise of the warrants, assuming that they have not sold the shares received at closing and valued at EUR 128 million, in each case as consideration for a contribution in kind *(apport en nature)* by the selling shareholders of LeasePlan to ALD of the remaining portion of the LeasePlan shares that are not acquired in cash;
- a contingent consideration of up to EUR 235 million, which the Group estimated at EUR 70 million at the closing of the transaction. The earn-out mechanism will last until 31 December 2024, subject to an additional 6-month period in certain limited circumstances, with potential payments every quarter.

(1) Based on ALD's stock price of EUR 11.43 as at 22 May 2023, including warrants and estimated fair value of contingent consideration
(2) Completed on 20 December 2022
(3) Based on ALD's share price of EUR 11.43 on 22 May 2023

This transformative acquisition represents a step-change which positions the Group as the leading global sustainable mobility player with a total fleet of c. 3.4 million vehicles managed worldwide. For further details, see section 1.4 “Strategy” of this Universal Registration Document.

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

The integration of LeasePlan progressed according to plan in 2023, paving the way for another key year of transformation in 2024. Plans to generate EUR 120 million in pre-tax synergies in 2024, EUR 350 million in 2025 and annual run-rate synergies of EUR 440 million in 2026, alongside costs to achieve (CTA) of EUR 190 million in 2024 and EUR 37 million in 2025, are confirmed.



P&L synergies and Costs to achieve (in EUR million)[(1)]

(1) Before tax.

Margin and procurement synergies

“Ayvens”, the global mobility brand, was launched immediately after the announcement of the PowerUP 26 strategic plan, uniting ALD and LeasePlan together under a single identity and highlighting the new brand promise. The Company has arranged for a single team to deal with those clients that were previously served by both entities, reflecting its commitment to offering a seamless service and ensuring the highest level of customer satisfaction. Other initiatives, in the field of procurement, insurance, remarketing and IT integration were launched swiftly, allowing EUR 38 million in cash synergies to be secured at the end of 2023, slightly better than expectations (EUR 30 million). These cash synergies will materialize in the income statement from 2024.

In addition to the alignment on pricing components and products, a number of common local and global tenders and negotiations are planned for 2024, *e.g.* OEM, tyre fitter, roadside assistance and end-of-life inspection.

Cost synergies

2024 is a key milestone for Ayvens, with the start of the merger of local entities, scheduled for the second quarter of the year, followed by the deployment of the new central and local organization structure and the local IT integration, expected to stretch into 2025.

2.1.3 Financial results

2.1.3.1 Purchase Price Allocation (PPA) impacts

The allocation of LeasePlan’s purchase price to acquired assets and assumed liabilities as at the date of acquisition closing (22 May 2023) led Ayvens to revise the value of LeasePlan’s net assets [(1)] upwards by *circa* EUR 230 million, as a result of the assessment of LeasePlan’s assets and liabilities at fair value [(2)]:

- lease assets: *circa* EUR +380 million;
- customer relationship: *circa* EUR +150 million [(3)];
- software: *circa* EUR -200 million;
- other assets and liabilities: *circa* EUR -100 million.

LeasePlan’s Purchase Price Allocation had an EUR -57.2 million impact on Ayvens’ 2023 profit before tax, primarily due to higher rental fleet depreciation as a result of the lease assets’ upward valuation, with the impact partially offset by lower software amortization and the recognition of LeasePlan’s actual Used Car Sales results. Beyond 2023, Ayvens expect a limited impact on the income statement, if actual sales prices are in line with its PPA assumptions.

Subject to any final Purchase Price Allocation and/or acquisition price adjustment within one year from closing [(4)], the goodwill recognized on the acquisition was reduced by *circa* EUR 230 million [(5)] to *circa* EUR 1,390 million. This had a positive impact on the CET1 capital of *circa* EUR 220 million, in line with previous indications.

For further details, see section 6.2 note 2.1 “Acquisition of LeasePlan” of this Universal Registration Document.

2.1.3.2 Reported performance

The following comments apply to actual (reported) performance, where:

- LeasePlan is consolidated from 22 May 2023, ALD Russia is deconsolidated from 20 April 2023, while ALD’s subsidiaries in Portugal, Ireland, Norway (except NF Fleet) and LeasePlan’s subsidiaries in Czech Republic, Finland and Luxembourg are deconsolidated from 1 August 2023;
- LeasePlan’s Purchase Price Allocation is applied from the acquisition date, *i.e.* 22 May 2023.

(1) Compared to LeasePlan’s books
(2) As per IFRS 3 “Business combinations”
(3) Customer relationship of circa EUR 280 million before cancellation of pre-existing customer relationship at LeasePlan
(4) In accordance with IFRS 3 “Business combinations”
(5) Acquisition price adjusted by circa EUR +10 million in relation to contingent payment

Leasing contract and Services margins

Taken together, Leasing contract and Services margins (Total margins) reached EUR 2,616.1 million in 2023, an increase of 38.0% compared to 2022. Out of this amount, the contribution of LeasePlan since the acquisition closing was EUR 893.8 million [(1)].

Leasing contract margin was boosted by the reduction in depreciation costs [(2)] at ALD (EUR +514.6 million *vs.* EUR +350.3 million in 2022). As a result of continued high estimated used car prices, depreciation has been adjusted or stopped for those vehicles whose sales proceeds are forecast to be in excess of their net book value. The reduction in depreciation costs equals the difference between the contractual amortization costs and the revised amortization cost. It anticipates in the Leasing contract margin part of Used Car Sales results which would otherwise be recorded later.

Leasing contract margin was negatively impacted by the marked to market (MtM) of derivatives for EUR -186.0 million in 2023, due to the decrease in interest rates and the pull to par of the derivatives book. The stock of MtM of derivatives was EUR +78 million as at 31 December 2023. Ayvens holds a book of derivatives, initially from LeasePlan, whose purpose is to hedge the interest and foreign exchange rates exposure, when the profile of funding cannot be matched with that of the lease contract portfolio. While the Company is economically hedged, there can be accounting mismatches as operating leases do not qualify for hedge accounting under IFRS rules and hence associated derivatives (receiver of floating rates) are fair valued through the income statement. MtM of derivatives results from interest rate movements (*e.g.* as net receiver of floating rate, positive MtM when interest rates rise) and reverses towards the derivative's maturity (pull to par). In Q4 2023, the Company de-designated the micro-fair value hedging (MFVH) relation of the swaps (payer of floating rates) associated with bond issues. As a result, Ayvens improved the compensation of fair values in its derivatives portfolio. Consequently, the sensitivity of the derivatives portfolio [(3)] to a +10/-10 bps parallel shift (without impact of convergence to par) decreased to EUR +10 million/ EUR -10 million in the income statement.

Other non-operating items impacting the Leasing contract margin totalled EUR +77.8 million (*vs.* EUR +128.4 million in 2022):

- fleet revaluation of EUR +38.6 million *vs.* EUR +72.2 million in 2022;
- hyperinflation in Turkey EUR +39.2 million *vs.* EUR +59.9 million in 2022. The hyperinflation regime in Turkey is likely to create revenue volatility over the coming months;
- there was no adjustment to the provision in Ukraine in 2023 (*vs.* a EUR -3.6 million provision in 2022).

Used Car Sales (UCS) results

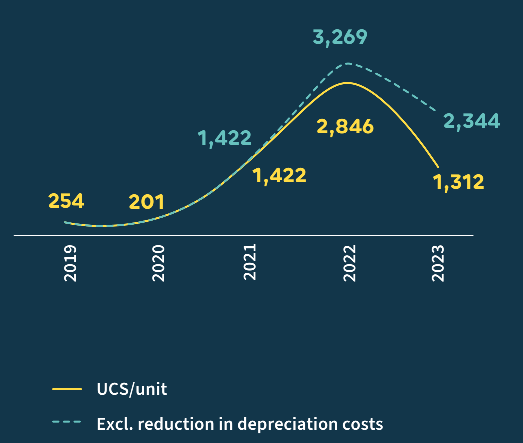
Ayvens' 2023 UCS result reached EUR 349.5 million, lower than last year's exceptionally high level of EUR 747.6 million, as a result of:

- the normalization of the used car market;
- the negative impact of reduction in depreciation costs in previous quarters: EUR -536.1 million, (of which EUR -312.2 million for ALD and EUR -223.9 million for LeasePlan [(4)]) *vs.* EUR -110.9 million in 2022);
- industry destocking of terminated vehicles to improve operating efficiency; and
- the impact of LeasePlan PPA (EUR -192.8 million since 22 May 2023).

Ayvens' UCS result per unit [(5)] excluding the negative impact of reduction in depreciation costs and PPA came in at EUR 2,400 per unit in 2023 on total volumes of 449 thousand cars sold, *vs.* EUR 3,269 per unit on 263 thousand cars sold in 2022.

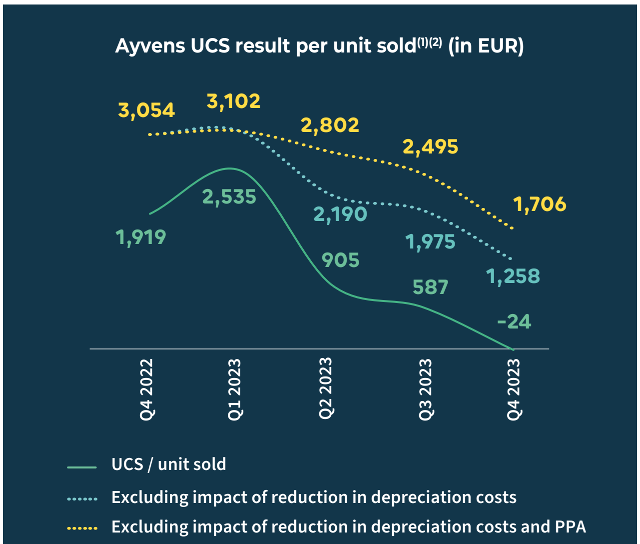
ALD's UCS result per unit [(6)] including the negative impact of reduction in depreciation costs in previous quarters was EUR 1,312 per unit in 2023 *vs.* EUR 2,846 per unit in 2022. Had ALD not recorded any reduction in depreciation costs to reflect exceptionally high used car prices in previous quarters, the UCS result per unit would have been EUR 2,344 in 2023 (compared to EUR 3,269 in 2022).

ALD UCS result per unit sold[(1)(2)] (in EUR)



1. *ALD only, not including 147k vehicles in FY 2023 sold by LeasePlan since the acquisition closing on 22 May 2023*
2. *Management information*

(1) Excluding non-operating items and PPA
(2) Reduction in depreciation costs compared to the contractual costs in relation to vehicles whose sales proceeds are forecast to be in excess of their net book value and for which depreciation has been adjusted or stopped
(3) Based on derivative portfolio held as at 31 December 2023 and assuming no new derivative transactions
(4) Reversal of reduction in depreciation costs accounted for by LeasePlan up until closing
(5) Management information
(6) Management information



1. *Q2, Q3 and Q4 2023 used car sales result restated to take into account the quarterly impact of LeasePlan's Purchase Price Allocation from 22 May 2023 (instead of the full 2023 impact allocated to Q4 2023 only)*
2. *Management information*

As at 31 December 2023, Ayvens' stock of reduction in depreciation costs yet to be reversed over the coming years was EUR 622.0 million (of which EUR 331.3 million to be reversed in 2024) hence having a negative impact on future UCS profits. Out of this amount, ALD's stock of reduction in depreciation costs yet to be reversed over the coming years was EUR 441.8 million as at 31 December 2023, of which EUR 235.1 million to be reversed in 2024.

Consequently, Ayvens' Gross operating income (GOI) reached EUR 2,965.6 million in 2023, up 12.2% *vs.* 2022. The impact of reduction in depreciation costs, net of the negative impact on UCS results was EUR +202.4 million on GOI over the full year (*vs.* EUR +239.4 million in 2022).

Operating expenses

Operating expenses amounted to EUR 1,591.6 million in 2023, up from EUR 882.7 million in the same period last year, mainly driven by LeasePlan's contribution from 22 May 2023 onwards for EUR 651.1 million, costs to achieve of EUR 170.0 million (*vs.* EUR 128.0 million in 2022) as well as the cost of being regulated.

As a result, the Cost/Income ratio (excl. UCS result) stood at 60.8% in 2023 *vs.* 46.5% in 2022.

Cost of risk

Impairment charges on receivables came in at EUR 70.7 million in 2023, compared to EUR 46.1 million in 2022. The Cost of risk [(1)] remained low at 18 bps compared to 20 bps in 2022.

Net income

Non-recurring result came in at EUR -14.1 million in 2023, driven by a goodwill impairment on Fleetpool, the subscription subsidiary in Germany, for EUR 23.7 million. Last year's non-recurring result was related to the impairment of ALD Russia and ALD Belarus for EUR -50.6 million.

Income tax expense decreased to EUR 374.0 million, down from EUR 446.0 million in 2022. The effective tax rate increased to 28.9% from 26.8% in 2022, due to non-deductible non-recurring expenses and the taxation of intra-group operations.

Result from discontinued operations amounted to EUR -77.6 million, mainly driven by the loss from the disposal of ALD Russia on 20 April 2023, which was only partially offset by the gain on the sale of ALD's entities in Portugal, Ireland and Norway on 1 August 2023.

Non-controlling interests were EUR -27.9 million compared to EUR -4.7 million in 2022. The increase is due to the consolidation of LeasePlan, whose AT1 coupon payments to third parties are accounted for as non-controlling interests.

Ayvens' Net income Group share reached EUR 816.2 million in 2023, down by 32.8% from the exceptionally high base of EUR 1,215.5 million in 2022.

Diluted earnings per share [(2)] was EUR 1.07 *vs.* EUR 2.68 in 2022.

The Return on average earning assets [(3)] decreased to 2.0% in 2023, down from the exceptionally high level of 5.1% in 2022, which was lifted by exceedingly favourable used car prices.

The Return on Tangible Equity (ROTE) came in at 12.4% in 2023, down from 26.4% in 2022.

The Board of Directors has decided to propose to the General Meeting of Shareholders the distribution of a dividend of EUR 0.47 per share in respect of the 2023 financial year, compared to EUR 1.06 the previous year. This amount corresponds to Ayvens' PowerUP 2026 objective of paying 50% of Net income Group share [(4)] to its shareholders. Conditional on this approval, the dividend will be detached on 31 May 2024 and paid on 4 June 2024.

2.1.3.3 Like-for-like performance

In presenting and discussing the Group's financial position, operating results and net results throughout this Universal Registration Document, Ayvens uses certain Alternative performance measures not defined by IFRS and that have not been audited or reviewed. These Alternative performance measures ("APMs") should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Group believes that these measures provide valuable supplemental information to the Company's management, investors and other stakeholders to evaluate the company's performance.

(1) *Cost of risk expressed as a percentage of arithmetic average of earning assets*
(2) *Calculated according to IAS 33. Basic EPS at EUR 1.08. Under IAS 33, EPS is computed using the average number of shares weighted by time apportionment. 2022 EPS was restated for IFRS 17, which applies from 1 January 2023*
(3) *Net income (Group share) divided by the arithmetic average of earning assets*
(4) *After deduction of interest on AT1 capital*

For illustration purposes, the following information is provided to assess the like-for-like performance of Ayvens:

- Full year 2023 with LeasePlan included over the full period (whereas LeasePlan was consolidated from 22 May 2023 only);
- Full year 2022 with LeasePlan included over the full period (whereas LeasePlan was consolidated from 22 May 2023 only and hence not consolidated in the reported FY 2022 figures);
- Full year 2022 and full year 2023 without ALD's subsidiaries in Russia, Belarus, Portugal, Ireland, Norway (except NF Fleet), LeasePlan's subsidiaries in the Czech Republic, Finland and Luxembourg (whereas they were actually deconsolidated on 20 April 2023 and 1 August 2023 respectively);
- LeasePlan's Purchase Price Allocation (PPA) impacts included from the acquisition closing date, *ie* 22 May 2023.

These illustrative 2022 and 2023 income statements should not be considered as representative of the results which the combined Group would have achieved, nor of future results. Actual results may differ significantly from those reflected in these illustrative income statements for several reasons, including, but not limited to, differences in actual conditions compared to the assumptions used to prepare these illustrative income statements.

Like-for-like margins

	FY 2022			FY 2023			Variation			Variation *(in %)*		
(in EUR million)	ALD	LeasePlan	Ayvens	ALD	LeasePlan	Ayvens	ALD	LeasePlan	Ayvens	ALD	LeasePlan	Ayvens
Leasing contract and Services margins	**1,817.7**	**2,230.4**	**4,048.0**	**1,902.3**	**1,626.2**	**3,528.7**	**84.9**	**(604.2)**	**(519.3)**	**4.7%**	**-27.1%**	**-12.8%**
Reduction in depreciation costs	350.3	435.0	785.3	514.6	303.6	818.2	164.3	(131.4)	32.9			
Fleet revaluation	72.2	0.0	72.2	38.6	0.0	38.6	(33.6)	0.0	(33.6)			
Hyperinflation in Turkey	59.9	66.0	125.9	24.1	35.0	59.1	(35.7)	(31.0)	(66.7)			
Ukraine provision	(3.6)	0.0	(3.6)	0.0	0.0	0.0	3.6	0.0	3.6			
MtM of derivatives	(1.8)	247.0	245.2	15.8	(224.2)	(208.4)	17.6	(471.2)	(453.6)			
PPA impact	0.0	0.0	0.0	0.0	17.7	17.7	0.0	17.7	17.7			
UNDERLYING LEASING CONTRACT AND SERVICES MARGINS (EXCLUDING REDUCTION IN DEPRECIATION COSTS, NON-OPERATING ITEMS AND PPA IMPACT)	**1,340.7**	**1,482.4**	**2,823.0**	**1,309.5**	**1,494.0**	**2,803.5**	**(31.3)**	**11.6**	**(19.6)**	**-2.3%**	**0.8%**	**-0.7%**

Total margins (Leasing contract margin and Services margin) excluding reduction in depreciation costs, non-operating items and PPA impact would have been EUR 2,803.5 million in 2023, stable *vs.* 2022 (EUR 2,823.0 million) on a like-for-like basis.

Pressure on margins [(1)] expressed as a % of Average earning assets was observed in 2023, due to high inflation and interest rates, which could not be fully transferred to customers and contract extensions in a context of delayed car deliveries. This pressure is expected to reverse from the second half of 2024, due to the length of the order book, as Ayvens implements the aforementioned plan to improve its margins.

(1) Excluding reduction in depreciation costs, non-operating items and PPA impact

Like-for-like Gross operating income

(in EUR million)	FY 2022 ALD	FY 2022 LeasePlan	FY 2022 Ayvens	FY 2023 ALD	FY 2023 LeasePlan	FY 2023 Ayvens	Variation ALD	Variation LeasePlan	Variation Ayvens	Variation (in %) ALD	Variation (in %) LeasePlan	Variation (in %) Ayvens
Leasing contract and Services margins	**1,817.7**	**2,230.4**	**4,048.0**	**1,902.3**	**1,626.2**	**3,528.7**	**84.9**	**(604.2)**	**(519.3)**	**4.7%**	**-27.1%**	**-12.8%**
Reduction in depreciation costs [1]	350.3	435.0	785.3	514.6	303.6	818.2	164.3	(131.4)	32.9			
Non-operating items	126.6	313.0	439.6	78.5	(189.2)	(110.7)	(48.1)	(502.2)	(550.3)			
PPA impact	0.0	0.0	0.0	0.0	17.7	17.7	0.0	17.7	17.7			
Underlying leasing contract and Services margins (excluding non-recurring items and PPA impact)	**1,340.7**	**1,482.4**	**2,823.0**	**1,309.5**	**1,494.0**	**2,803.5**	**(31.3)**	**11.6**	**(19.6)**	**-2.3%**	**0.8%**	**-0.7%**
Used Car Sales result	685.2	602.4	1,287.6	397.0	38.8	354.4	(288.2)	(536.6)	(851.9)			
Impact of reduction in depreciation costs	(110.9)	(117.0)	(228.2)	(312.2)	(402.5)	(714.7)	(201.3)	(285.5)	(486.8)			
PPA impact	0.0	0.0	0.0	0.0	(192.8)	(192.8)	0.0	(192.8)	(192.8)			
Underlying Used Car Sales result (excluding the impact of reduction in depreciation costs and PPA impact)	**796.1**	**719.4**	**1,515.5**	**709.2**	**634.0**	**1,343.2**	**(86.9)**	**(85.4)**	**(172.3)**	**-10.9%**	**-11.9%**	**-11.4%**
Gross operating income	2,502.9	2,832.8	5,335.7	2,299.6	1,665.0	3,964.5	(203.3)	(1,167.8)	(1,371.2)	-8.1%	-41.2%	-25.7%
UNDERLYING GROSS OPERATING INCOME (EXCLUDING NON-RECURRING ITEMS AND PPA IMPACT)	**2,137.2**	**2,201.8**	**4,339.0**	**2,018.7**	**2,128.0**	**4,146.7**	**(118.2)**	**(73.8)**	**(192.0)**	**-5.5%**	**-3.4%**	**-4.4%**

(1) Margins excluding reduction in depreciation costs, non-operating items and PPA impact

Used car sales profit excluding the impact of the reduction in depreciation costs and PPA impact would have decreased by 11.4% from 2022, at EUR 1,343.2 million, on the back of the normalization of the used car market at a still high level and the exceptional accelerated sale of terminated vehicles at the end of 2023.

Gross operating income excluding non-recuring items and PPA impact would have been down by 4.4% *vs.* 2022, at EUR 4,146.7 million.

Like-for-like operating expenses

(in EUR million)	FY 2022	FY 2023	variation	variation (in %)
Total Operating Expenses	**(1,819.0)**	**(1,987.5)**	**(168.5)**	**9.3%**
Cost to achieve	(128.0)	(170.0)	(42,0)	
Consultancy costs and transaction/rebranding costs	(70.1)	(36.2)	33.9	
PPA impact	0.0	10.4	10.4	
UNDERLYING OPERATING EXPENSES (EXCLUDING NON-RECURRING ITEMS AND PPA IMPACT)	**(1,620.9)**	**(1,791.8)**	**(170.8)**	**10.5%**
Underlying cost/Income ratio (excluding non-recurring items and PPA impact)	**57.4%**	**63.9%**	**+6.5pt**	

Operating expenses excluding non-recurring items and PPA impact would have amounted to EUR 1,791.8 million in 2023, an increase of 10.5% *vs.* 2022. The Cost/Income ratio, excluding non-recurring items and PPA impact would have reached 63.9% *vs.* 57.4% in 2022, mainly due to the costs of being regulated and almost stable margin revenues.

2.1.3.4 Balance sheet and regulatory capital

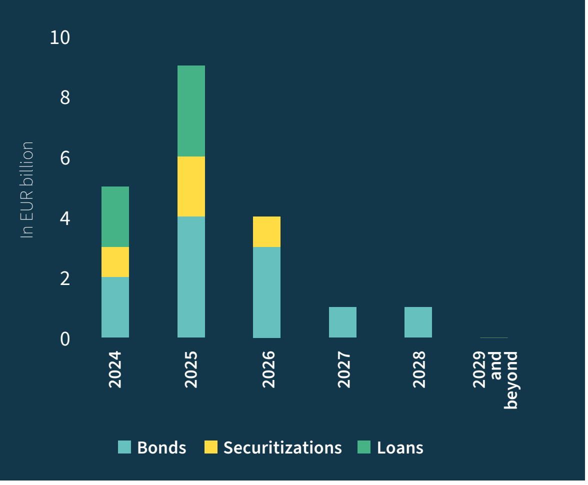
Financial structure

Group shareholders' equity [1] totalled EUR 10.1 billion as at 31 December 2023 (*vs.* EUR 6.9 billion as at 31 December 2022). Net asset value per share was EUR 12.33 and net tangible asset value per share was EUR 9.03 as at 31 December 2023.

The total balance sheet increased from EUR 31.3 billion as at 31 December 2022 to EUR 70.3 billion as at 31 December 2023, on the back of the integration of LeasePlan and the increase in earning assets, underpinned by the continued growth of EV which have a higher value, reaching EUR 52.0 billion as at 31 December 2023 *vs.* EUR 23.9 billion a year ago.

Financial debt [2] stood at EUR 37.6 billion at the end of December 2023 (*vs.* EUR 19.9 billion at the end of December 2022 [3]), while deposits reached EUR 11.8 billion. 33% of the funding consisted of loans from Societe Generale as at end 2023.

External debt maturity profile as at 31 December 2023



As part of its active liquidity management strategy, Ayvens continued to diversify its funding. The funding raised through bond issuances during 2023 reached a total of EUR 4.35 billion and confirms the market's strong appetite for Ayvens' debt instruments. Ayvens has a EUR 4 billion to EUR 5 billion funding programme planned for 2024. This programme is well advanced: as at the date of this Universal Registration Document, including the pre-funding in 2023, *circa* 60% of its funding programme is already achieved.

The combined entity has access to ample short-term liquidity, with cash holdings at Central bank reaching EUR 3.5 billion as at 31 December 2023. In addition, the Group has an undrawn committed Revolving Credit Facility of EUR 1.75 billion as at the date of this Universal Registration Document.

The Company has strong long-term debt credit ratings from Moody's (A1), S&P Global Ratings and Fitch Ratings (A-), which were upgraded to the single A category upon the acquisition of LeasePlan.

Regulatory capital

Ayvens' risk-weighted assets (RWA) under CRR2/CRD5 rules totalled EUR 57.4 billion as at 31 December 2023, with credit risk-weighted assets accounting for 85% of the total. Ayvens had a Common Equity Tier 1 ratio of 12.5% and Total Capital ratio of 16.4% as at 31 December 2023.

2.1.3.5 Definitions and methodologies, alternative performance measures

Framework

The financial information presented in respect of the financial year ended 31 December 2023 was prepared in accordance with IFRS as adopted in the European Union and applicable at that date.

Reported performance

The reported performance corresponds to the actual performance, as shown in section 2.1.3.2 of this Universal Registration Document.

Like-for-like performance

For illustration purposes, management information is provided to assess the like-for-like performance of Ayvens, as per assumptions described in section 2.1.3.3 of this Universal Registration Document.

The illustrative 2022 and 2023 income statements displayed in this section should not be considered as representative of the results which the combined Group would have achieved, nor of future results. Actual results may differ significantly from those reflected in these illustrative income statements for several reasons including, but not limited to, differences in actual conditions compared to the assumptions used to prepare these illustrative income statements.

Return on Tangible Equity (ROTE)

ROTE is calculated on the basis of average Group shareholders' equity under IFRS.

It excludes:

- unrealised or deferred capital gains or losses booked directly under shareholders' equity, excluding conversion reserves;
- AT1 capital;

It deducts:

- interest payable to holders of AT1 capital;
- a provision in respect of the dividends to be paid to shareholders;
- net goodwill;
- net intangible assets.

Net income used to calculate ROTE is based on Group Net income but reinstating interest on AT1 capital.

(1) *Excluding Additional Tier 1 capital*
(2) *Not including Additional Tier 1 capital*
(3) *Including loans granted to entities held-for-sale*

(in EUR million)	FY 2023	FY 2022
Group shareholders' equity	10,826.1	6,875.5
AT1 capital	(750.0)	0.0
Dividend provision and interest on AT1 capital [1]	(422.8)	(598.8)
OCI excluding conversion reserves	24.3	(35.5)
Equity base for ROE calculation end of period	**9,677.6**	**6,241.2**
Goodwill	1,990.9	618.6
Intangible assets	703.9	126.6
Average equity base for ROE calculation	7,959.4	5,311.3
Average Goodwill	(1,304.7)	(597.3)
Average Intangible assets	(415.3)	(107.7)
Average tangible equity for ROTE calculation	**6,239.4**	**4,606.3**
Group Net income after non-controlling interests	816.2	1,215.5
Interest on AT1 capital	(45.0)	0.0
Adjusted Group Net income	**771.2**	**1,215.5**
ROTE	**12.4%**	**26.4%**

(1) The dividend provision assumes a payout ratio of 50% of Net Income Group share, after deduction of interest on AT1 capital

Earnings per share

In accordance with IAS 33, to calculate earnings per share (EPS), "Group Net income" for the period is adjusted for the amount of interest paid on AT1 capital. Earnings per share is therefore calculated as the ratio of corrected Group Net income for the period to the average number of ordinary outstanding shares, excluding shares allocated to cover stock options and shares awarded to staff and treasury shares in liquidity contracts.

Basic EPS	FY 2023	FY 2022
Existing shares	816,960,428	565,745,096
Shares allocated to cover stock options and shares awarded to staff	(1,114,336)	(1,045,448)
Treasury shares in liquidity contracts	(154,551)	(128,454)
End of period number of shares	**815,691,541**	**564,571,194**
Weighted average number of shares used for EPS calculation [1] (A)	**711,058,063**	**451,995,288**
(in EUR million)		
Net income Group share	816.2	1,215.5 [2]
Deduction of interest on AT1 capital	(45.0)	0.0
Net income Group share after deduction of interest on AT1 capital (B)	771.2	1,215.5
Basic EPS *(in EUR)* **(B/A)**	**1.08**	**2.69**
Dividend Per Share *(in EUR)*	**0.47**	**1.06**
DILUTED EPS	**FY 2023**	**FY 2022**
Existing shares	816,960,428	565,745,096
Shares issued for no consideration [3]	18,216,718	0
End of period number of shares	**835,177,146**	**565,745,096**
Weighted average number of shares used for EPS calculation [1] (A')	**722,913,792**	**453,169,190**
Diluted EPS *(in EUR)* **(B/A')**	**1.07**	**2.68**

(1) Average number of shares weighted by time apportionment
(2) Restated for IFRS 17, which applies from 1 January 2023
(3) Assuming exercise of warrants, as per IAS 33

Net Asset Value, Net Tangible Asset Value

Net assets comprise Group shareholders' equity, excluding AT1 capital and interest payable to holders of AT1 capital, but reinstating the book value of shares allocated to cover stock options and shares awarded to staff and treasury shares in liquidity contracts.

Tangible net assets are corrected for net goodwill in the assets, goodwill under the equity method and intangible assets. In order to calculate Net Asset Value (NAV) per share or Net Tangible Asset Value (NTAV) per share, the number of shares used to calculate book value per share is the number of shares issued at the end of the period, excluding shares allocated to cover stock options and shares awarded to staff and treasury shares in liquidity contracts.

(in EUR million)	31 December 2023	31 December 2022
Group shareholders' equity	10,826	6,875.5
Deeply subordinated and undated subordinated notes	(750)	0.0
Interest of deeply subordinated and undated subordinated notes	(37)	0.0
Book value of treasury shares	18	16.1
Net Asset Value (NAV)	**10,057**	**6,891.6**
Goodwill	(1990.9)	(618,6)
Intangible assets	(703.9)	(126,6)
Net Tangible Asset Value (NTAV)	**7,362**	**6,146**
Number of shares (1)	815,691,541	565,747,096
NAV per share	12.33	12.18
NTAV per share	9.03	10.86

(1) The number of shares considered is the number of ordinary shares outstanding at end of period, excluding treasury shares and buyback

Regulatory capital and solvency ratios

The Group is subject to regulatory capital requirements since the closing of the LeasePlan acquisition on 22 May 2023 due to its new regulated status of Financial Holding Company, supervised by the European Central Bank. The Group's Common Equity Tier 1 capital is calculated in accordance with applicable CRR2/CRD5 rules.

(in EUR million)	31 December 2023
Group shareholders' equity	10,826
AT1 capital	(750)
Dividend provision & interest on AT1 capital (1)	(423)
Goodwill and intangible	(2,695)
Deductions and regulatory adjustments	183
Common Equity Tier 1 capital	**7,141**
AT1 capital	750
Tier 1 capital	**7,891**
Tier 2 capital	1,500
TOTAL CAPITAL (TIER 1 + TIER 2)	**9,391**
Risk-Weighted Assets	**57,377**
Credit Risk-Weighted Assets	49,034
Market Risk-Weighted Assets	1,993
Operational Risk-Weighted Assets	6,350
Common Equity Tier 1 ratio	12.5%
Tier 1 ratio	13.8%
TOTAL CAPITAL RATIO	**16.4%**

(1) The dividend provision assumes a payout ratio of 50% of Net income Group share, after deduction of interest on AT1 capital

2.1.4 Investments

2.1.4.1 Historical investments

The Group's investments in property, plant and equipment and intangible assets (other than acquisitions and investments in the fleet) during the financial years ended 31 December 2022 and 2023 totalled EUR 109.2 million and EUR 276.9 million, respectively. Acquisitions and investments in the fleet mainly relate to the acquisitions mentioned below and investments made by the Group in its fleet.

In May 2021, ALD announced the acquisition of Bansabadell Renting, the long-term leasing business of Banco Sabadell in Spain, adding around 19,500 vehicles in its financed fleet. The acquisition also included the conclusion of a white label distribution agreement under which Banco Sabadell provides its SME and individual customers in Spain with a Full Service Leasing solution managed by ALD.

In September 2021, ALD announced the acquisition of 17% of the share capital of Skipr through a capital increase. Skipr is a Belgian Mobility as a Service (MaaS) start-up. The combination of Skipr and ALD Move's cutting-edge technologies contribute to the successful transition to sustainable mobility solutions that are more flexible, efficient and cost-effective.

In October 2021, ALD signed an agreement to acquire Fleetpool and its portfolio of approximately 10,000 vehicles. Fleetpool's expertise in automotive subscriptions enables it to leverage its mobility offer for individuals and companies, as well as car manufacturers wishing to diversify their distribution model and service offering.

In April 2023, ALD announced the closing of the sale of ALD Russia.

In May 2023, ALD announced the closing of the LeasePlan acquisition (see Section 2.1.2.2 "Key strategic initiatives and operational developments" of this Universal Registration Document).

In August 2023, ALD announced the closing of the sale of ALD's entities in Portugal, Ireland and Norway, and LeasePlan's entities in the Czech Republic, Luxembourg and Finland, as per antitrust measures required by the European Commission.

In October 2023, Ayvens sold its subsidiary ALD Belarus.

In February 2024, Ayvens sold its subsidiary LeasePlan Russia.

All acquisitions made by the Group, except for the acquisition of LeasePlan, were paid for in cash from its own internal cash resources. The financing of the LeasePlan acquisition is described in Section 2.1.2.2 "Key strategic initiatives and operational developments" of this Universal Registration Document. Investments in the fleet were funded by debt as discussed in Section 2.5 "Net cash flows from investing activities" of this Universal Registration Document.

The risks related to acquisitions and Ayvens' strategy for managing these risks are described in Section 4.1 "Risk Factors" of this Universal Registration Document.

2.1.4.2 Ongoing investments

The Group has no ongoing investments.

2.1.4.3 Future investments

The Group plans to continue making appropriate investments for its business.

2.2 Trend information

The following discussion of Ayvens' results of operations and financial condition contains forward-looking statements. Ayvens' actual results could differ materially from those that are discussed in these forward-looking statements. Factors that could cause or contribute to such differences include those discussed below and elsewhere in this Registration Document, particularly under "Risk factors".

2.2.1 Business trends

Detailed descriptions of the Group's results for the financial year ended 31 December 2023 and of the principal factors affecting the Group's operating income are contained in sections 2.1.2 "Ayvens activity" and 2.1.3 "Financial results" of this Universal Registration Document.

2.2.2 Medium-term objectives

The individual elements of the medium-term objectives presented below do not constitute forecast data or profit estimates. Objectives are based on data, assumptions and estimates that the Group considers reasonable as at the date of this Universal Registration Document. These objectives are based on assumptions concerning economic conditions for the medium term and the expected impact of the Group's successful implementation of its strategy. The data, assumptions and estimates on which the Group has based its objectives may change or be modified during the relevant period in particular as a result of changes in the economic, financial, competitive, tax or regulatory environment, market changes or other factors of which the Group is not aware as of the date of this management report. The occurrence of one or more of the risks described in Section 4.1 "Risk factors" of this Universal Registration Document could affect the Group's business, market situation, financial position, results or outlook and therefore its ability to achieve the objectives presented below. The Group can't give any assurances or provide any guarantee that the objectives set forth in this section will be met.

The continued shift from ownership to usership, transition to electrification, flexible leasing solutions, used car and multi-cycle leasing are expected to be strong drivers of Ayvens' business growth in the medium term.

In its PowerUP 2026 strategic plan unveiled at the Capital Markets Day on 18 September 2023, Ayvens has updated its strategy and set a number of operational, financial and non-financial targets (see section 1.4 "Strategy" of this Universal Registration Document).

2.2.3 Outlook for 2024

The integration of LeasePlan progressed according to plan in 2023, paving the way for another key year of transformation in 2024.

In a slow-growth European economy (+0.5% expected in 2024) where inflation converges towards more normal levels (+2.4%) and interest rates begin to decline (ECB refinancing rate expected at 3.25% as at end-2024), Ayvens expects new car registrations to continue progressing compared to 2023 and the used car market to further normalize. As a result, Ayvens' guidance for the full-year 2024 is as follows:

- Earning asset growth between +7% and +9% *vs.* end-December 2023;
- UCS result per unit between EUR 1,100 and EUR 1,600 on average, excluding the negative impact of reduction in depreciation costs and PPA, resulting in between EUR 100 and EUR 600 on average, including the negative impact of reduction in depreciation costs and PPA;
- Pre-tax P&L synergies of EUR 120 million (unchanged);
- Cost/income ratio excluding UCS results, non-recurring items and PPA: 65% to 67%;
- Costs to achieve (CTA) the integration of EUR 190 million (unchanged);
- Dividend payout of 50%;
- CET1 ratio of *circa* 12%.

2.3 Subsequent events

In February 2024, Ayvens sold its subsidiary LeasePlan Russia. Ayvens is no longer present in Russia. For more details, see Section 6.2 "Notes to consolidated financial statements", note 39 "Events after the reporting period".

In March 2024, Ayvens obtained the Declaration of No-Objection (DNO) from both the European Central Bank and the Dutch National Bank. The DNO allows the Group to merge ALD and LeasePlan's activities together and is an important step forward in the journey towards integration to become a single entity. Consequently, the shares of almost all LeasePlan entities will be transferred in a phased approach from LeasePlan Corporation N.V. to ALD SA. Once this is completed, ALD SA will, directly or indirectly, own all operating entities, ultimately allowing it to simplify and streamline the corporate governance, processes and business activities, particularly in the 20 overlapping countries where both entities are present.

2.4 Research and development, patents and licences

2.4.1 Research and development

The Group is committed to innovating and offering value added solutions. It continues to strive to develop new products and new expertise. An Innovation Committee was created to share, prioritise and accelerate innovation initiatives.

As a pioneer in mobility solutions, the Group regularly reviews its product offers and innovates to provide the best products for its customers, to support fleet managers in their daily work and to provide drivers with the solutions best suited to their needs.

In 2023, Ayvens continued to develop its portfolio of innovative products, including the electric offer, a holistic "end-to-end" approach to the powertrain shift for company and commercial fleets, which is now available in 34 countries.

ALD's connected car platform has now more than 160,000 connected vehicles through the use of ALD's ProFleet solution and through Ayvens' cost avoidance insurance offering.

Available in the Netherlands, France and Belgium, ALD Move is Ayvens' first Mobility as a Service offer. It helps clients make smart mobility decisions by providing daily mobility advice, considering an employee's own calendar, real-time traffic data, the companies' objectives (such as CO_2 emissions, TCO, etc). Users get insights into their budget and travel history, while employers receive reporting on the mobility expenses in order to monitor the Company's mobility and to efficiently manage and adapt the mobility policy as necessary.

2.4.2 Intellectual property rights, licences, user rights and other intangible assets

The Group's intellectual property rights essentially comprise the following:

- rights to trademarks and other distinctive signs used by the Group in the ordinary course of business:

  Further to the listing of ALD shares on Euronext Paris, a trademark assignment agreement and a trademark licence agreement were concluded between ALD and Societe Generale so as to regulate ALD's use of these trademarks. The trademark assignment agreement aimed at transferring to ALD the ownership of the trademarks which do not contain any elements of the Societe Generale brand and previously owned by Societe Generale, in the countries where they are registered.

  Societe Generale awarded ALD a licence to use the Societe Generale logo, under a trademark licence agreement concluded for a term of 99 years and permitting such trademarks to be sub-licensed. The trademark licence agreement provides for Societe Generale's right to terminate the agreement in the event of a reduction of its holding in ALD below 50% as well as in the event of insolvency, winding-up or dissolution of ALD. In the case of such termination, the proposed agreement provides for an additional period of 18 months post-termination for the use of the licenced trademarks.

In October 2023, the Group launched its new global mobility brand "Ayvens" to unify ALD and LeasePlan. Along with Societe Generale, the Group has registered domain names for its website in the countries where it operates and has also ensured the protection of the "Ayvens" trademark in France and Europe. It is currently finalising its registration in all the jurisdictions where the Group operates. The Group registers its ownership of various domain names (including Ayvens, ALD Automotive, ALD Carmarket, MyALD, LeasePlan websites and ALD Net) centrally, mostly through external services;

- rights relating to information systems, data protection and software licences that the Group uses in connection with its business:

  The Group has developed information systems it uses on a daily basis in connection with its business, notably relating to data protection and security. It has developed some policies related to improving the classification and protection of sensitive information and reinforcing its general security guidelines. For more information on the Group's security policy and related information systems, see Section 4.1.4.1 "IT Risks" of this Universal Registration Document.

  The Group and its subsidiaries hold licences for the main software it uses in conducting its business.

2.5 Cash flow

(in EUR million)	Year ended 31/12/23	Year ended 31/12/22 [1]	Year ended 31/12/21
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax excluding discontinued operations	**1,295.7**	**1,666.1**	**1,118.7**
Profit before tax from discontinued operations		**-**	**-**
PROFIT BEFORE TAX EXCLUDING DISCONTINUED OPERATIONS	**1,295.7**	**1,666.1**	**1,118.7**
Adjustments for:			
• rental fleet	6,038.0	3,573.6	3,708.5
• other property, plant and equipment	104.4	73.5	42.8
• intangible assets	115.6	25.5	27.3
• regulated provisions, contingency and expenses provisions	32.7	23.0	37.8
• insurance and reinsurance contract assets/liabilities[2]	115.3	-	-
• non-current assets held- for- sale – impairment	-	50.6	-
Depreciation and provision	**6,405.9**	**3,746.2**	**3,816.4**
(Gains)/Losses on disposal of plant, property and equipment	37.7	13.3	12.5
(Profit)/Loss on disposal of intangible assets	17.6	16.0	18.1
(Gains)/Losses on disposal of discontinued operations	-	-	-
Profit and losses on disposal of assets	**55.3**	**29.3**	**30.6**
Fair value of derivative financial instruments	276.6	1.8	8.4
Interest Charges	*1052.6*	*244.1*	*132.7*
Interest Income	*(1,877.8)*	*(919.6)*	*(850.5)*
Net interest income	**(825.3)**	**(675.5)**	**(717.8)**
Other	3.3	1.2	5.2
Amounts received for disposal of rental fleet	7,253.4	3,916.6	3,530.5
Amounts paid for acquisition of rental fleet	(18,257.1)	(9,554.0)	(8,767.8)
Change in working capital	249.1	(329.9)	168.8
Interest Paid	*(1,044.6)*	*(196.2)*	*(137.5)*
Interest Received	*2,024.3*	*955.7*	*882.6*
Net interest income	979.8	759.5	745.1
Income taxes paid	(375.6)	(195.5)	(96.5)
Effect of hyperinflation adjustments	(95.7)	(52.4)	-
NET CASH FLOW FROM OPERATING ACTIVITIES (CONTINUING ACTIVITIES)	**(3,034.6)**	**(686.6)**	**(158.4)**
Net cash flow from operating activities (discontinued operations)	44.2	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	**(2,990.4)**	**(686.6)**	**-**

(in EUR million)	**Year ended 31/12/23**	**Year ended 31/12/22** [(1)]	**Year ended 31/12/21**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from the sale of other property and equipment	-	-	-
Acquisition of other property and equipment	76.6	(40.9)	(34.6)
Divestments of intangible assets	-	-	-
Acquisition of intangible assets	(200.3)	(68.3)	(55.0)
Proceeds from the sale of financial assets	-	-	-
Acquisition of financial assets (non-consolidated securities)	(3.2)	-	(117.9)
Effect of change in Group structure	1,967.8	35.4	1.0
Proceeds from the sale of discontinued operations, net of liquid assets sold	389.8	0	0
Dividends received	-	-	-
Long-term investment	66.9	79.1	108.8
Loans and receivables from related parties	(1,214.4)	(1,017.9)	(206.0)
Other financial investment	(179.8)	28.8	(31.0)
CASH FLOWS FROM INVESTING ACTIVITIES (CONTINUING OPERATIONS)	**750.1**	**(983.8)**	**(334.7)**
Net cash flow from investing activities (discontinued operations)	4.4	-	-
NET CASH FLOW FROM INVESTING ACTIVITIES	**754.5**	**(983.8)**	**(334.7)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in borrowings from financial institutions	10,533.7	7,383.9	9,925.7
Repayment of borrowings from financial institutions	(6,665.6)	(6,731.3)	(8,823.6)
Proceeds from issued bonds	5,570.6	1,990.8	1,304.6
Repayment of issued bonds	(4,141.3)	(1,351.4)	(1,579.6)
Proceeds from deposits	5,737.1	-	-
Repayment of deposits	(5,285.3)	-	-
Proceeds from deeply subordinated notes	750	-	-
Payment of lease liabilities	(52.0)	(71.1)	(26.9)
Dividend paid on AT1 capital to equity holder of the parent	(7.8)	-	-
Dividends paid to the Company's shareholders	(598.8)	(435.2)	(253.9)
Dividends paid to non-controlling interests	(8.6)	(9.9)	(5.2)
Dividend paid on AT1 capital to non-controlling interests	(36.9)	-	-
Capital increase	(3.1)	1,203.4	-
Increase/decrease in shareholders' capital	(4.9)	(5.4)	(3.2)
Other	-	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES (CONTINUING ACTIVITIES)	**5,724.2**	**1,973.8**	**537.9**
Net cash flow from financing activities (discontinued operations)	(9.8)	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**5,714.4**	**1,973.8**	**537.9**
EXCHANGE GAINS/(LOSSES) ON CASH AND CASH EQUIVALENTS	**(13.3)**	**(11.2)**	**0.4**
EFFECT OF CHANGE IN ACCOUNTING POLICIES			
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**3,465.2**	**292.1**	**45.3**
CASH & CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**216.4**	**(75.7)**	**(121.0)**
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**3,681.6**	**216.4**	**(75.7)**

(1) FY 2022 was restated for IFRS 17, which applies from 1 January 2023
(2) See note 3.2 in chapter 6 "Financial information" for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries

2.5.1 Net cash flows related to operating activities

Amounts received for disposal of rental fleet

Amounts received for disposal of the rental fleet increased to EUR 7,253.4 million during the financial year ended 31 December 2023 compared to EUR 3,916.6 million during the financial year ended 31 December 2022, primarily as a result of the consolidation of LeasePlan from 22 May 2023 and used car prices still at an exceptionally high level compared to pre-COVID levels.

Amounts paid for acquisition of rental fleet

The amounts paid for the acquisition of the leased vehicle fleet were EUR 18,257.1 million during the financial year ended 31 December 2023 compared to EUR 9,554.0 million during the financial year ended 31 December 2022, due to the consolidation of LeasePlan from 22 May 2023 and the higher value of new vehicles, especially EV.

Change in working capital

Changes in working capital (comprising short-term assets and liabilities) resulted in a net positive contribution to the net cash from operating activities of EUR 249.1 million during the financial year ended 31 December 2023 compared to a net negative contribution of EUR 329.9 million during the financial year ended 31 December 2022. The change is due to the increase in trade and other payables and other accruals.

Net finance income (expense)

Net finance income has increased to EUR 979.8 million during the financial year ended 31 December 2023, compared to EUR 759.5 million during the financial year ended 31 December 2022. This change is the result of interest received growing more than the interest paid over the year. In particular, the proceeds of the December 2022 rights issue aimed at financing the acquisition of LeasePlan were placed until the acquisition closing in May 2023.

2.5.2 Net cash flows related to investment activities

Effect of change in Group structure

Net cash flows related to the scope effect amounted to EUR 1,967.8 million during the financial year ended 31 December 2023, compared to EUR 35.4 million in net flows during the financial year ended 31 December 2022. The change is due to the acquisition of LeasePlan, only partially offset by the disposal of ALD's subsidiaries in Russia, Belarus Portugal, Ireland and Norway (except NF Fleet).

2.5.3 Net cash flows related to financing activities

Proceeds of borrowings from financial institutions

Proceeds of borrowings from financial institutions increased to EUR 10,529.2 million during the financial year ended 31 December 2023 compared to EUR 7,383.9 million during the financial year ended 31 December 2022. The increase is due to the issuance of Tier 2 debt for EUR 1.5 billion, which partly financed the acquisition of LeasePlans and due to the consolidation of LeasePlan from 22 May 2023.

Repayment of borrowings from financial institutions

Repayments of borrowings from financial institutions reached EUR 6,661.1 million during the financial year ended 31 December 2023 compared to EUR 6,731.3 million during the financial year ended 31 December 2022.

Proceeds from issued bonds

Proceeds from bond and securitization issues rose to EUR 5,507.6 million during the financial year ended 31 December 2023 compared to EUR 1,990.8 million during the financial year ended 31 December 2022, as a result of Ayvens' proactive liquidity management and funding diversification strategy.

Repayment of issued bonds

Repayment of issued bonds and securitizations increased to EUR 4,414.3 million during the financial year ended 31 December 2023 compared to EUR 1,351.4 million during the financial year ended 31 December 2022, as a result of the higher amount maturing.

(in EUR million)	2023	2022	2021
Bank borrowings	13,123.6	10,613.1	9,407.1
Tier 2 subordinated debt	1,500.0	-	-
Non-current borrowings from financial institutions	**14,623.6**	**10,613.1**	**9,407.1**
Bank overdrafts	315.3	129.5	228.4
Bank borrowings	6,537.3	3,828.5	4,213.1
Tier 2 subordinated debt	12.2	-	-
Current borrowings from financial institutions	**6,864.9**	**3,958.0**	**4,441.5**
TOTAL BORROWINGS FROM FINANCIAL INSTITUTIONS	**21,488.4**	**14,571.1**	**13,848.6**
Bonds and notes originating from securitisation transactions	2,870.9	1,123.4	1,628.8
Bonds and notes originating from the EMTN programme denominated in EUR	10,070.3	2,450.0	1,600
Bonds and notes – fair value adjustment	(163.8)	-	-
Non-current bonds and notes issued	**12,777.3**	**3,573.4**	**3,228.8**
Bonds and notes originating from securitisation transactions	1,385.4	603.7	334.8
Bonds and notes originating from the EMTN programme denominated in EUR	2,053.9	1,126.3	1,105.1
Bonds and notes – fair value adjustment	(78.4)	-	-
Current bonds and notes issued	**3,360.9**	**1,729.9**	**1,439.9**
TOTAL BONDS AND NOTES ISSUED	**16,138.3**	**5,303.4**	**4,668.7**
TOTAL BORROWINGS FROM FINANCIAL INSTITUTIONS AND BOND ISSUES	**37,626.7**	**19,874.5**	**18,517.3**

Ayvens was also active during the 2023 financial year in terms of securitization. Two private securitization programmes were renewed in the UK and the Netherlands and one public securitization was renewed in France for total of *circa* EUR 1.5 billion.

Information on the Group’s liabilities is provided in section 6.2 note 29 “Borrowings from financial institutions, bonds and notes issued” of this Universal Registration Document.

Capital increase

In December 2022, the Group successfully completed a EUR 1.2 billion rights issue in order to finance part of the cash component of the LeasePlan acquisition in 2023 (see Section 6.2 note 2.1 "Acquisition of LeasePlan").

2.6 Risks and control

Chapter 4 presents ALD’s risk factors and policy concerning their management.

2.7 Share capital and shareholder structure

2.7.1 History of the Company's share capital over the past three years

In December 2022, the Company raised its capital by approximately EUR 1.2 billion, through a rights issue with shareholders' preferential subscription rights, whose purpose was to finance part of the cash component of the LeasePlan acquisition price. 161,641,456 new ALD shares with a par value of EUR 1.50 per share were issued by the Company and admitted to trading on Euronext Paris from 20 December 2022. These new shares were assimilated to the existing shares of the Company, on the same trading line and with the same ISIN code.

On 22 May 2023, the Company issued 251,215,332 new ALD shares to the benefit of LeasePlan's selling shareholders representing 30.75% of ALD's share capital as at the date of completion of the acquisition, *i.e.* the securities component of the acquisition price. These new shares, with a par value of EUR 1.50 per share, were admitted to trading on Euronext Paris on 24 May 2023, with initial ISIN code FR001400FYA8. They were assimilated to the existing shares of the Company on 5 June 2023, on the same trading line and with the same ISIN code (FR0013258662).

Upon closing of the transaction on 22 May 2023, the share capital of the Company amounted to EUR 1,225,440,642, comprising 816,960,428 shares and has not changed since then.

2.7.2 Shares held by or on behalf of the Company

As at 31 March 2024, the Company held 983,046 treasury shares, of which: i) 143,312 shares held under the liquidity agreement entered into between the Company and Exane BNP Paribas on 14 January 2021 and transferred by Exane BNP Paribas to BNP Paribas Arbitrage on 23 October 2023 and ii) 839,734 shares held to cover the long-term free shares incentive plan. No shares of the Company are held by any of its subsidiaries or by any third party on its behalf.

The Combined Shareholders' Meeting held on 24 May 2023 authorised the Board of Directors, for a period of 18 months from the date of this Shareholders' Meeting, with the ability to subdelegate as provided by law, in accordance with Articles L. 225-209 *et seq.* of the French Commercial Code (*Code de commerce*), the General Regulation of the French Financial Markets Authority and Regulation (EU) No. 596/2014 of the Parliament and of the Council of 16 April 2014, to purchase shares of the Company in order to carry out the following transactions:

- cancel shares as part of a capital reduction carried out in accordance with the authorisation given for that purpose by the Extraordinary Shareholders' Meeting;
- allocate, cover and honour any free shares or employee savings plans and any type of allocation for the benefit of employees or corporate officers of the Company or affiliated companies under the terms and conditions stipulated or permitted by French or foreign law, particularly in the context of participation in the results of the expansion of the Company, the granting of free shares, any employee shareholding plans as well as completing any related transactions to cover the aforementioned employee shareholding plans;
- provide shares upon the exercise of rights attached to securities giving access to the share capital of the Company;
- market-making activities under a liquidity contract signed with an investment services provider, in compliance with the market practices permitted by the AMF;
- retain and later tender as part of the Group's external growth transactions;
- implement any market practice that may become recognised by law or by the AMF.

Acquisitions, disposals, exchanges, or transfers of these shares may be made, on one or more occasion, by any means, on markets (regulated or unregulated), multilateral trading facilities (MTF), *via* systematic internalisers or over the counter, including the disposal of blocks of shares, within the limits and according to the methods defined by the laws and regulations in effect. The portion of the buyback programme that may take place through block trades may equal the entirety of the programme.

These transactions may be completed at any time, in compliance with regulations in effect at the date of the planned transactions. Nevertheless, in the event a third party were to file a public offering targeting all of the Company's securities, the Board of Directors shall not, during the offering period, decide to implement this resolution unless it has received the prior authorisation of the General Shareholders' Meeting.

In the event of a capital increase through the incorporation of premiums, reserves and profits, resulting in either an increase in the nominal value or the creation and granting of free shares, as well as in the event of a split or reverse stock split or any transaction pertaining to the share capital, the Board of Directors may adjust the aforementioned purchase price to take into account the impact of these transactions on the share value.

The Board of Directors has all powers, with the ability to delegate, to implement this authorisation, and particularly to place all orders on all stock markets or to perform any transactions off the market, to enter into all agreements for the purpose of keeping records of share purchases and sales, to allocate or re-allocate acquired shares to different objectives in compliance with the legal and regulatory conditions in effect, to prepare any documents, particularly the description of the share buyback programme, to complete any formalities and disclosures to the AMF and any other bodies, to, where appropriate, make adjustments related to any future transactions on the Company's share capital and, generally, to do all that is necessary for the application of this authorisation.

Shares purchased by the Company may not exceed 5% of the share capital at the date of the purchase, it being specified that the number of shares held following these purchases may not at any time exceed 10% of the share capital. Nevertheless, the total amount allocated to the share buyback programme shall not be greater than EUR 600,000,000.

The maximum purchase price for a share is set at EUR 28.60 (excluding fees).

Under its liquidity agreement, Ayvens acquired 993,550 shares for a value of EUR 9,366,399 in 2023 and sold 967,453 shares for a value of EUR 9,612,062 over the full year 2023. At 31 December 2023, 154,551 shares were held in the liquidity agreement.

In order to cover its long-term free shares incentive plan, Ayvens bought back 442,582 treasury shares between 1 January 2023 and 31 December 2023 for a total amount of EUR 4,693,712 excluding the liquidity agreement.

During 2023, 373,694 shares were definitively acquired (vested) by the beneficiaries of the free share plan and are therefore no longer held by Ayvens.

Between 1 January 2024 and the date of this Universal Registration Document, excluding the liquidity agreement, Ayvens did not buy any of its own shares on the market.

2.7.3 Transactions of managers or members of the Board of Directors

See Chapter 3 "Corporate Governance" of this Universal Registration Document.

2.7.4 Dividends distributed for the three previous years

In accordance with the provisions of Article 243 *bis* of the French General Tax Code, the amounts of dividends distributed for the last three financial years are as follows:

	2020	2021	2022
Net dividend per share - historical amount *(in EUR)* (1)	0.63	1.08	1.06
TOTAL AMOUNT DISTRIBUTED *(in EUR thousand)* **(2) (3) (4)**	**254,585**	**436,432**	**601,593**

(1) The dividend assigned to individual shareholders was not eligible for the deduction of 40% pursuant to Article 158-3 of the French General Tax Code.
(2) The dividend distributed in 2021 in respect of 2020 was EUR 254,585,293.2. The number of treasury shares held under the ALD SA liquidity agreement and the free share plans for Group employees in 2019, 2020 and 2021 was 650,584 at the time of distribution, which resulted in the reintegration of EUR 639,447.78 as retained earnings.
(3) The dividend distributed in 2022 in respect of 2021 was EUR 436,432,000. The number of treasury shares held under the ALD SA liquidity agreement and the free share plans for Group employees in 2020, 2021 and 2022 was 1,131,516 at the time of distribution, which resulted in the reintegration of EUR 1,222,037 as retained earnings.
(4) The dividend distributed in 2023 in respect of 2022 was EUR 601,593,000.The number of treasury shares held under the ALD SA liquidity agreement and the free share plans for Group employees in 2021, 2022 and 2023 was 1,265,887 at the time of distribution, which resulted in the reintegration of EUR 2,750,064.60 as retained earnings.

2.7.5 Shareholders

2.7.5.1 Shareholders holding more than 5% of the share capital

	Year ended 31/12/2023 (1) (2) (3) (4)			
Shareholders	**Number of shares**	**% of share capital**	**Number of theoretical voting rights**	**% of theoretical voting rights**
Societe Generale	429,649,292	52.59%	859,298,584	69.00%
Lincoln Holding S.à r.l.	66,027,751	8.08%	66,027,751	5.30%
Lincoln Financing Holdings Pte. Limited.	77,755,523	9.52%	77,755,523	6.24%
Other former shareholders of LeasePlan (5)	108,295,059	13.26%	108,295,059	8.69%
Free float	133,963,916	16.40%	133,963,916	10.76%
Treasury shares	1,268,887	0.16%	N/A	N/A
TOTAL	**816,960,428**	**100.00%**	**1,245,340,833**	**100.00%**

(1) Shareholders holding ALD shares in registered form (au nominatif) for more than two years benefit from double voting rights (droits de vote double). Societe Generale benefits from double voting rights. ATP, Lincoln and TDR undertook to hold their ALD shares in bearer form (au porteur), in such a way that they will not benefit from double voting rights. The computation assumes that shares held by other shareholders are not in registered form for more than two years
(2) The General Shareholders' Meeting of 24 May 2023 authorised a share buyback programme for a duration of 18 months. In accordance with Article 223-11 of the AMF's General Regulation, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares; however, these shares do not give the right to vote at Shareholders' Meetings
(3) A liquidity contract was signed between Exane BNP Paribas and ALD SA on 14 January 2021, for a period of one year tacitly renewable and transferred by Exane BNP Paribas to BNP Paribas Arbitrage on 23 October 2023. This liquidity agreement covers ALD shares (ISIN code FR0013258662) admitted to trading on Euronext Paris, in accordance with the Code of Ethics published by AMAFI on 8 March 2011 and approved by the French financial markets authority (Autorité des marchés financiers) on 21 March 2021
(4) During 2023, 373,694 shares were definitively acquired (vested) by the beneficiaries of the free share plan and are therefore no longer held by ALD
(5) Other LeasePlan's former shareholders: Arbejdsmarkedets Tillægspension, Abu Dhabi Investment Authority, Stichting Depositary PGGM Private Equity Funds, Hornbeam Investment PTE Ltd, ELQ Investors VIII Ltd, Stubham Lodge Limited, Management of LeasePlan (MIP)

Shareholders	Year ended 31/12/2022 (1) (2) (3) (4) Number of shares	% of share capital	Number of theoretical voting rights	% of theoretical voting rights
Societe Generale	429,649,292	75.9%	429,649,292	76.1%
Free float	134,921,902	23.8%	134,921,902	23.9%
Treasury shares	1,173,902	0.2%	N/A	N/A
TOTAL	**565,745,096**	**100%**	**564,571,194**	**100%**

(1) Number of theoretical voting rights is equal to number of exercisable voting rights in 2022

(2) The General Shareholders' Meeting of 18 May 2022 authorised a share buyback programme for a duration of 18 months. In accordance with Article 223-11 of the AMF's General Regulation, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares; however, these shares do not give the right to vote at Shareholders' Meeting

(3) A liquidity contract was signed between Exane BNP Paribas and ALD SA on 14 January 2021, for a period of one year tacitly renewable. This liquidity agreement covers ALD shares (ISIN code FR0013258662) admitted to trading on Euronext Paris, in accordance with the Code of Ethics published by AMAFI on 8 March 2011 and approved by the French financial markets authority (Autorité des marchés financiers) on 21 March 2021

(4) During 2022, 240,996 shares were definitively acquired (vested) by the beneficiaries of the free share plan and are therefore no longer held by ALD

Shareholders	31/12/2021 (1) (2) (3) (4) Number of shares	% of share capital	Number of theoretical voting rights	% of theoretical voting rights
Societe Generale	322,542,912	79.82%	322,542,912	80.01%
Free float	80,559,699	19.93%	80,559,699	19.99%
Treasury shares	1,001,029	0.25%	N/A	N/A
TOTAL	**404,103,640**	**100.00%**	**403,102,611**	**100.00%**

(1) Number of theoretical voting rights is equal to number of exercisable voting rights in 2021

(2) The General Shareholders' Meeting of 19 May 2021 authorised a share buyback programme for a duration of 18 months. In accordance with Article 223-11 of the AMF's General Regulation, the calculation of the total voting rights includes voting rights associated with share buybacks and treasury shares; however, these shares do not give the right to vote at Shareholders' Meetings

(3) A liquidity agreement was signed between Kepler Cheuvreux and ALD SA on 1 December 2017, which was terminated on 13 January 2021. A liquidity agreement was signed between Exane BNP Paribas and ALD SA on 14 January 2021, for a period of one year tacitly renewable. This liquidity agreement covers ALD shares (ISIN code FR0013258662) admitted to trading on Euronext Paris, in accordance with the Code of Ethics published by AMAFI on 8 March 2011 and approved by the French financial markets authority (Autorité des marchés financiers) on 21 March the same year

(4) During 2021, 261,610 shares were definitively acquired (vested) by the beneficiaries of the free share plan and are therefore no longer held by ALD

To the Company's knowledge, at 31 December 2023, no shareholders held, directly or indirectly, 5% or more of the share capital or voting rights of the Company, other than:

- Societe Generale, which held, directly or indirectly, 429,649,292 shares, representing 52.59% of the capital and 69.00% of the voting rights of the Company;
- Lincoln Financing Holdings Pte. Limited. which held, directly or indirectly, 77,755,523 shares, representing 9.52% of the capital and 6.24% of the voting rights of the Company;
- Lincoln Holding S.à r.l. which held, directly or indirectly, 66,027,751 shares, representing 8.08% of the capital and 5.30% of the voting rights of the Company.

As at the date of this Universal Registration Document, the Company is controlled by Societe Generale.

In accordance with the recommendations of the AFEP-MEDEF Code, at least one-third of the members of the Board of Directors are independent directors (see Chapter 3 "Corporate Governance" of this Universal Registration Document). Its committees have a high proportion of independent directors in order to protect the interests of minority shareholders.

The management and Board of the Group is entirely dedicated to the interests of the Group and to the fulfilment of the corporate purpose. The absence of unbalanced agreements between Ayvens and Societe Generale, the presence of independent directors and the separation of the functions of the Chairperson of the Board and Chief Executive Officer allow Ayvens to state that the *de jure* control exercised by Societe Generale is not likely to lead to an undue use of majority powers.

Following the entry into force of new provisions from the "PACTE" law, agreements between ALD and Societe Generale, considered to be a related party, are analysed using a specific procedure described in Section 3.8.1 of this Universal Registration Document.

2.7.5.2 Crossing of legal and regulatory thresholds

Since 1 January 2023, the following declarations of legal and regulatory threshold crossings had been declared to the Company:

- DNCA Finance fell below the threshold of 2.00% of the share capital and voting rights on 9 February 2023 and at that date held 11,245,362 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and voting rights on 2 March 2023 and at that date held 16,956,180 shares;
- BlackRock reached the threshold of 3.00% of the share capital and voting rights on 3 March 2023 and at that date held 17,020,815 shares;
- BlackRock fell below the threshold of 3.00% of the share capital and voting rights on 7 March 2023 and at that date held 16,962,580 shares;
- BlackRock exceeded the threshold of 3.00% of the share capital and voting rights on 13 March 2023 and at that date held 17,121,768 shares;
- BlackRock fell below the threshold of 3.00% of the share capital and voting rights on 14 March 2023 and at that date held 16,887,221 shares;

- BlackRock reached the threshold of 3.00% of the share capital and voting rights on 16 March 2023 and at that date held 16,983,995 shares;
- DNCA Finance exceeded the threshold of 2.00% of the share capital and voting rights on 26 April 2023 and at that date held 11,704,247 shares;
- TDR Capital Lincoln Co-Investment L.P. exceeded the threshold of 5.00% of the share capital and voting rights on 22 May 2023 and at that date held 66,027,751 of shares;
- Lincoln Financing Holdings Pte. Ltd exceeded the threshold of 5.00% of the share capital and voting rights on 22 May 2023 and at that date held 77,755,523 of shares;
- GIC Holding exceeded the threshold of 3.00% of the share capital and 2.00% of the voting rights on 22 May 2023 and at that date held 31,175,750 of shares;
- Abu Dhabi Investment authority exceeded the threshold of 4.00% of the share capital and 2.00% of the voting rights on 25 May 2023 and at that date held 33,302,633 shares;
- DNCA Finance fell below threshold of 2.00% of the share capital and the voting rights on 31 May 2023 and at that date held 12,030,197 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and 1.00% of the voting rights on 2 June 2023 and at that date held 18,729,443 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and 1.00% of the voting rights on 31 July 2023 and at that date held 18,683,589 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and 1.00% of the voting rights on 1 August 2023 and at that date held 18,856,943 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and 1.00% of the voting rights on 4 August 2023 and at that date held 18,510,952 shares;
- DNCA Finance exceeded the threshold of 1.50% of the share capital and 1.00% of the voting rights on 8 August 2023 and at that date held 12,788,249 shares;
- BlackRock exceeded the threshold of 2.00% of the share capital and 1.00% of the voting rights on 9 August 2023 and at that date held 18,746,635 shares;
- BlackRock fell below the threshold of 2.00% of the share capital and still above 1.00% of the voting rights on 31 August 2023 and at that date held 15,861,945 shares;
- BlackRock fell below the threshold of 2.00% of the share capital and voting rights on 26 September 2023 and at that date held 2,689,735 shares;
- DNCA Finance fell below the threshold of 2.00% of the share capital and voting rights on 29 November 2023 and at that date held 12,315,828 shares;
- DNCA Finance fell below the threshold of 2.00% of the share capital and voting rights on 19 January 2024 and at that date held 12,245,488 shares;
- DNCA Finance exceeded the threshold of 1.50% of the share capital and 1.00% of the voting rights on 2 February 2024 and at that date held 12,490,912 shares;
- DNCA Finance fell below the threshold of 1.00% of the voting rights, while remaining above the threshold of 1.50% of the share capital on 13 March 2024 and at that date held 12,372,542 shares;
- DNCA Finance exceeded the threshold of 1.00% of the voting rights on 20 March 2024 and at that date held 12,481,294 shares.

2.7.5.3 Shareholders’ agreement between Societe Generale, TDR, Lincoln and ATP

Societe Generale, Lincoln S.à r.l (hereafter “TDR”), Lincoln Financing Holdings Pte. Limited (hereafter “Lincoln”), Arbejdsmarkedets Tillægspension (hereafter “ATP”) entered into a concert shareholders’ agreement upon completion of the LeasePlan acquisition, which provides, with regard to the transfer of shares of ALD, that:

- for a 40-month period following the completion of the acquisition (*i.e.* until September 2026), Societe Generale undertook not to transfer any ALD shares (subject to certain customary exceptions). At the end of this period, Societe Generale will have the possibility to sell up to 15% of its ALD shares within 12 months following the expiration of this period. In the event that Societe Generale does not make use of this option or makes only partial use of it, Societe Generale may sell up to 20% of its ALD shares in the subsequent 12-month period, and so on, in any event within a limit of 20% of its ALD shares *per annum*;
- for a 12-month period following the completion of the acquisition (*i.e.* until May 2024), ATP and Lincoln undertook not to transfer any ALD shares (subject to certain customary exceptions), while the other LeasePlan’s selling shareholders also are bound by a 12-month lock-up undertaking pursuant to a separate lock-up agreement. At the end of this period, ATP and Lincoln have the option to transfer up to 50% of their respective ALD shares within 12 months following the expiration of this period (*i.e.* between May 2024 and May 2025). In the event that they do not make use of this option or make only partial use of it, they may each sell up to 66.67% of their respective ALD shares in the subsequent 12-month period (*i.e.* between May 2025 and May 2026), and so on, in any event within a limit of 66.67% of their respective ALD shares *per annum*;
- as from the expiry of the respective lock-up undertakings of Societe Generale, ATP and Lincoln, there will no longer be a general lock-up of their respective ALD shares but disposals of shares will be subject to limitations to provide for a potential gradual exit of these shareholders;
- each of Societe Generale, ATP, Lincoln and TDR will undertake not to enter into any transaction that would result in the requirement to file a public offer *(projet d’offre publique)* on ALD (unless they obtain a prior waiver from the AMF); and
- ATP, Lincoln and TDR will undertake not to transfer their ALD shares to (i) a competitor of ALD or a competitor of Societe Generale, (ii) a sanctioned person, or (iii) a person who does not have the required regulatory approvals to proceed with the proposed acquisition.

The shareholders’ agreement will remain in force until the earliest of the following three dates: (i) the date on which ATP, Lincoln and TDR cease to hold, together, at least 16.67% of the share capital of ALD, (ii) the date on which Societe Generale ceases to hold at least 5% of the share capital of ALD and (iii) the 15th anniversary of the signing of the shareholders’ agreement.

Societe Generale and certain LeasePlan’s selling shareholders TDR, ATP and Lincoln act in concert since the completion of the LeasePlan acquisition.

Shareholding structure of Ayvens [(1)]

	As at 31 December 2023			
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Societe Generale	429,649,292	52.59%	859,298,584	69.00%
ATP	14,745,287	1.80%	14,745,287	1.18%
TDR	66,027,751	8.08%	66,027,751	5.30%
Lincoln	77,755,523	9.52%	77,755,523	6.24%
Abu Dhabi Investment Authority	33,302,633	4.08%	33,302,633	2.67%
Stichting Depositary PGGM Private Equity Funds	12,592,014	1.54%	12,592,014	1.01%
Hornbeam Investment PTE Ltd	31,175,750	3.82%	31,175,750	2.50%
ELQ Investors VIII Ltd	2,098,669	0.26%	2,098,669	0.17%
Stubham Lodge Limited	29,780	0.00%	29,780	0.00%
Management of LeasePlan (MIP)	14,350,926	1.76%	14,350,926	1.15%
Treasury shares	1,268,887	0.15%	-	0.00%
Free float	133,963,916	16.40%	133,963,916	10.76%
TOTAL	**816,960,428**	**100.00%**	**1,245,340,833**	**100.00%**

As part of the acquisition price of LeasePlan, ALD issued warrants for the benefit of LeasePlan's selling shareholders, so that their total shareholding would reach 32.9% in the case of the full exercise of warrants, assuming that LeasePlan's selling shareholders have not sold the shares received at the closing of the acquisition. 26,310,039 warrants were issued for the benefit of LeasePlan's selling shareholders on 22 May 2023. The main warrant characteristics are as follows:

- EUR 2.00 strike price;
- 1 ALD share for 1 warrant;
- Exercise: between 1 to 3 years after closing, if the ALD share price exceeds EUR 14.07.

In the case of the exercise of warrants, the shareholder structure of the Group would be as follows:

	As at 31 December 2023, assuming warrants are exercised			
	Number of shares	% of share capital	Number of voting rights	% of voting rights
Societe Generale	429,649,292	50.95%	859,298,584	67.57%
ATP	17,183,555	2.04%	17,183,555	1.35%
TDR	76,946,042	9.12%	76,946,042	6.05%
Lincoln	77,755,523	9.22%	77,755,523	6.11%
Abu Dhabi Investment Authority	38,666,822	4.59%	38,666,822	3.04%
Stichting Depositary PGGM Private Equity Funds	14,674,218	1.74%	14,674,218	1.15%
Hornbeam Investment PTE Ltd	36,330,945	4.31%	36,330,945	2.86%
ELQ Investors VIII Ltd	2,445,703	0.29%	2,445,703	0.19%
Stubham Lodge Limited	34,638	0,00%	34,638	0.00%
Management of LeasePlan (MIP)	14,350,926	1.70%	14,350,926	1.13%
Treasury shares	1,268,887	0.15%	-	0.00%
Free float	133,963,916	15.89%	133,963,916	10.53%
TOTAL	**843,270,467**	**100.00%**	**1,271,650,872**	**100.00%**

(1) Based on notifications received by the Group

2.7.6 Rights, privileges and restrictions attached to shares (Articles 8, 11 and 12 of the Bylaws)

Voting rights (Article 8)

Each share gives entitlement to a share in the ownership of the Company, a share in the profits and in the liquidation surplus, in proportion to the number of existing shares, taking into account, if applicable, amortised and non-amortised capital, paid-up or otherwise, the nominal amount of shares and rights attached to the different classes of shares. Furthermore, it gives entitlement to vote at and be represented in Shareholders' Meetings, under the legal and statutory conditions.

Each share entitles its holder to one vote at Shareholders' Meetings.

As an exception to the foregoing, double voting rights, relative to the fraction of the capital stock the shares represent, are granted to all fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least two years.

In addition, in the event of a capital increase by capitalisation of reserves, profits or issue premiums, a double voting right is allocated, as soon as they are issued, to the registered shares allocated free of charge to a shareholder owning shares conferring this right.

Any share converted to bearer form or for which ownership is transferred loses its double voting rights. Nevertheless, the transfer as a result of inheritance, liquidation of community of property between spouses and *inter vivos* donation to a spouse or a relative in line of succession does not cause the loss of the acquired right and does not interrupt the two (2) year period above. The merger of the Company has no effect on the double voting rights that may be exercised within the acquiring company, if the latter benefits from them.

Whenever it is necessary to possess several shares to exercise a right, the shares of a lower number than that required do not entitle their holder to any right against the Company, with the shareholders being responsible, in this case, for grouping together the necessary number of shares.

Shareholder identification process (Article 11)

The Company may at any time seek the benefit of legal and regulatory provisions providing for the identification of the holders of securities granting a voting right to Shareholders' Meetings, whether immediately or in the future.

Threshold crossings (Article 12)

Any shareholder, acting alone or in concert, coming to hold, directly or indirectly, at least 1.5% of the share capital or voting rights of the Company, is required to inform the Company thereof within five (5) trading days from the date at which such threshold has been crossed and to also indicate in the same statement the number of securities granting access to the share capital it holds. Investment fund management companies are required to inform the Company of all the Company's shares held by the funds they manage. Beyond 1.5%, each additional crossing of 0.50% of the share capital or voting rights must also be declared to the Company in accordance with the terms above.

Any shareholder, acting alone or in concert, is also required to inform the Company within five (5) trading days when the percentage of the share capital or voting rights it holds becomes lower than any of the thresholds indicated in the present Article.

The calculation of the share capital and voting rights thresholds notified in accordance with the present Article shall take into account the shares and voting rights held but also the shares and voting rights assimilated thereto for the purpose of legal threshold crossings, in accordance with applicable legal and regulatory provisions. The notifier shall also specify its identity together with the identity of the individuals or entities acting in concert with it, the total number of shares or voting rights it directly or indirectly holds, alone or in concert, the date and the origin of the threshold crossing and, as the case may be, all information referred to in the third paragraph of Article L. 233-7 I of the French Commercial Code *(Code de commerce)*.

Failure to comply with such provisions shall be penalised in accordance with applicable legal and regulatory provisions at the request of one or several shareholders holding at least 5% of the share capital or voting rights of the Company, recorded in the minutes of the Shareholders' Meeting.

Modification of the rights of shareholders

The rights of the shareholders may be modified in accordance with applicable laws and regulations.

The Bylaws do not contain any particular provisions with respect to modification of the rights of the shareholders that are more stringent than the law.

3

Corporate governance

Governance serving strategy

Presentation of the Board of Directors

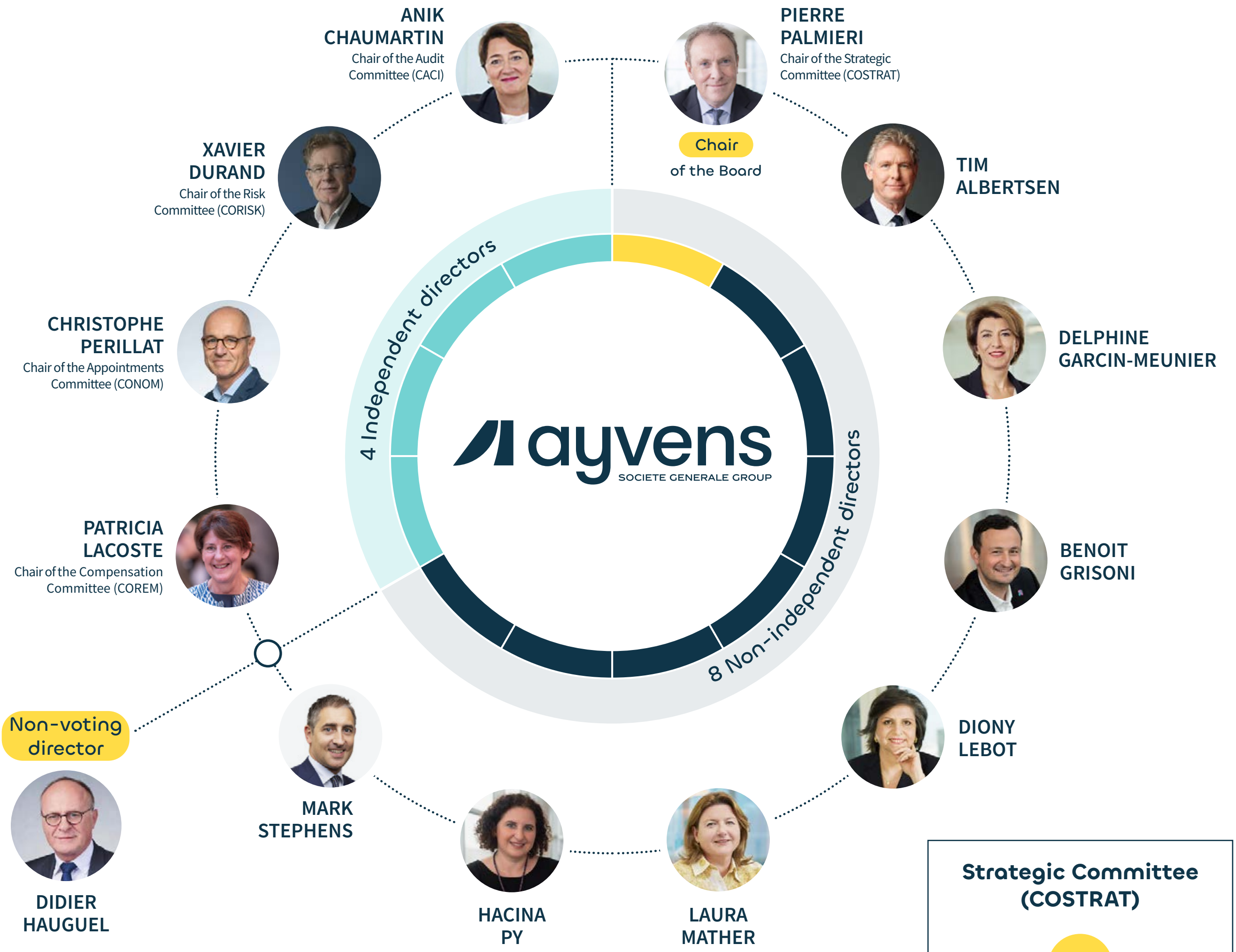
12 Directors + 1 Non-voting Director

50% Women

33% Independence

52 years Average age

99% Average attendance



Strategic Committee (COSTRAT)

5 Members

Chair: Pierre Palmieri

1	20%	100%
Meeting	Independence	Average attendance

Mapping of expertise of 12 directors

Expertise	Directors
Leasing mobility	6
Finance	12
International	11
Regulation/Risk/Compliance/Internal control	12
ESG	4

The Committees of the Board

	Audit Committee (CACI)	Risk Committee (CORISK)	Compensation Committee (COREM)	Nomination Committee (CONOM)
Members	3	4	3	4
Chair	Anik Chaumartin	Xavier Durand	Patricia Lacoste	Christophe Perillat
Meetings	9	7	4	5
Independence	66.7%	50%	66.7%	50%
Average attendance	100%	100%	100%	100%

The Executive Committee

The role of the Executive Committee of the Group (the "Executive Committee") is to define, implement and develop the Group's strategy, driving future growth and improved profitability for the benefit of its clients, shareholders and employees. The Executive Committee is also responsible for supervising and driving cooperation among the Group's entities and geographic markets.

16 Members

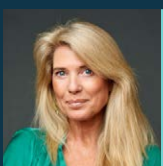
7 Nationalities

TIM ALBERTSEN
Group Chief Executive Officer

JOHN SAFFRETT
Group Deputy Chief Executive Officer

BERNO KLEINHERENBRINK
Group Deputy Chief Executive Officer (DGA)

PATRICK SOMMELET
Group Deputy Chief Executive Officer (DGA) & Chief Financial Officer



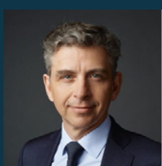
LIZA HOESBERGEN
Chief Legal and Corporate Affairs Officer

MICHEL ALSEMGEEST
Chief Digital & Information Officer

RODERICK JORNA
Chief People Officer

LAURENT SAUCIÉ
Chief Transformation and Integration Officer

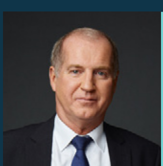
JEROEN KRUISWEG
Group Regional Director (Ireland, Nordics & Belux and Asia)



GUILLAUME DE LÉOBARDY
Chief Remarketing Officer, ALD SA Group Regional Director (LATAM)

ANNIE PIN
Chief Commercial Officer

MIEL HORSTEN
Chief Operating Officer



GILLES BELLEMÈRE
Group Regional Director (France & North Africa) & Country Managing Director Ayvens France

HANS VAN BEECK
Chief Risk and Compliance Officer

PHILIPPOS ZAGORIANAKOS
Group Regional Director (Eastern Europe & Baltics)

MARTIN KÖSSLER
Group Regional Director (DACH & Central Europe)

3.1 Composition of administrative and management bodies

The Company is a limited liability company *(société anonyme)* with a Board of Directors. A description of the main provisions of the Bylaws of the Company (the "Bylaws"), relating to the functioning and powers of the Board of Directors of the Company (the "Board of Directors" or the "Board"), as well as a summary of the main provisions of the internal regulations of the Board of Directors and of the committees are included in Section 3.3 "Rules applicable to the administrative and management bodies" and Chapter 7 of this Universal Registration Document.

3.1.1 Board of Directors

The table below shows the members of the Board of Directors:

	Personal information				Experience		Position within the Board			
Name of directors	**Age**	**Gender**	**Nationality**	**Number of shares**	**Number of mandates in listed companies**	**Indepen-dence**	**Initial date of appointment /co-optation**	**Term of the mandate (General Meeting)**	**Seniority of the Board (in years)**	**Participation in Board committees**
Pierre PALMIERI (Chairperson of the Board of Directors)	61	M	French	0	1	no	24/05/23	2027	0	1 including COSTRAT (Chairperson)
Diony LEBOT	61	F	French	13,263	1	no	27/08/20	2027	4	3
Tim ALBERTSEN	61	M	Danish	56,281	0	no	26/03/21	2027	3	_
Xavier DURAND	59	M	French	1,540	1	yes	16/06/17	2025	7	2 including CORISK (Chairperson)
Benoît GRISONI	49	M	French	0	0	no	19/05/21	2025	3	_
Patricia LACOSTE	62	F	French	7,400	1	yes	16/06/17	2027	7	2 including COREM (Chairperson)
Anik CHAUMARTIN	62	F	French	1,407	1	yes	20/05/20	2024	4	2 including CACI (Chairperson)
Christophe PÉRILLAT	58	M	French	1,000	1	yes	16/06/17	2024	7	3 including CONOM (Chairperson)
Delphine GARCIN-MEUNIER	47	F	French	0	2	no	05/11/19	2025	5	4
Hacina PY	52	F	French	0	0	no	22/05/23	2026	0	_
Laura MATHER	53	F	British	0	0	no	15/12/23	2026	0	_
Mark STEPHENS	41	M	Irish	0	0	no	22/05/23	2026	0	2

Note 1: the subsidiaries of ALD are not mentioned in the data below and companies followed by (*) are controlled by Societe Generale.

Note 2: the counting of the number of mandates in listed companies does not take into account mandates held in the Company.

Pierre PALMIERI

Expertises

Director, Chairperson of the Board of Directors,
Chairperson of the Strategic Committee
Deputy CEO Of Societe Generale

Date of birth:
11 November 1962

First appointment:
24 May 2023

Term of the mandate:
2027

Holds:
0 ALD shares

Professional address:
Tours Societe Generale
75886 Paris CEDEX 18

Pierre PALMIERI (French citizen) has been Deputy Chief Executive Officer and member of the Executive Management and Executive Committee of Societe Generale Group since May 2023. He has more than 30 years of experience in several corporate and investment banking businesses in France and abroad.

Pierre PALMIERI joined Societe Generale in 1987, more specifically the Export Financing department of Societe Generale Corporate & Investment Banking, before heading the financial engineering team in 1989. He joined the Agence Internationale team in 1994, where he created the Global Commodities Financing business line, before being appointed Head of Structured Commodities Financing in 2001. In 2006, he created the Natural Resources and Energy business line, where he became Co-Global Head. In 2008, he was appointed Deputy Head of Financing Activities (Global Finance), then Head from 2012 to 2019. From 2019 until May 2023, he was Head of all Global Banking & Advisory activities.

Pierre PALMIERI is a graduate of the Ecole Supérieure de Commerce de Tours.

Other offices held currently:

French and foreign listed companies:

- Societe Generale * (France), Deputy CEO since 05/23

Other offices and positions held in other companies in the last five years:

French and foreign unlisted companies:

- Societe Generale Luxembourg * – Director from 2012 to 2019
- SG Marocaine De Banques * - Director from 2022 to 2023

**Societe Generale.*

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Diony LEBOT

Expertises

Director, member of the Compensation Committee, the Nominations Committee and the Strategic Committee
Advisor to the General Management of Societe Generale

Date of birth:
15 July 1962

First appointment:
27 August 2020

Term of the mandate:
2027

Holds:
13,263 ALD shares

Professional address:
Tours Societe Generale
75886 Paris CEDEX 18

Diony LEBOT (French citizen) has been an advisor to the General Management of Societe Generale since May 2023. Diony LEBOT joined Societe Generale in 1986. She held several positions in structured finance activities there, the Financial Engineering Department and then as Director of Asset Financing, before joining the Corporate Client Relations Department in 2004 as Commercial Director for Europe in the Large Corporates and Financial Institutions division. In 2007, she was appointed Chief Executive Officer of Societe Generale Americas and joined the Group's Executive Committee. In 2012, she became Deputy Director of the Client Relations and Investment Banking division and Head of the Western Europe region of Corporate Banking and Investor Solutions. In March 2015, Diony LEBOT was appointed Deputy Head of Risks and then Head of Risks for Societe Generale in July 2016. In May 2018, she became Deputy Chief Executive Officer of Societe Generale. From 2020 to 2023, she chaired the Board of Directors of ALD. Diony LEBOT holds a DESS in Finance and Taxation from the University of Paris I.

Other offices held currently:

French and foreign listed companies:

- EQT AB (Sweden) – Director since 06/20
- Alpha Bank – Director since 07/23

Other offices and positions held in other companies in the last five years:

French and foreign listed companies:

- Societe Generale * (France), Deputy CEO from 2018 to 2023

French and foreign unlisted companies:

- Sogecap * (France), Director from 2016 to 2018
- Sogecap * (France), Chairperson of the Board of Directors and Director from 2020 to 2023

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Anik CHAUMARTIN

Expertises

Independent Director, Chairperson of the Audit Committee, member of the Risk Committee

Anik CHAUMARTIN (French citizen) is a chartered accountant, Statutory Auditor and retired partner of PwC France. Global Relationship Partner at PwC for over 20 years, she has 37 years of experience in consulting and auditing, particularly in the financial services and consumer goods sectors. She has also held, for more than 15 years, various managerial responsibilities within PwC, in France or internationally, as COO of PwC Audit France (2005-2008), Human Capital Leader of PwC France (2008-2013), Head of Audit France (2011-2013), Global Assurance Leader - member of the Executive Committee of the global audit activities (2013-2018) and member of the management team of PwC Financial services in France (2018-June 2021). Anik CHAUMARTIN is a graduate of the Ecole Supérieure de Commerce de Paris.

Date of birth:
19 June 1961

First appointment:
20 May 2020

Term of the mandate:
2024

Holds:
1,407 ALD shares

Professional address:
7 avenue de Camoens,
75116,
France

Other offices held currently:

Foreign listed companies:
- Director of Allied Irish Bank and Allied Irish Group plc

French and foreign unlisted companies:
- Director of La Banque Postale
- Director of Saol Assurance Dac (since 13/10/22)
- Saol Assurance Holdings (since 17/01/23)

Other offices and positions held in other companies in the last five years:
- Global Assurance Markets Leader, PwC Global Network (2013-2018)
- Member of the Leadership Team of PwC Financial Services France (2018-June 2021)
- President of the CNCC Banking Commission (until April 2022)

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Date of birth:
27 April 1964

First appointment:
16 June 2017

Term of the mandate:
2025

Holds:
1,540 ALD shares

Professional address:
Place Costes – Bellonte
92270 Bois-Colombes

Xavier DURAND

Expertises

Independent Director, Chairperson of the Risk Committee, member of the Audit Committee
Chief Executive Officer of the Coface Insurance Group

Xavier DURAND (French citizen) is the CEO of the Coface Group since February 2016. Previously, Xavier DURAND had an international career within the financial activities of the General Electric Company where, prior to being Head of Strategy & Growth for GE Capital International based in London (2013-2015), he was the Chief Executive Officer of GE Capital Asia Pacific (2011-2013) based in Tokyo, Chief Executive Officer of the Europe and Russia banking activities of GE Capital (2005-2011), Chairperson and Chief Executive Officer of GE Money France (2000-2005) and Head of Strategy and New Partnerships of GE Capital Auto Financial Services based in Chicago (1996-2000). Earlier, Xavier DURAND was Chief Operating Officer of Banque Sovac Immobilier in France from 1994 to 1996. Engineer of Ponts et Chaussées corps, Xavier DURAND graduated from the Ecole Polytechnique and the Ecole des Ponts ParisTech. He started his career in 1987 in consulting (Gemini Group), strategy and project management (GMF, 1991-1993).

Other offices held currently:

French listed company:

- Coface SA – Chief Executive Officer since 2016

Within Coface – French and foreign unlisted company:

- Compagnie française d'assurance pour le commerce extérieur (Coface) – Chairperson of the Board of Directors – Managing Director – Director
- Coface North America Holding Company – Chairperson of the Board of Directors and Director

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Delphine GARCIN-MEUNIER

Expertises

Director, member of the Audit Committee, the Risk Committee, the Nomination Committee and the Strategy Committee
Head of Mobility and International Retail Banking & Financial Services at Societe Generale

Date of birth:
30 June 1976

First appointment:
5 November 2019

Term of the mandate:
2025

Holds:
0 ALD shares

Professional address:
Tours Societe Generale
75886 Paris CEDEX 18

Since May 2023, Delphine GARCIN-MEUNIER (French citizen) has been Director of Mobility and International Retail Banking & Financial Services, and a member of the Executive Committee of Societe Generale. She was previously the Group's Strategy Director from 2020 after heading Investor Relations and Financial Communications for the Group from 2017 to 2020. In 2001, she joined Societe Generale and more specifically the Equity Capital Markets Department of SG CIB where she was in charge of origination and execution of primary issues on the equity and equity-linked markets for a portfolio of large companies for 13 years. In 2014, Delphine GARCIN-MEUNIER joined the Strategy Department within the Finance and Development Department, with a particular focus on retail banking in France, Transaction Banking activities, and the relationship model of Corporate & Investment Banking, securities and asset management. She participated in various transactions within the Strategy Department from 2015 to 2017 (including the IPO of ALD and Amundi). She began her career in 2000 at ABN Amro Rothschild in the Equity Capital Markets teams. Delphine GARCIN-MEUNIER is a graduate of HEC and the Sorbonne University.

Other offices held currently:

French and foreign listed companies:

- BRD * – Director since December 2023
- KOMERCNI BANKA * – Chairperson of the Board of Directors and Director since February 2024

Other offices and positions held in other companies in the last five years:

French and foreign unlisted companies:

- SG Algérie * – Member of the Supervisory Board from 2021 to 2023
- Sogecap * (France) - Director in 2023

**Societe Generale.*

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Patricia LACOSTE

Expertises

Independent Director, Chairperson of the Compensation Committee, member of the Nomination Committee
Chairperson and Chief Executive Officer of the Prevoir Insurance Group

Date of birth:
5 December 1961

First appointment:
16 June 2017

Term of the mandate:
2027

Holds:
7,400 ALD shares

Professional address:
19, rue d'Aumale
75009 Paris

Patricia LACOSTE (French citizen) has been Chairperson and Chief Executive Officer of the Insurance group Prevoir since 2012. Previously, Patricia LACOSTE spent some 20 years in SNCF (French National Railway Company), where she held several executive positions, notably Director in charge of managing Top Executives within the HR Division (2008-2010), Director of the Eastern Paris Region, in charge of preparing the launch of the East Europe high speed train TGV (2005-2008), and Director of Sales to individuals (1995-2004). Patricia LACOSTE has graduated from the Ecole Nationale de la Statistique et de l'Administration Economique (ENSAE), and she holds a Master in Econometrics. She started her career as study engineer in the consulting firm Coref (1985-1992).

Other offices held currently:

Within PREVOIR – French and foreign unlisted companies:

- Société Centrale PREVOIR – Chairperson and CEO
- PREVOIR-Vie – Chairperson and CEO
- Société de Gestion PREVOIR – Legal representative of Société Centrale PREVOIR – Director
- MIRAE ASSET PREVOIR LIFE Vietnam – Legal representative of PREVOIR-Vie – Director
- ASSURONE – Member of the Supervisory Board
- UTWIN – Member of the Supervisory Board
- SARGEP – Director
- PREVOIR Foundation – Member of the Executive Board

Outside Prevoir – French and foreign listed companies:

- SCOR SE – Independent Director, member of the Strategy Committee, the Compensation Committee, the Audit Committee and the Sustainability Committee

Other offices and positions held in other companies in the last five years:

French and foreign unlisted companies:

- SNCF Reseau – Director
- PREVOIR Risques Divers – Chairperson and CEO
- PKMI (PREVOIR Kampuchea Micro Life Insurance) – Legal representative of PREVOIR-Vie – Director
- Lloyd Vie Tunisie – Legal representative of Prevoir Vie, Director

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Christophe PÉRILLAT

Expertises

Independent Director, Chairperson of the Nomination Committee, member of the Compensation Committee and of the Strategic Committee
Chief Executive Officer of Valeo

Date of birth:
12 September 1965

First appointment:
16 June 2017

Term of the mandate:
2024

Holds:
1,000 ALD shares

Professional address:
100, rue de Courcelles
75017 Paris

Christophe PERILLAT (French citizen) was appointed Chief Executive Officer of Valeo on 26 January 2022, in accordance with the succession plan announced on 27 October 2020. Christophe PERILLAT has previously held various management positions within the Valeo Group, including Chief Operating Officer from May 2021 to January 2022, Executive Vice President from October 2020 to May 2021, Chief Operating Officer from March 2011 to October 2020, President of the Comfort and Driving Assistance Systems Branch from 2009 to 2011, Director of the Switches and Detection Systems Branch from 2003 to 2009, and Director of a Division of the Electronics and Connective Systems Branch in 2001 and 2002. Christophe PERILLAT previously worked in the aeronautical industry within the Labinal Group as Director of the North American aeronautical and defence division from 1996 to 2000, and Plant Manager in Toulouse from 1993 to 1995. Christophe PERILLAT is a graduate of the Ecole Polytechnique and Ecole des Mines de Paris.

Other offices held currently:

French listed company:
- Valeo – Chief Executive Officer (since January 2022)
- Valeo – Director

Unlisted French company:
- Valeo Service – Chairperson

Unlisted foreign companies:
- Valeo Service Espana SAU – Spain – Director
- Valeo North America, Inc. – USA – Chairperson and Director
- Valeo (UK) Limited – United Kingdom – Chairperson and Director
- Valeo SpA – Italy – Chairperson and Director

Other offices and positions held in other companies in the last five years:
- None.

LEASING MOBILITY · FINANCE · INTERNATIONAL · REGULATORY IN RELATION TO THE EXPERTISE TABLE (REGULATION/ RISK/COMPLIANCE/INTERNAL CONTROL) · ESG

Benoît GRISONI

Expertises

Date of birth:
13 August 1974

First appointment:
19 May 2021

Term of the mandate:
2025

Holds:
0 ALD shares

Professional address:
44, rue Traversiere
92100 Boulogne-Billancourt

Director,
Chief Executive Officer of Boursorama

Benoît GRISONI (french citizen) is a member of the Board of Directors of ALD since May 2021. He is also Chief Executive Officer of Boursorama since 2018, after having served as Deputy Chief Executive Officer from 2016 to 2017. Previously, Benoît GRISONI held several management positions and was a member of the Executive Committees of Boursorama as Director of Boursorama Banque from 2010 to 2015, Deputy Director of Boursorama Banque from 2006 to 2009 and Director of Boursorama Invest from 2002 to 2005. Before joining Boursorama, Benoît GRISONI began his career at Fimatex where he was Director of Customer Services and Marketing from 1999 to 2001, after joining the Company as a Client Manager in 1998. Benoît GRISONI obtained a diploma in accounting and financial studies as well as a specialisation diploma in capital markets at ICS Begue in 1997 before continuing his training at the Ecole Supérieure Libre des Sciences Commerciales Appliquées in 1998 as part of a postgraduate course in Trading-Finance and International Trading.

Other offices held currently:

French listed companies:
- Boursorama * – Managing Director
- Boursorama * – Director

Unlisted French company:
- Sogecap * – Director

Other offices and positions held in other companies in the last five years:

Unlisted French company:
- Peers – Member of the Supervisory Board

**Societe Generale.*

Laura MATHER

Expertises

Date of birth:
25 July 1970

First appointment:
15 December 2023
(co-optation)

Term of the mandate:
2026

Holds:
0 ALD shares

Professional address:
Tours Societe Generale
75886 Paris CEDEX 18

Director,
Chief Operating Officer of Societe Generale

Since May 2023, Laura MATHER (British citizen) has been Chief Operating Officer of Societe Generale and a member of the Executive Committee. Laura MATHER joined the Crédit Suisse Group in 1994 where she was in charge of numerous managerial functions within the IT teams. In 2012, she was appointed Head of Information Technology for EMEA and then Global Head of Production and Testing Group in 2013. In 2014, she became Chief Technology Officer, in charge of IT infrastructure and Chief Information Security Officer for Crédit Suisse Group. Since 2019, she has held the position of Global Chief Information Officer of Crédit Suisse Group. Laura MATHER is a graduate of the University of the Witwatersrand in South Africa.

Other offices held currently:

Unlisted foreign companies:
- TechSheCan – Trustee
- Tech For All – Director

Foreign listed companies:
- Cohesity Inc. – Director

Other offices and positions held in other companies in the last five years:
- Societe Generale – Forge * – Director

**Societe Generale.*

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Hacina PY

Expertises

Director,
Head of Sustainable Development, Societe Generale

Since October 2021, Hacina PY (French citizen) has been Head of Sustainable Development for Societe Generale and a member of the Executive Committee. Hacina PY joined Societe Generale in 1995 and has developed a solid banking experience in both structured finance and corporate functions. Hacina PY became Global Head of Export Financing in 2015. She led the transformation of this business by directing the strategy towards sustainable development and became leader of the impact finance solutions teams in 2019. Hacina PY is a graduate of EM Strasbourg and studied Finance at Heriot Watt University in Edinburgh.

Date of birth:
15 September 1971

First appointment:
22 May 2023

Term of the mandate:
2026

Holds:
0 ALD shares

Professional address:
Tours Societe Generale
75886 Paris CEDEX 18

Other offices held currently:
- None.

Other offices and positions held in other companies in the last five years:
- GEFA BANK GmbH * – Member of the Supervisory Board from 2021 to 2023

*Societe Generale.

Mark STEPHENS

Expertises

Director, member of the Risk Committee and the Strategic Committee
Partner of TDR Capital LLP

Mark STEPHENS (Irish citizen) has been a partner at TDR Capital LLP since December 2018. Having joined TDR Capital LLP in 2012, he successively held the positions of Associate (2012-2014) and Director (2014-2018). Before joining TDR, Mark STEPHENS worked at Morgan Stanley in London as an analyst in the UK investment banking team and then as an associate at its private equity fund. Mark STEPHENS holds a Bachelor of Business and Legal Studies (European) with first class honours from University College Dublin.

Date of birth:
19 June 1982

First appointment:
22 May 2023

Term of the mandate:
2026

Holds:
0 ALD shares

Professional address:
20 Bentinck Street, London
W1U 2EU UNITED KINGDOM

Other offices held currently:
- TDR CAPITAL LLP – Partner
- Constellation Automotive Holdings ltd. - Director
- Deuce HoldCo Limited - Director

Other offices and positions held in other companies in the last five years:
- Lincoln Financing PTE Limited - Director

LEASING MOBILITY · FINANCE · INTERNATIONAL · REGULATORY IN RELATION TO THE EXPERTISE TABLE (REGULATION/ RISK/COMPLIANCE/INTERNAL CONTROL) · ESC

Tim ALBERTSEN

Expertises

Chief Executive Officer

Tim ALBERTSEN is Chief Executive Officer of the ALD Group. He has over 30 years of experience in the sector.

Date of birth:
9 February 1963

First appointment:
26 March 2021

Term of the mandate:
2027

Holds:
56,281 ALD shares

Professional address:
1, rue Eugène et Armand Peugeot
92500 Rueil-Malmaison

Tim ALBERTSEN (Danish citizen) has been Chief Executive Officer of the ALD Group since 27 March 2020 and previously served as Deputy Chief Executive Officer from 2011. Tim ALBERTSEN has more than 30 years of experience in the leasing and Fleet Management sector, notably at Avis Leasing, Avis Rent a Car and Hertz Lease, acquired by ALD Automotive in 2003. Before being appointed CEO of ALD in 2020, he held the positions of Regional Director in the Nordic and Baltic countries, CEO of Axus Denmark & Sweden from 1997 to 2003, CEO of Hertz Lease Denmark, Chief Operating Officer, Senior Vice-Chairperson and Deputy Chief Executive Officer, where he played a key role in the success of the Company's listing on Euronext Paris. Tim ALBERTSEN holds an undergraduate degree and a postgraduate degree in business administration from the University of Southern Denmark and the Copenhagen Business School respectively.

Other offices held currently:

- ALD – CEO

Other offices and positions held in other companies in the last five years:

Unlisted foreign companies:

- CarTime Technologies – Denmark – Director
- Mil-tekUS – USA – Director

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Non-voting member

In 2023, the Board of Directors was assisted by a non-voting member whose role was to support it in monitoring the integration of LeasePlan, the Company's evolution towards a regulated status of CFH and the smooth operation of the new governance.

Didier HAUGUEL

Expertises

Date of birth:
14 December 1959

First appointment:
24 May 2023 *(non-voting member)*

Term of the mandate:
2025

Holds:
6,630 ALD shares

Professional address:
1, rue Eugène et Armand Peugeot
92500 Rueil-Malmaison

Non-voting member,
director, consultant, mediator

Didier HAUGUEL (French citizen) has been a non-voting member of ALD since May 2023. A director of ALD since 2009, he was Chairperson of the Board of Directors from 2009 to 2011 and then from 2017 to 2019. Since 2019, he has held non-executive roles as an independent director, consultant and mediator. He was a member of Societe Generale Management Committee from 2000 to 2019, he was Country Officer for Russia from 2012 to 2019. Member of the Societe Generale Executive Committee from 2007 to 2017, he had been Co-Head of International Banking and Financial Services from 2013 to 2017 and held several positions in Societe Generale, such as Head of Specialised Financial Services and Insurance from 2009 to 2013 and Chief Risk Officer from 2000 until 2009. After having been Head of Central Risk Control at Societe Generale from 1991 to 1995, he was appointed Chief Operating Officer of Societe Generale in New York (USA) from 1995 to 1998, then Director of Resources and Risk for the Americas Regional Division from 1998 to 2000. He joined the General Inspection Department of Societe Generale in 1984. Didier HAUGUEL has graduated from the Institut d'études politiques de Paris (Sciences Po) and holds a Bachelor's degree in Public law.

Other offices held currently:

Unlisted French companies:
- Société Centrale Prévoir - Director

Other offices and positions held in other companies in the last five years:

Unlisted French companies:
- La Banque Postale Financement * – Vice-Chairperson and member of the Supervisory Board
- Sogecap * – Chairperson and Director
- SG Equipment Finance SA * – Chairperson and Director

Unlisted foreign companies:
- GEFA Bank GmbH * – Germany – Chairperson and Director
- CB Deltacredit * – Russia – Chairperson and Director
- LLC Rusfinance * – Russia – Chairperson and Director
- Riverbank – Luxembourg – Director

Foreign listed company:
- PJSC Rosbank * – Russia – Chairperson and Director

**Societe Generale.*

LEASING MOBILITY · FINANCE · INTERNATIONAL · REGULATORY IN RELATION TO THE EXPERTISE TABLE (REGULATION/ RISK/COMPLIANCE/INTERNAL CONTROL) · ESG

3.1.1.1 Directors' independence

Four independent directors sit on the Board of Directors. Their independence was assessed considering the criteria set out in Article 10.5 of the AFEP-MEDEF Code, and in particular information relating to their professional careers, past and current mandates, and the business relationships of their employers/companies with Societe Generale Group.

The assessment of the existence of significant business relationships is the subject of an assessment conducted by the Board of Directors during the director selection process, in addition to the analysis and assessment conducted by the Nomination Committee of the Board of Directors of any potential conflict of interest situation relating to each member of the Board of Directors, which leads its members to pay particular attention to these relationships.

In this respect, the Board particularly studies the vehicle Fleet Management services provided by the Company to companies of which its directors are executives (Xavier DURAND, Chief Executive Officer of COFACE, Christophe PERILLAT, Chief Executive Officer of VALEO, and Patricia LACOSTE, Chief Executive Officer of the PREVOIR Group), in order to assess whether these are of such importance and nature as to affect the independence of judgement of these directors. The Board noted that the Fleet of vehicles managed by the Company on behalf of companies whose directors are senior executives is insignificant or marginal. Consequently, the commercial and financial relationships resulting from such a service between the directors, the groups they manage and the Company are not such as to modify the analysis of their independence.

At the same time, the relationships between the groups of which these directors are executives and Societe Generale Group were examined, and the non-material nature, within the meaning of Article 10.5.3 of the AFEP-MEDEF Code, of the existing business volumes between the groups was reviewed and Societe Generale Group was confirmed at the end of this review.

Finally, it should be noted that these contractual relationships are also subject to an annual review by the Board of Directors, which verifies the proper application of the procedure implemented pursuant to Article L. 22-10-12 of the French Commercial Code. While this procedure is specifically intended to verify the nature and the contractual conditions under which these relationships are entered into and is not primarily intended to judge their materiality, it offers the Audit Committee the opportunity to assess the importance that they have for the group through various criteria such as risk exposure, Fleet size, or share in the Group's overall debt, etc.

The following table summarises the assessment of the independence of directors according to the following criteria. ✔ represents a satisfied independence criterion and ✘ represents an unsatisfied independence criterion.

Criteria	Pierre PALMIERI	Tim ALBERTSEN	Xavier DURAND	Benoît GRISONI	Patricia LACOSTE	Anik CHAUMARTIN	Diony LEBOT	Christophe PERILLAT	Delphine GARCIN -MEUNIER	Hacina PY	Laura MATHER	Mark STEPHENS
Salaried corporate officer during the previous five years (1)	✔	✘	✔	✘	✔	✔	✘	✔	✘	✘	✘	✔
Cross -directorships (2)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Significant business relationships (3)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Family connections (4)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Statutory Auditor (5)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Term of office greater than 12 years (6)	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Status of non-executive corporate officer (7)	✘	✘	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Status of significant shareholder (8)	✘	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✘

(1) Not being or not having been, during the previous five years:
• salaried employee or executive corporate officer of the Company;
• salaried employee, executive corporate officer or director of a company consolidated by the Company;
• salaried employee, executive corporate officer or director of the Company's parent company or a company consolidated by this parent company.
(2) Not being an executive corporate officer of a company in which the Company directly or indirectly holds a directorship or in which an employee designated as such or an executive corporate officer of the Company (current or having been one within the past five years) holds a directorship.
(3) Not being a customer, supplier, investment banker, commercial banker or consultant:
• significant for the Company or its group;
• or for which the Company or its group represents a significant share of business.
Assessment of whether or not the relationship with the Company or its group is significant is debated by the Board and the qualitative and quantitative criteria leading to this assessment (continuity, economic dependency, exclusivity, etc.) are explained in the annual report.
(4) Not having family ties with a corporate officer.
(5) Not having been a Statutory Auditor of the Company during the previous 5 years.
(6) Not having been a director of the Company for more than 12 years. The loss of the status of independent director occurs on the twelve-year anniversary.
(7) A Non-executive corporate officer cannot be considered as independent if he/she receives variable remuneration in cash or in securities or any remuneration related to the performance of the Company or the Group (Art. 10.6 of the AFEP-MEDEF Code).
(8) Directors representing large shareholders of the Company or its parent company may be considered as independent as long as these shareholders do not take part in the control of the Company. However, beyond a threshold of 10% in capital or voting rights, the Board, after a report from the Nomination Committee, always queries the qualification of independent person, taking into account the composition of the capital of the Company and the existence of a potential conflict of interest (art. 10.7 of the AFEP-MEDEF Code).

Changes in the composition of the Board of Directors in 2023

Director	Departure		Appointment		Renewal of term of office
	Board of Directors	Committees	Board of Directors	Committees	
Karine DESTRE-BOHN	Resigned on 7 February 2023	Resigned from the CACIR on 7 February 2023			
Delphine GARCIN-MEUNIER				Appointed to the CACIR to replace Karine DESTRE-BOHN on 7 February 2023 and to the COSTRAT, CONOM, CORISK and CACI on 24 May 2023	
Frédéric OUDEA	Resigned on 15 December 2023		Coopted to replace Karine DESTRE-BOHN, who resigned on 7 February 2023 for the remaining duration of the latter's term of office, *i.e.* until the Annual Shareholders' Meeting called to approve the accounts for the financial year ending 31 December 2022		
Laura MATHER			Coopted to replace Frédéric OUDEA, who resigned, on 15 December 2023, for the remaining duration of the latter's term of office, *i.e.* until the Annual Shareholders' Meeting called to approve the accounts for the financial year ending 31 December 2025		
Hacina PY			Appointed on 22 May 2023		
Mark STEPHENS			Appointed on 22 May 2023	Appointed to CORISK and COSTRAT on 24 May 2023	
Pierre PALMIERI			Appointed on 24 May 2023	Appointed to COSTRAT on 24 May 2023	
Diony LEBOT				Appointed to COSTRAT, CONOM and COREM on 24 May 2023	Renewed on 24 May 2023
Tim ALBERTSEN					Renewed on 24 May 2023
Patricia LACOSTE				Appointed to COREM and CONOM on 24 May 2023	Renewed on 24 May 2023
Xavier DURAND				Appointed to the CORISK and CACI on 24 May 2023	
Christophe PERILLAT				Appointed to the COREM, CONOM and COSTRAT on 24 May 2023	

Director	Departure – Board of Directors	Departure – Committees	Appointment – Board of Directors	Appointment – Committees	Renewal of term of office
Anik CHAUMARTIN				Appointed to the CACI and CORISK on 24 May 2023	
Didier HAUGUEL	Resigned on 24 May 2023 (Director)		Appointed on 24 May 2023 (Non-voting director)		

Nomination Committee (CONOM)
Compensation Committee (COREM)
Audit Committee (CACI)
Risk Committee (CORISK)
Strategy Committee (COSTRAT)

3.1.1.2 Balance of the composition of the Board of Directors

The Board of Directors is composed of 50% of women at the end of the 2023, six women and six men (excluding the non-voting member), which continues to meet current legal requirements and the recommendations of the AFEP-MEDEF Code.

As shown by the tables in 3.1.1 and 3.1.1.3, the composition of the Board of Directors is currently diverse in terms of the age, gender, qualifications and professional experience of the directors. The Board of Directors discussed its composition and deemed it balanced and appropriate in view of the diversity of the profiles and skills.

3.1.1.3 Directors' expertise

The table below summarises the directors' main area of expertise and skills. The directors could benefit from trainings notably depending on the requirements that may or not be imposed in the context of the fit and proper assessment procedures.

Director	Leasing, mobility	Finance	Regulation/Risk/ Compliance/ Internal control	International	ESG	Sector / Specific fields of expertise
Pierre PALMIERI		✔	✔	✔	✔	International Banking and Financial Services, ESG
Tim ALBERTSEN	✔	✔	✔	✔		Leasing
Diony LEBOT	✔	✔	✔	✔	✔	International Banking and Financial Services, ESG Risk Compliance
Delphine GARCIN-MEUNIER	✔	✔	✔	✔		Banking and Financial services Leasing
Benoît GRISONI		✔	✔			Banking and Financial Services
Hacina PY		✔	✔	✔	✔	International Banking and Financial Services Sustainability, ESG
Mark STEPHENS		✔	✔	✔		International Banking and Financial Services
Laura MATHER		✔	✔	✔		IT – Information Technology
Xavier DURAND	✔	✔	✔	✔		Insurance, risk
Anik CHAUMARTIN		✔	✔	✔		Audit, international Banking and Financial Services
Patricia LACOSTE	✔	✔	✔	✔		Insurance
Christophe PERILLAT	✔	✔	✔	✔	✔	Automotive and aerospace industry, ESG
(Non-voting Director) Didier HAUGUEL	✔	✔	✔	✔		International Banking and Financial Services Risk Compliance

3.1.1.4 Directors' due diligence

Mrs. LEBOT was Chairperson of the Board of Directors until 24 May 2023; Mr. PALMIERI then succeeded her. Attendance rates at Board and Committee Meetings are high.

In 2023, the activities of the Board and the committees were impacted by exceptional events related to the context of the acquisition of LeasePlan and the new regulated status of Financial Holding Company (FHC) adopted by ALD.

The change of status to a regulated entity led to the change in the Board's specialised committees, with the separation of the CACIR and the CO(NO)REM into four separate committees (Audit, Risks, Compensation and Nomination Committee). A Strategic Committee (COSTRAT) was also created.

Presence over the period for the 2023 financial year	Board of Directors			CACI		CORISK		COREM		CONOM		COSTRAT	
	Total number of meetings	Attendance	Attendance rate *(in %)*	Nb of meetings	Attendance rate *(in %)*	Nb of meetings	Attendance rate *(in %)*	Nb of meetings	Attendance rate *(in %)*	Nb of meetings	Attendance rate *(in %)*	Nb of meetings	Attendance rate *(in %)*
Pierre PALMIERI	6	6	100%									1	100%
Tim ALBERTSEN	15	14	93%										
Xavier DURAND	15	15	100%	9	100%	7	100%						
Benoît GRISONI	15	15	100%										
Patricia LACOSTE	15	15	100%					4	100%	5	100%		
Anik CHAUMARTIN	15	15	100%	9	100%	7	100%						
Diony LEBOT	15	15	100%					4	100%	5	100%	1	100%
Christophe PERILLAT	15	15	100%					4	100%	5	100%	1	100%
Delphine GARCIN-MEUNIER	15	15	100%	9	100%	7	100%			5	100%	1	100%
Hacina PY	6	6	100%										
Mark STEPHENS	6	6	100%			7	100%					1	100%
Laura MATHER	1	1	100%										
Non-voting member													
Didier HAUGUEL	15	14	93%										

3.1.1.5 Assessment of the Board of Directors

In accordance with the provisions of the Board of Directors' Internal Rules, every year the Nomination Committee of the Board of Directors reviews the structure, size, composition and effectiveness of the Board in carrying out its duties and formulates all useful recommendations.

Every three years, when the assessment is carried out by an external firm, the Nomination Committee makes all proposals for the selection of the firm and the proper conduct of the assessment.

In this context, interviews are conducted by the Chairperson of the Nomination Committee with each of the directors in order to obtain the opinion and recommendations of the directors on (i) the composition, organisation and functioning of the Board of Directors; (ii) the topics covered and the quality of the information provided; and (ii) the operation of the specialised committees.

This assessment procedure is the subject of feedback and discussion by the Board of Directors. These reports are an opportunity to identify areas for improvement that have in the past made it possible to improve the work of the Board of Directors through the implementation of recommendations from these members.

As part of this process, the skills of the directors are assessed in two areas: collective and individual. The assessment of the individual contribution then gives rise to an individual report to each director, which enables them to take note of the perception that the other directors have of their contribution and of their involvement in the work of the Board.

On the proposal of the Nomination Committee, the Board of Directors, at its meeting of 2 November 2023, appointed an external consulting firm to carry out its assessment, in accordance with Article 11 of the AFEP-MEDEF Code, which was reported to the Nomination Committee on 31 January 2024 and to the Board of Directors at its meeting of 7 February 2024. Each directors participated to th eassessement exercise including the chairperson of the Board of Directors and each chairperson of the specialized committees.

The following four major areas for improvement emerged from the assessments carried out: (i) strengthening the impact of the Committees' work; (ii) enhancing dialogue with General Management; (iii) making governance long-term; and (iv) improving Board logistics in the post-acquisition phase of the LeasePlan. Actions have already been taken in accordance with the recommendations issued to improve the functioning and organisation of the governance bodies.

As a consequence of the new Financial Holding Company statuts of the Company, the guidelines and recommendations of the EBA and ECB are complied with in the context of the fit & proper assessments for the authorization of appointments or renewals of the members of the Board of Directors. These assessments are performed not only from an individual perspective but also from a collective standpoint.

3.1.2 Executive corporate officers

The General Managmeent during the financial year 2023 consisted of Tim ALBERTSEN as Chief Executive Officer and John SAFFRETT as Deputy Chief Executive Officer. In accordance with Appendix 2 of the AFEP-MEDEF Code, the Chief Executive Officer, the Deputy CEOs are designated executive corporate officers and the Chairperson is designated as non-executive corporate officer.

It was reiterated that the functions of General Management and those of the Chairperson of the Board of Directors are dissociated. Due to this dissociation, specialised skills needed in each of these functions benefit the Company, while the Board of Directors benefits from accrued more independence when it comes to control of the management of the Company.

3.1.3 The Chairperson

Mrs. Diony LEBOT was Chairperson of the Board of Directors since the ratification of her mandate as director at the Shareholders' Meeting of 19 May 2021, until 24 May 2023. Mr. Pierre PALMIERI was appointed director at the Shareholders' Meeting of 24 May 2023 and Chairperson of the Board of Directors on the same day.

The Chair of the Board of Directors, through direct supervision of the Secretary, plays a decisive role in planning and organising the works of the Board of Directors, and of the specialised committees.

He/she chairs every Board of Director's Meeting, and attends the meetings of the specialised committees.

Following the legal indications given by the Secretary, he/she ensures that all directors, the Statutory Auditors and the Chair of the specialised committees can adequately express their opinions.

With the assistance of the Chief Executive Officers (the Deputy CEO as well as Mr. Berno KLEINHERENBRINK and Mr. Patrick SOMMELET), meetings were organised with the directors to promote informal exchanges within the Board and familiarise the directors with the activity of the Company.

3.1.4 The Executive Committee

The role of the Executive Committee of the Group (the **"Executive Committee"**) is to define, implement and develop the Company's strategy, driving future growth and profitability improvement for the benefit of its clients, shareholders and employees. The Executive Committee is also responsible for supervising and driving cooperation among the Group's entities and geographic markets.

The Executive Committee comprises the main operational and functional executives presented below:

Date of birth:
9 February 1963

Nationality:
Danish

Holds:
56,281 ALD shares

Tim ALBERTSEN

Chief Executive Officer

Tim ALBERTSEN is Chief Executive Officer of the ALD Group. He has over 30 years of experience in the sector.

Tim ALBERTSEN has been Chief Executive Officer of the ALD Group since 27 March 2020 and previously served as Deputy Chief Executive Officer from 2011. Tim ALBERTSEN has more than 30 years of experience in the leasing and Fleet Management sector, notably at Avis Leasing, Avis Rent a Car and Hertz Lease, acquired by ALD Automotive in 2003. Before being appointed CEO of ALD in 2020, he held the positions of Regional Director in the Nordic and Baltic countries, CEO of Axus Denmark & Sweden from 1997 to 2003, CEO of Hertz Lease Denmark, Chief Operating Officer, Senior Vice-Chairperson and Deputy Chief Executive Officer, where he played a key role in the success of the Company's listing on Euronext Paris. Tim ALBERTSEN holds an undergraduate degree and a postgraduate degree in business administration from the University of Southern Denmark and the Copenhagen Business School respectively.

Other offices held currently:

- ALD – Director

Other offices and positions held in other companies in the last five years:

Unlisted foreign companies:

- CarTime Technologies – Denmark – Director
- Mil-tekUS – USA – Director

Date of birth:
3 June 1972

Nationality:
British

Holds:
38,332 ALD shares

John SAFFRETT

Deputy Chief Executive Officer

John SAFFRETT has been Deputy Chief Executive Officer since 2019. He has 17 years of sector experience.

John SAFFRETT is ALD Deputy Chief Executive Officer since April 2019. Previously, he worked as ALD's Chief Operating Officer since 2017. John SAFFRETT joined the commercial account management team of ALD Automotive in the United Kingdom in 1997, before becoming Director of the IT Department in 2002. He worked for nine years, starting in 2006, at Fimat/Newedge UK (now Societe Generale Prime Services), before returning to ALD in 2015, first as Director of Administration and then as Director of Operations. Appointed Deputy Chief Executive Officer in 2019, he is responsible for managing operations and overseeing IT and digitisation. John SAFFRETT holds a Bachelor's degree in IT from Hertfordshire University and an MBA from Nottingham Trent University.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Patrick SOMMELET

Date of birth:
7 October 1968

Nationality:
French

Chief Financial Officer and Deputy Chief Executive Officer

Patrick SOMMELET has been Chief Financial Officer and Deputy Chief Executive Officer (DGA) since September 2023. He has 30 years of experience in the finance sector.

Patrick SOMMELET has been Chief Financial Officer and Deputy Chief Executive Officer since September 2023. He began his career in 1993 as a trader at Crédit Commercial de France and joined the Financial Institutions Advisory team at Merrill Lynch in 1998. Three years later, he joined the Strategy Department of Societe Generale and became Group Director of Investor Relations and Financial Communication in 2006, before holding the positions of Chief Financial Officer, Head of Support Functions and Deputy Chief Executive Officer of Boursorama. In 2016, he became Director of Strategic Financial Planning at Societe Generale and was appointed Deputy Chief Financial Officer the following year. Patrick SOMMELET is a graduate of the University of Paris Dauphine and holds an MBA from the NYU Stern School of Business.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Berno KLEINHERENBRINK

Date of birth:
21 September 1962

Nationality:
Dutch

Deputy Chief Executive Officer

Berno KLEINHERENBRINK has been Deputy Chief Executive Officer (DGA) since May 2023. He has 30 years of experience in the automotive and car rental sectors.

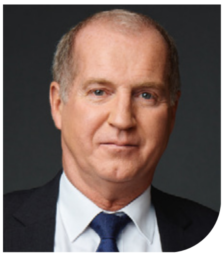
Berno KLEINHERENBRINK has been Deputy Chief Executive officer since May 2023. Previously Berno was Chief Commercial Officer at LeasePlan since 2017. He began his career at Amoco Oil Corporation in the Netherlands, Germany and Switzerland, before joining LeasePlan Netherlands as Chief Executive Officer. He was appointed Commercial Director of LeasePlan in 2016 and also held the position of Group Director for Belgium, Germany, France, Luxembourg and the Netherlands. A strong proponent of the transition to electric vehicles, Berno KLEINHERENBRINK led LeasePlan's business strategy in this regard after the Company joined the EV100 as a founding member in 2017. He holds a bachelor's degree from Nyenrode Business University and an MBA from the Rotterdam School of Management.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- Chairperson of the Board of Directors of Esther Vergeer Foundation (since 2017)



Gilles BELLEMÈRE

Group Regional Director (France and North Africa) and Country General Manager Ayvens France

Gilles BELLEMÈRE served as Deputy Chief Executive Officer of ALD until 31 December 2022 and has been Country Chief Executive Officer (France) since June 2019 and Group Regional Director (France and North Africa) since October 2023. He has 19 years of sector experience.

Date of birth:
23 February 1965

Nationality:
French

Gilles BELLEMÈRE has more than 20 years of experience in the automotive leasing and Fleet Management sector, having initially held various positions within the Retail Banking division of Societe Generale from 1987 to 2001. After joining ALD Automotive as Director of Operations in France, he became Deputy Chief Executive Officer five years later. Gilles BELLEMÈRE then held the position of Regional Director in the Retail Banking Division of Societe Generale for three years before being appointed Deputy Chief Executive Officer of ALD France in 2017 and then Chief Executive Officer in 2019. He has a degree in Management from Paris Dauphine University and a postgraduate diploma (DESS) in Foreign Trade from Paris Panthéon-Sorbonne University.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Hans van BEECK

Chief Risk and Compliance Officer

Hans van BEECK has been Head of Compliance and Risk Management since May 2023 and has been a member of the Executive Committee since 2019. He has over 35 years of experience in market finance and investor relations.

Date of birth:
5 January 1964

Nationality:
Dutch

Since May 2023, Hans van BEECK has held the position of Director of Compliance and Risk Management. Hans van BEECK held various management positions at Societe Generale in Belgium, Japan and the United Kingdom before joining ALD Automotive in 2017 to help prepare the Company’s successful IPO and lead the Company’s new investor relations function. He was then appointed Chief Administrative Officer in 2019, overseeing a range of functions, including risk and compliance, and became Head of Risk Management and Compliance. Hans van BEECK holds a Master’s in Mathematics and Management Studies from the University of Cambridge and a Ph.D in Economy and Finance from the University of Pennsylvania.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Guillaume de LÉOBARDY

Date of birth:
14 October 1972

Nationality:
French

Director of Remarketing and Group Regional Director

Guillaume de LÉOBARDY has served as Director of Remarketing since May 2023, and Group and Head Office Regional Director, and has been a member of the Executive Committee since 2019. He has more than 25 years of experience in the leasing sector.

Guillaume de LÉOBARDY has been Director of Remarketing for the Group since May 2023, and since 2019 he has been a member of the Executive Committee of ALD and Group Regional Director - he currently oversees the subsidiaries in Latin America. Guillaume de LÉOBARDY began his career in the IT asset management sector in 1998, where he held various consulting and project management positions. In 2004, he joined ALD Automotive, responsible for establishing and managing the Company's operations in Russia. Five years later, he was appointed Chief Executive Officer of the Portuguese subsidiary of ALD, before becoming CEO in Denmark and Regional Director for the Nordic countries. In 2019, Guillaume de LÉOBARDY moved to Paris to join the ALD Executive Committee. He holds a master's degree in Agri-food Engineering from AgroParisTech and a post-graduate diploma in Logistics and Transport from CentraleSupélec.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Liza HOESBERGEN

Date of birth:
31 March 1976

Nationality:
Dutch

Chief Legal and Corportae Affairs Officer

Liza HOESBERGEN has been the Chief Legal and Corportae Affairs Officer since May 2023. She has 20 years of experience in international legal and regulatory management.

Liza HOESBERGEN has been Chief Legal and Corportae Affairs Officer since May 2023. She joined LeasePlan in 2009, after a distinguished career in private practice in Amsterdam and New York. As Chief Legal Officer and member of the Company's Executive Committee, she acted as a trusted advisor to LeasePlan's Management Board, Executive Committee and Supervisory Board on all legal, regulatory and corporate governance issues. She also participated in the General Counsel Executive Program, a global initiative that provides training and inspiration for innovation and senior management leadership. Liza HOESBERGEN takes a holistic, organisation-wide view of the day-to-day monitoring of legal and regulatory risks throughout the organisation. She is a graduate of the University of Utrecht in both civil and criminal law and earned a cum laude distinction in her postgraduate degree in corporate structures.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Annie PIN

Chief Commercial Officer

Annie PIN has been the Group's Chief Commercial Officer and has been a member of Executive Committee since 2020. She has solid expertise in business strategy management, change management and electrical mobility.

Date of birth:
25 June 1980

Nationality:
French

Annie PIN joined Societe Generale in 2004 as a member of the Inspection Department, before being appointed Head of Superyacht Financing Operations for its subsidiary CGI. In 2010, she took on the role of Regional Director of Risks and Projects at ALD Automotive for the Nordic countries, before becoming Chief Executive Officer of the Norwegian subsidiary in 2016. Annie PIN was appointed Chief Commercial Officer of ALD in 2019, overseeing the Company's progress in terms of responsible mobility and electric vehicles. She holds an MBA from ESSEC Business School and a master's degree from the Institut d'Etudes Politiques de Paris.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Miel HORSTEN

Operations Director

Miel HORSTEN has been Operations Director since October 2023. He has 23 years of experience in the automotive leasing sector.

Date of birth:
29 December 1973

Nationality:
Belgian

Miel HORSTEN has been Chief Operating Officer since October 2023. Since 2020, Miel HORSTEN has been a member of the ALD Executive Committee. Miel HORSTEN began his career in 1997 as Account Manager at Michelin Benelux. In 1999, he joined ALD Automotive in Belgium (then Hertz Lease) where he became Project Manager for International Operations. In 2003, he participated in the creation of ALD RE, the reinsurance captive of ALD, in Paris. Miel HORSTEN was Chief Executive Officer of the Group's American subsidiary from 2006 to 2010, then he returned to Paris in 2010 to take over the Group's Products and Services Department. In 2012, he was appointed Chief Executive Officer of the Belgian subsidiary, then Regional Director for Benelux from 2019 to 2020. He joined the ALD Executive Committee in 2020 as Group Regional Director for Benelux, the Nordic countries, Ireland and South East Asia, also overseeing Purchasing and Insurance. He holds a master's degree in Financial and Commercial Sciences from the Economische Hogeschool Sint-Aloysius and diplomas in Corporate Finance and Financial Accounting from the EHSAL Management School in Brussels.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- President of RENTA, the federation of long and short-term rental companies in Belgium from 2016 to 2020.

Laurent SAUCIÉ

Date of birth:
2 December 1974

Nationality:
French

Chief Transformation and Integration Officer

Laurent SAUCIÉ has been Transformation and Integration Director since May 2023 and has been a member of Executive Committee since March 2022. He has more than 26 years of experience in banking, insurance, finance, leasing, risk management and internal control.

Laurent SAUCIÉ has been Chief Transformation and Integration Officer since May 2023. He is also the Chief Executive Officer of LeasePlan Corporation N.V. and chairs its Managing Board. Laurent SAUCIÉ has held various management positions at Societe Generale since 1997, first as an Inspector and then as Chief Inspector within the General Inspection Department (including, in 2002, the complete review of ALD Automotive in view of the acquisition of Hertz Lease). In 2005, Laurent SAUCIÉ joined ALD in Italy, first as Chief Operating Officer (until 2006) and then as Chief Executive Officer (from 2006 to 2011). In 2011, he was appointed Deputy Chief Executive Officer of Franfinance, a subsidiary of Societe Generale, before joining the bank's Risk Department in 2015, as Chief Risk Officer for the International Banking and Financial Services division. From 2020 to 2022, he also helped plan the merger of the bank's retail network with Crédit du Nord, before returning to ALD in 2022 as Integration Manager with LeasePlan. He is a graduate of CentraleSupélec and holds a master's degree in economics.

Other offices held currently:

- SG Marocaine de Banques * – Member of the Supervisory Board since September 2023

Other offices and positions held in other companies in the last five years:

- Boursorama * - Director and member/Chairman of the Risk Committee and the Audit and Internal Control Committee (from 2016 to 2021).

Note prépa : Note absente.

Michel ALSEMGEEST

Date of birth:
29 March 1972

Nationality:
Dutch

Chief Digital and Information- Officer

Michel ALSEMGEEST has been Chief Digital and Information Officer since October 2023. He has more than 20 years of experience in computing, digital and information management.

Michel ALSEMGEEST has been Chief Digita and Innovation Officer since October 2023. Michel ALSEMGEEST was appointed Chief Digital & Information Officer of LeasePlan in 2019, leading the digital aspects of the Company's NextGen transformation. Previously, he worked at KLM Information Technology, where he was appointed Vice President of Information Management after its merger with Air France. In 2015, he held the position of Digital Leader of TNT Express and then of FedEx International after the merger of the two companies. Michel ALSEMGEEST is a member of the Supervisory Board of Health-RI, where he contributes to the creation of a national data platform to improve healthcare. He holds a degree in Business Administration from Nyenrode Business University and a master's degree in Higher Management and IT from HEC Paris.

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Roderick JORNA

Chief People Officer

Roderick JORNA has been Chief People Officer since October 2023. He has 15 years of experience in finance, insurance, IT, data management, legal and compliance.

Roderick JORNA has been Chief People Officer since October 2023. Roderick JORNA spent the first nine years of his career at McKinsey, where he focused on strategy, corporate finance and financial institution transformations. He joined LeasePlan in 2017 as Chief Financial Officer for Central and Eastern Europe. In 2020, he became Chief Financial Officer of LeasePlan France, where he was also responsible for insurance, IT, data management, legal and compliance. In 2022, he was appointed Head of Integration of LeasePlan, where he set up a joint integration management office with ALD Automotive. Roderick JORNA holds an MBA from INSEAD and a master's degree in Business Administration and Dutch law from the University of Maastricht.

Date of birth:
29 August 1982

Nationality:
Dutch

Other offices held currently:
- None.

Other offices and positions held in other companies in the last five years:
- None.

Jeroen KRUISWEG

Group Regional Director

Jeroen KRUISWEG has served as Group Regional Director since May 2023. He has 30 years of experience in the automotive leasing sector.

Jeroen KRUISWEG has been Group Regional Director (Ireland, Nordic countries, Belux and Asia) since May 2023. Jeroen KRUISWEG joined ALD Automotive in 2012, where he held the positions of Sales Director and Managing Director in the Netherlands, Regional Director for Benelux and Chairperson and Chief Executive Officer of Ford Fleet Management, a joint venture between ALD and Ford Credit. During his tenure, the Dutch branch of ALD quadrupled its Fleet, launched its B2C activities and successfully integrated Sternlease. Prior to joining ALD, he spent two decades in executive roles in the IT and automotive industries, including sales and marketing at Sun MicroSystems, Atos Origin and Canon. Jeroen KRUISWEG holds a bachelor's degree from Nyenrode Business University and a master's degree in Marketing from the Academy for Management of the University of Groningen.

Date of birth:
21 April 1968

Nationality:
Dutch

Other offices held currently:
- None.

Other offices and positions held in other companies in the last five years:
- None.

Philippos ZAGORIANAKOS

Group Regional Director

Philippos ZAGORIANAKOS has been Group Regional Director since May 2023. He has 20 years of experience in the business management sector.

Philippos ZAGORIANAKOS has been the Group's Regional Director (Eastern Europe, the Baltic States and UAE) since May 2023. Philippos ZAGORIANAKOS gained extensive corporate experience holding positions at Adecco and Sony before joining LeasePlan Greece as Managing Director, responsible for launching and establishing the Company in the country. In 2017, he was appointed Cluster Director for Central and Eastern Europe, Ireland and UAE and in 2020, he became Chief Business Excellence Officer, overseeing LeasePlan's continuous improvement activities, including the implementation of its LEAN, MBO and knowledge management programmes. Philippos ZAGORIANAKOS holds a degree in Computer Science from Queen Mary College, University of London.

Date of birth:
7 November 1965

Nationality:
Greek

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

Martin KÖSSLER

Group Regional Director

Martin KÖSSLER has served as Group Regional Director since May 2023. He has 30 years of experience in the automotive leasing sector.

Martin KÖSSLER has been Group Regional Director (Germany, Austria, Switzerland and Central Europe) since May 2023. Martin KÖSSLER has more than 30 years of experience in the industry, having held various management positions in local and international leasing companies before joining ALD Automotive in 2003. He started as Chief Commercial Officer and then Chief Executive Officer at ALD Austria and has since held various CEO positions in Central and Eastern Europe, including the role of Regional Director since 2009. Over the years, Martin KÖSSLER has established and developed a HUB organisational structure that emphasizes service quality and synergies, with the region winning numerous awards for achievements under his leadership.

Date of birth:
1 February 1965

Nationality:
Austrian

Other offices held currently:

- None.

Other offices and positions held in other companies in the last five years:

- None.

3.1.5 Statements regarding directors and executive corporate officers

As of the date of this Universal Registration Document, to the best of the Board of Directors' knowledge, there are no family ties between directors and executive corporate officers.

To the best of the directors' knowledge, during the past five years: (i) none of the aforementioned persons has been convicted of fraud; (ii) none of the aforementioned persons has been involved in a bankruptcy, receivership or compulsory liquidation; (iii) no official public incrimination or sanction has been pronounced against the aforementioned persons by public or supervisory authorities (including the competent professional bodies); and (iv) none of the aforementioned persons has been prohibited by a court from acting as a member of the administrative, management or supervisory body of a company or participate in the management or exercise of the activities of any company.

3.2 Conflicts of interests

As of the date of this report, and to the best of the directors' knowledge, there are no potential conflicts of interest between the duties performed by the members of the Board of Directors, the executive corporate officers and their private interests and/or other duties. However, the agreement relating to the acquisition by ALD of 100% of the share capital of LP Group B.V. (LeasePlan) remains in effect between the parties (with notable ongoing engagements including certain guarantees, the post-Closing net asset value adjustment as well as in respect of an earn-out). Accordingly, potential conflicts of interest may arise as regards Mr. Mark Stephens in respect of such matters.

There are no service contracts in place between any of the members of the Board of Directors, the executive corporate officers and any subsidiary.

In accordance with Article 12.5 of the Board's internal regulations (https://www.ayvens.com/), every year the Secretary of the Board requests that all directors and corporate officers provide a declaration testifying to the absence of any conflict of interest with the Company in the execution of their functions.

3.3 Rules applicable to the administrative and management bodies

3.3.1 Terms of office of the members of the administrative and management bodies

The terms of office of each director and executive corporate officer can be found in section 3.1 "Composition of administrative and management bodies" of this Universal Registration Document.

Since the modification of the Group's Bylaws approved at the Shareholders' Meeting of 20 April 2017 (with no modification to the terms of office being served at that date), in accordance with Article 13 of the Company's Bylaws, the term of office of directors is set at four years. By way of exception, the General Meetings may appoint or renew the term of office of one or more Directors for a term of two (2) or three (3) years, in order to allow a staggered reappointment of the Directors.

The term of office of co-opted directors is equivalent to the remainder of their predecessor's term of office.

3.3.2 Information on service contracts between members of the administrative or management bodies and the Company or one of its subsidiaries

To the Company's knowledge, there are no service contracts in place between the directors of the Company and the Company or any of its subsidiaries for the purpose of granting benefits.

Likewise, to the best of the Company's knowledge, other than the benefits conferred by the Company as described in Section 3.7 "Compensation and benefits", there are no contracts in place between the management of the Company and the Company or any of its subsidiaries for the purpose of granting benefits.

3.3.3 Internal Regulations of the Board of Directors

The purpose of the internal regulations of the Board of Directors (the "Internal Regulations") is to define and specify the conditions of the Board of Directors' organisation and functioning, as well as the rights and obligations of its members in addition to the applicable law and the Bylaws.

The Internal Regulations contain the principal provisions as described below.

The Internal Regulations are available on the Company's website https://www.ayvens.com/.

3.3.3.1 Participation in meetings of the Board of Directors, videoconferencing and telecommunication

Directors who cannot physically attend Board of Directors Meetings can inform the Chairperson if they intend to participate in the meeting by means of videoconference or any other means of telecommunication, provided that such means satisfies technical requirements ensuring the effective participation of each director in meetings of the Board of Directors. These conditions do not apply when the law excludes the possibility of taking part in the meetings of the Board of Directors by videoconference or by any other means of telecommunication (notably in the case of the closing of the annual financial statements and the management report). Such means of participation must allow, at a minimum, transmission of the participants' voices and continuous and simultaneous communication.

Directors participating in a meeting by means of videoconference or other means of telecommunication will be deemed present for purposes of calculating quorum and majority.

3.3.3.2 Prior approval by the Board of Directors

As defined in the Internal Rules, the Board of Directors approves strategic investment projects and any transaction, in particular acquisition or disposal, likely to significantly affect the Group's results, structure, balance sheet or risk profile.

This prior approval procedure concerns transactions:

- for organic growth, any unit amount greater than EUR 50 million in equity or overheads and not already approved as part of the annual budget or strategic plan;
- for external growth, any unit amount greater than EUR 140 million of the Group's consolidated equity or greater than EUR 70 million of the Group's consolidated equity if these transactions do not fall within the development priorities approved in the strategic plan;
- for a disposal, of more than EUR 70 million of the Group's consolidated equity;
- partnership comprising a cash payment of more than EUR 70 million of the Group's consolidated equity.

3.3.3.3 Activities and assessment of the work carried out by the Board of Directors

During the 2023 financial year, the Board of Directors met 15 times:

- on 26 January 2023, to authorise and approve the direct sale of the entire share capital of ALD Automotive LLC (Russian Federation) and the direct and indirect sale of the share capital of ALD Automotive LLC (Belarus) (to approve the terms and conditions of disposals);
- on 7 February 2023, in order to review the 2022 results, approve the 2023 management forecasts, propose the distribution of a dividend, approve the market guidance information for 2023, assess the achievements *ex post* of the Executive Management, record the resignation and approve the co-optation of a new director, adjust the rights of the beneficiaries of performance shares following the capital increase carried out in view of the acquisition of the LeasePlan Group, issue an update on the said acquisition project, as well as on the professional and salary gender equality index within the Group and its governing bodies;
- on 22 February 2023, to share the progress on the various aspects of the acquisition of the LeasePlan Group (in particular with regard to various financial aspects as well as the planned disposals of six entities located in Ireland, Norway, Portugal, the Czech Republic, Finland, and Luxembourg in the context of anti-trust) as well as on the associated schedule;
- on 9 March 2023, to review the latest information relating to the acquisition of LeasePlan (progress of negotiations; completion schedule), the disposals required as part of the anti-trust process, those carried out in Russia and Belarus and on future governance changes within the Company;
- on 16 March 2023, in order to approve the disposals to Crédit Agricole/Stellantis of the six entities listed above as part of the anti-trust process, the main provisions of the draft disposal agreements and more generally all relevant documentation, in particular, draft transitional service agreements;
- on 23 March 2023, to approve the corporate and consolidated financial statements for the financial year ended, the dividend (as examined and announced in February) and all documents relating to financial year 2022, and to approve the details of the 2022 management objectives (*ex ante* vision), approve the performance share plan for the year, the proposals for the appointment/renewal of directors, examine the impacts of the entry into the regulated regime (specific process for the appointment of managers of sensitive functions, organisation of periodic control), and provide an update on the next important dates for the Company;
- on 5 April 2023, in order to authorise the modification of the terms and conditions relating to the disposal of the Russian and Belarusian entities after examination by the Russian Governmental Commission, to examine the last elements relating to the acquisition of the LeasePlan Group (approval under the regulated agreements of the main provisions of the two draft SG loan agreements eligible for AT1 and T2, the adjustments made to the Framework Agreement, the *pro forma* consolidated ALD/LeasePlan financial information, the terms and conditions of the contribution agreement, the assessment of the shares contributed and the compensation for the contribution), convene the annual Combined Shareholders' Meeting and approve the various resolutions to be submitted thereto;
- on 20 April 2023, to review the completion of the disposals made in the context of anti-trust (in particular regulatory matters) and to decide to postpone the closing Shareholders' Meeting (without modification of the agenda) given the ongoing regulatory work on these transactions;
- on 10 May 2023, to examine and approve the consolidated interim financial statements for the first quarter of 2023, and specify the holding of the closing Shareholders' Meeting and the Annual Shareholders' Meeting;
- on 24 May 2023, in order to record the completion of the acquisition of LeasePlan, the activation of the new Bylaws, the entry into the regulated regime of the Financial Holding Company, the approval of the new Internal Rules of the Board and the approval of the post-acquisition governance (new Chairperson of the Board, creation of a non-voting director, creation of new committees);
- on 1 August 2023, in order to approve the consolidated financial statements and the half-year financial report, specify the guidance for 2023, review the LeasePlan integration process (particularly with regard to financial points on banking regulations, and the filing with the Dutch Central Bank [DNB] of the Declaration of Non-Objection [DNO]);
- on 8 September 2023, to appoint a new Secretary of the Board, decide on the maintenance and organisation of the *ad hoc* committee originally appointed as part of the acquisition of the LeasePlan Group, approve the appointment of a new Deputy Chief Executive Officer/Chief Financial Officer, and approve the schedule for Board and Committee Meetings for the year 2024;

- on 16 September 2023, to review and approve the 2023-2026 financial sequence as well as the strategic plan of the new combined ALD/LeasePlan Group and the related draft press release;
- on 2 November 2023, in order to approve the consolidated financial statements for the third quarter of 2023 and the related draft press release, review the progress of the integration with LeasePlan, the project to launch the new brand, the commercial activity, financial performance and more generally the overall financial results, approve the compensation policy for the Chief Executive Officer and the Deputy Chief Executive Officer for the post-closing and paid-up period for the 2023 financial year as well as the 2024 performance shares budget, and approve the adjustments to the schedule of the Boards and committees for 2024;
- on 15 December 2023, in order to review the integration process with LeasePlan (particularly with regard to financial aspects – the PPA (purchase price allocation), Commercial activity, IT and Digital strategy), record the resignation of a director and approve the co-optation of a new director, the revision of the 2023 management documents, the 2024 budget, the update of the risk appetite system and the presentation of the Risk Appetite Framework (“RAF”) and Risk Appetite Statement (“RAS”), as well as the proper application of the control procedure for agreements with related parties.

The meeting of the Board of Directors of 15 December 2023 was held without the presence of the executive corporate officer, Mr. Tim ALBERTSEN (Chief Executive Officer and director), in accordance with Article 12.3 of the AFEP-MEDEF Code.

The monitoring of the acquisition of the LeasePlan Group, as well as the disposals related to said acquisition as part of the anti-trust arrangements, were a common thread in the first half of 2023 until the conclusion of the transaction at the Combined Shareholders’ Meeting of 22 May 2023. This common thread was supplemented, post-closing and throughout the second half of 2023, by the monitoring of the integration of the LeasePlan Group. Thus, the *ad hoc* Integration Committee, originally set up at the end of 2021 for the purpose of the acquisition and the preparation of the Integration, has been maintained and now has the brief of operational monitoring of the transformation of the new group. The ad hoc Committee's composition was designed to gather adequate and diverse competence to fit its purpose. It is composed of the Chairperson of the Board, the non-voting and five directors, four of whom are independent. The CEO as well as the Integration and Transformation Officer, member of the Executive Committee contribute to the committee's works and attend the Committees' meetings.

Statutory Auditors attend the Board’s Meetings held to approve the interim and annual financial statements and provide independent opinion on the financial statements.

The opinions of the Chairs of CACI, CORISK, CONOM and COREM were requested prior to any decision relating respectively to accounting and financial information, risks, or human resources (in terms of recruitment, management or compensation policy).

An employee representative from the Social and Economic Committee (SEC) of ALD SA is invited to all meetings of the Board of Directors.

The sessions were held either face-to-face or by video-conference, operationally smoothly.

In general, in the context of the acquisition of the LeasePlan Group followed by its integration and a sensitive macroeconomic environment (geopolitical tensions, persistent inflation despite an easing of tensions on supplies, modest but resilient growth), the corporate life of ALD was particularly intense in 2023 (15 Board Meetings, 9 CACIs including the joint sessions with the Risk Committee, the Compensation Committee and the Nomination Committee, 7 CORISKs including the joint sessions with the Audit Committee and the Nomination Committee, 1 ad hoc Integration committee monitoring the acquisition and then integration of LeasePlan, 1 COSTRAT as well as the Board seminars and working sessions).

3.4 Committees of the Board of Directors

The change in the Company’s status as a regulated entity has led to the evolution of the Board’s specialised committees, with the separation of the CACIR and the CO(NO)REM into four distinct committees (Audit, Risk, Remuneration and Nomination Committee). A Strategy Committee (COSTRAT) was also created on 24 May 2023. As a result, the Board adopted, by decision of 24 May 2023, new rules of procedure reflecting these changes, ensuring that the composition of the committees is in line with the recommendations of the AFEP-MEDEF Code in terms of the weight and role of independent directors.

Pursuant to Article 11 of the Internal Regulations and the recommendations of the AFEP-MEDEF Code, the Board of Directors has five committees which are responsible for examining questions submitted to them by the Board of Directors or its Chairperson.

For more details about the committees, see section 3.1 “Composition of administrative and management bodies”.

3.4.1 Audit Committee (CACI)

3.4.1.1 Composition and meetings

The CACI has three members, two thirds (66.7%) of whom are independent directors who do not hold any management position within the Group. The members of CACI have appropriate accounting and financial skills.

The composition of the CACI is as follows: Xavier DURAND (independent director), Anik CHAUMARTIN (independent director) and Delphine GARCIN-MEUNIER.

In addition to the views of the directors, CACI may seek the opinions of the Statutory Auditors and the executives in charge of internal control.

3.4.1.2 Duties

Acting under the responsibility of the Board of Directors, the CACI has the following duties:

- monitoring the process of preparing accounting and financial information (annual, half-yearly, quarterly, forecast, management report and appendices, as well as any draft press release to the market); to formulate and control, where applicable, the implementation of recommendations and other corrective or improvement measures to ensure its integrity and reliability. It also ensures the completeness and quality of the accounting and financial information, its recording, storage and availability, and verifies that the Company has an accounting structure that ensures the maintenance of an audit trail in accordance with legal and regulatory requirements;
- monitoring the effectiveness of internal control and risk management systems and where applicable, internal audit, regarding the accounting and financial reporting procedures;
- examining, in the context of the work preceding the closing of the parent company and the consolidated financial statements by the Board of Directors, the proper application of national and/or international accounting standards and methods applicable to the Company's activities in the preparation of accounting and financial information, and assessing, where applicable, the justifications for any discrepancies in the application of these standards and methods. It pays particular attention to significant transactions recorded in the financial statements in respect of which a conflict of interest may have occurred;
- submitting an opinion to the Board of Directors on proposals for the appointment and/or renewal of the term of office of the Statutory Auditor(s) in accordance with the applicable provisions, monitoring and reporting to the Board of Directors on the performance of the audit and certification duties and of the work programme of the Statutory Auditor(s), ensuring more generally that the Statutory Auditor(s) is (are) independent, determining and controlling the level of compensation of the Statutory Auditor(s) and approving services other than the certification of the financial statements, in accordance with the policy established by the Board of Directors;
- examining, prior to its being sent to the French Prudential Control and Resolution Authority, the annual report on the conditions under which internal control is carried out with regard to the preparation of accounting and financial information and, more generally, checking all documents (including those relating to the preparation of the Company's Universal Registration Document) to be drawn up and all regulatory communications to be made.

3.4.1.3 Activities carried out during 2023

In 2023, CACI met nine times, including three times in joint sessions: CACIR-COREM (on 16 March 2023), CACI-CONOM (on 29 June 2023), CACI-CORISK (on 25 July 2023), with a 100% attendance rate.

The Chairperson of the Board of Directors systematically attends Committee Meetings (noting that a change of Chairpersonship took place by decision of the Board of Directors on 24 May 2023). The Statutory Auditors systematically attend meetings (they also have contact with the members of the CACI without the presence of members of management, in particular before the closing of the annual financial statements) as well as a representative of the periodic IGAD/AUD audit to which the entity has delegated the internal audit function.

Within the context of its work plan, CACI methodically implements:

- from a financial standpoint, the review of the financial statements for each period, ensuring consistency with draft market communications; forward-looking management information and information on the financing plan; as well as the review of proposals for the renewal or replacement of the Statutory Auditors;
- analysis of permanent control and periodic control systems (organisation, resources, methodologies, etc.), defining and regularly reviewing the progress of the audit plan, the results of assignments and recommendations, and discussing with Societe Generale teams responsible for periodic control, including with regard to decisions concerning the organisation and assignments to be retained for the audit plan of the following year. The committee also performs an annual review of day-to-day, normal terms and conditions of agreements signed with related entities (in particular those of Societe Generale) and reviews an extended additional system put in place at the request of the Board of Directors;
- in terms of risk monitoring and control, the analysis of the various risks inherent in the Company's activity, as well as the way in which they are understood and managed (risks related to the management of residual value, credit risks, operational risks, structural financial risks, risks related to IT security, compliance and reputation risks reviewed in 2023, in the light of the Russian crisis and the monitoring of the Lafayette Group system). In this context, the committee participated in the annual review of the system for monitoring and governing the Company's Risk Appetite which was implemented as part of Societe Generale's banking supervision, and in the quarterly monitoring of the corresponding indicators.

As part of the new governance, some of the aforementioned powers have been redefined and are now the responsibility of the Risk Committee (CORISK) in accordance with the provisions of the new Internal Rules (review of residual values, credit risks, operational risks or the mechanism for monitoring and governing Appetite for Risk). The members of the CACI are all members of CORISK and contribute to this work.

In addition to these regular activities, in 2023 the committee carried out specific monitoring related to the context of the acquisition of LeasePlan and the regulated status of Financial Holding Company (FHC). In particular, it examined:

- the profile of the so-called "regulated" population (CACIR-COREM Meeting of 16 March 2023);
- in respect of related-party agreements, the main provisions of the draft subordinated loan agreements granted by Societe Generale to ALD eligible as Tier 1 (AT1) and Tier 2 (T2) capital items within the meaning of the Regulation (EU) No. 575/2013 of 26 June 2013 ("CRR"), so that the Company complies with the prudential requirements applicable to it following the acquisition of LeasePlan (meeting of 23 March 2023);
- the new regulatory reporting (CACI-CORISK Meeting of 25 July 2023);
- the new cash set-up and the financing plan for the consolidated scope (CACI-CORISK Meeting of 25 July 2023);
- the Currency Management Policy, in respect of the strategies and policies governing the taking, management, monitoring and mitigation of the risks to which ALD is or could be exposed as an FHC and the request for exemption of foreign exchange exposures in the calculation regulatory RWAs (see CRR Art 352) (meeting of 1 August 2023);
- the choice of the new Chief Financial Officer and the organisation of the Finance Department and the Internal Control Department reviewed and adapted to the challenges of the new consolidated ALD-LeasePlan structure (joint CONOM-CACI Meetings);

- the work on the Purchase Price Allocation (accounting obligation under IFRS 3R) and the NAV (CACI-CORISK joint session of 25 July 2023);
- the LeasePlan Purchase Price Allocation process, which is an accounting obligation under IFRS 3R, the revised IT plan scenarios (LeasePlan's NGDA programme) as well as the organisation of the future transition of the Statutory Auditors' college (meeting of 15 December 2023).

Finally, it should be recalled that the two independent directors who are members of the CACI are part of the *ad hoc* committee established to monitor the integration project with LeasePlan and thus ensure the proper understanding of financial, internal control and risk issues.

3.4.2 Risk Committee (CORISK)

3.4.2.1 Composition and meetings

CORISK has four members, half (50%) of whom are independent directors who do not hold any management position within the group.

The CORISK is composed of the following members: Xavier DURAND (independent director), Anik CHAUMARTIN (independent director), Delphine GARCIN-MEUNIER and Mark STEPHENS.

CORISK may request the opinions of, in addition to the directors, the executives in charge of internal control, risk management and compliance.

3.4.2.2 Duties

Acting under the responsibility of the Board of Directors, CORISK has the following duties:

a) to monitor the effectiveness and consistency of internal control and risk management systems and procedures at Group level (without prejudice to the role of the Audit Committee). In this respect, it verifies that:
- the organisation of permanent control (level 1 and 2) and periodic control (level 3 – internal audit) (i) is structured in compliance with the applicable rules in terms of hierarchical independence, functional separation and prevention of conflicts of interest, (ii) is adapted to, and sized according to the size and volume of its activities, its locations and the nature, scale and complexity of the risks inherent in the economic model of the Company and its Group, and (iii) has the necessary resources and skills for this purpose,
- the annual programme of internal audit assignments (periodic control) that it approves is adjusted to ensure a complete cycle of investigations of all the Group's activities within a timeframe in accordance with regulations,
- the work and reports carried out by the compliance and risk management functions are examined by the committee at least twice a year, and the actual or potential incidents or malfunctions identified are the subject of a correction plan monitored by the Risk Committee;

b) to give its opinion on the Company's overall strategy and risk appetite, current and future, and to assist the Board of Directors in its mission of monitoring the implementation of this strategy through effective management and by the person in charge of the Company's risk management function, whose work and reports are reviewed at least twice a year;

c) to submit an opinion on the Group's overall provisioning policy and on specific provisions for significant amounts;

d) to ensure that the Company has systems and procedures for analysing and measuring risks and benefits adapted to the nature and volume of its operations and which enable it to assess the various types of risks to which the Company is exposed. It assesses this mapping and these systems and procedures each year and updates them if necessary;

e) to regularly assess the risk monitoring and control systems and procedures and propose the necessary adjustments and give an opinion on the overall risk limits. In particular, it ensures that the Company:
- defines approval policies for new products and services and significant changes, growth operations and exceptional transactions,
- ensures that the outsourcing of the risk related to a service or an operational task deemed essential or important complies with the applicable regulatory provisions,
- validates the information system security policy;

f) to examine whether the prices of the Company's financial products and services are compatible with its risk appetite strategy and, in the event of incompatibility, to present to the Board of Directors an action plan to remedy the situation;

g) without prejudice to the powers granted to the Compensation Committee, to examine whether the incentives provided for by the compensation policy and practices are compatible with the Company's situation with regard to the risks to which it is exposed, its capital and its liquidity, as well as the probability and timing of expected benefits;

h) to be informed of the appointment of the Heads of Internal Control, Permanent Control (Head of Compliance and Head of Risk Management) and Periodic Control (Head of Internal Audit);

i) to examine, prior to its transmission to the French Prudential Control and Resolution Authority, the annual report on the conditions under which internal control is carried out, the annual report on the measurement and monitoring of risks and, more generally, to verify all documents (including those relating to the preparation of the Company's Universal Registration Document) to be drawn up and all communications (including minutes) to be made as necessary.

3.4.2.3 Activities carried out during 2023

In 2023, CORISK met seven times, including two joint sessions: CACIR-COREM (on 16 March 2023) and CACI-CORISK (on 25 July 2023), with an attendance rate of 100%.

The Chairperson of the Board of Directors systematically attends Committee Meetings (noting that a change of Chairpersonship took place by decision of the Board of Directors on 24 May 2023). The Statutory Auditors systematically attend meetings as does a representative of the periodic audit by IGAD/AUD, to whom the entity has delegated the internal audit function.

As part of its work plan, CACIR, in its remit prior to the change of status, carried out the following analyses and reviews:

- from a financial standpoint, the review of the financial statements for each period, ensuring consistency with draft market communications; forward-looking management elements and the financing plan; as well as the review of proposals to renew or replace the Statutory Auditors;
- analysis of permanent control and periodic control systems (organisation, resources, methodologies, etc.), defining and regularly reviewing the progress of the audit plan, the results of assignments and recommendations, and discussing with Societe Generale teams responsible for periodic control, including with regard to decisions concerning the organisation and assignments to be retained for the audit plan of the following year. The committee also performs an annual audit of day-to-day, normal terms and conditions of agreements signed with related entities (in particular those of Societe Generale) and reviews an extended additional system put in place at the request of the Board of Directors;

- for the monitoring and control of risks, the analysis of the various risks inherent in the Company's activity, as well as the way in which they are understood and managed (risks related to the management of residual value, credit risks, operational risks, structural financial risks, risks related to IT Security, compliance and reputation risks reviewed in 2023, in the light of the Russian crisis and the monitoring of the Lafayette Group system, social & environmental risks). In this context, the committee participated in the annual review of the system for monitoring and governing the Company's risk appetite which was implemented as part of Societe Generale's banking supervision, and in the quarterly monitoring of the corresponding indicators.

Since the reorganisation of the remit of the committees, the work of CORISK has focused mainly on (i) monitoring the effectiveness and consistency of the internal control and risk management systems and procedures (without prejudice to the role of the Internal Control Committee) and (ii) the analysis of the various risks inherent to the Company's activity mentioned above.

In addition to its regular activities, in 2023 the committee carried out specific monitoring related to the context of the acquisition of LeasePlan and the regulated status of Financial Holding Company (FHC), and reviewed in particular:

- the profile of the so-called "regulated" population (joint CACIR-COREM session of 16 March 2023);
- the new regulatory reporting (joint CACI-CORISK session of 25 July 2023);
- the new set-ups of the Finance Department and the Internal Control Department reviewed and adapted to the challenges of the ALD-LeasePlan consolidated structure (joint CACI-CORISK Meeting of 25 July 2023);
- the new cash set-up and the financing plan for the consolidated scope (joint CACI-CORISK Meeting of 25 July 2023);
- the work on the Purchase Price Allocation (accounting obligation under IFRS 3R) and the NAV (CACI-CORISK joint session of 25 July 2023);
- the Company's Risk Appetite monitoring and governance system and the new indicators for the ALD-LeasePlan consolidated scope (meeting of 15 December 2023).

It should be noted in this regard that the two independent directors who are members of CORISK are also members of the *ad hoc* committee set up to monitor the integration of LeasePlan and to ensure the proper understanding of financial, internal control and risk issues.

3.4.3 Compensation Committee (COREM)

3.4.3.1 Composition and meetings

The COREM has three members, two thirds (66.7%) of whom are independent directors, and none of whom hold any management position within the group.

COREM is composed of the following members: Patricia LACOSTE (independent director), Christophe PERILLAT (independent director) and Diony LEBOT.

3.4.2.2 Duties

COREM is a specialised committee of the Board of Directors whose main duty is to advise the Board of Directors in relation to decisions on and regular evaluation of the compensation and benefits awarded to the Group's executives (including deferred benefits and/or compensation in the case of voluntary or involuntary departures from the Group).

In this context and in accordance with the AFEP-MEDEF Code, and under the responsibility of the Board of Directors, COREM's duties are to:

a) propose to the Board of Directors, in accordance with the regulations in force and the principles set out in the AFEP-MEDEF Code, the compensation of the executive corporate officers, and in particular the principles and criteria for calculation, allocation and distribution of fixed, variable and exceptional components making up their total compensation and benefits of any kind that are attributable to them; it ensures their application; and

b) propose to the Board of Directors the policy for allocating performance shares and stock options.

3.4.2.3 Activities carried out during 2023

In 2023, the COREM met four times, including once in a joint CACIR-COREM session (on 16 March 2023); the attendance rate was 100%.

The COREM Meetings were attended by the Chairperson of the Board of Directors (there was a change of Chair following a decision of the Board of Directors on 24 May 2023) and the Chief Executive Officer (who left the meeting whenever his personal situation was discussed), and representatives of the Human Resources Department of the Company and of Societe Generale (who provided the data needed by the committee, such as comparative remuneration data, etc.).

The committee reviewed the following matters:

- compensation of corporate officers for 2022/2023;
- quantitative performance, 2022 qualitative performance information, 2023 compensation policy;
- *ex-post* report on compensation awarded in respect of financial year 2022;
- *ex-ante* report on compensation awarded for the 2023 financial year;
- performance conditions relating to the payment of variable instalments deferred to 2023;
- LTI plans (structure of plans, review of the allocation campaign, future LTI plans, 2024 LTI budget, impact of the capital increase);
- the gender equality policy;
- the financial conditions for the end of the term of office of Mr. BELLEMÈRE as Deputy Chief Executive Officer;
- final composition of the committees;
- the scope and terms of the role of Mr. HAUGUEL as a non-voting director (decision of the Board of Directors of 24 May 2023).

In 2023, the activities of the Compensation Committee were impacted by exceptional events related to the context of the acquisition of LeasePlan and the new regulated status of the Financial Holding Company (FHC) adopted by ALD.

Consequently, the committee carried out specific monitoring:

- profile of the so-called "regulated" population (joint CACIR-COREM session of 16 March 2023);
- the proposed maximum ratio of 200% between the fixed and variable components of the total compensation of each person belonging to the regulated population of the ALD Group, population now determined at the ALD level (joint CACIR-COREM Meeting of 16 March 2023);
- the scope of the regulated population identified for the year 2023 (meeting of 25 October 2023);
- the compensation of the future Chief Risk & Compliance Officer of the NewCo (joint meeting of 16 March 2023).

3.4.4 Nomination Committee (CONOM)

3.4.4.1 Composition and meetings

The CONOM has four members, half (50%) of whom are independent directors, and none of whom hold any management position in the group.

CONOM is composed of the following members: Patricia LACOSTE (independent director), Christophe PERILLAT (independent director), Diony LEBOT and Delphine GARCIN-MEUNIER.

3.4.4.2 Duties

CONOM is a specialised committee of the Board of Directors whose main mission is to advise the Board of Directors on the composition of the management bodies of the Company and the Group.

Acting under the responsibility of the Board of Directors, CONOM has the following duties:

- identify and recommend to the Board of Directors suitable candidates for the positions of director, Head of Risk Function, Chief Financial Officer, Chief Compliance Officer and other executive corporate officers, with a view to proposing their candidacy or the validation of their co-optation at the Shareholders' Meeting. It issues an opinion on the members and Chairs of the specialised committees. Lastly, it implements a procedure for selecting future independent directors within the meaning of the AFEP-MEDEF Code;
- assessing the balance and diversity of knowledge, skills and experience of the members of the Board of Directors, both individually and collectively, and specifying the duties and qualifications required for the duties performed on the Board of Directors and its specialised committees, as well as the time required to perform these functions. In this context and in order to carry out this assessment, the committee verifies at least once a year the knowledge, skills and experience of the members of the Board of Directors, both individually and collectively, and reports thereon to the Board of Directors;
- analyse and assess any potential conflict of interest for senior executives and members of the Board of Directors;
- identify and recommend suitable candidates for the succession of executive corporate officers;
- set a target for balanced representation of women and men on the Board of Directors and develop a policy to achieve this objective;
- periodically assess, and at least once a year, the structure, size, composition and effectiveness of the Board of Directors with regard to the missions entrusted to it, and formulate any useful recommendations. Every three years, when the assessment is carried out by an external firm, the committee makes all proposals for the selection of the firm and the proper conduct of the assessment;
- periodically reviewing the policies of the Board of Directors relating to the selection, appointment and succession of the members of the Management Board and the heads of the risk, compliance, audit and finance functions. It makes recommendations on these issues;
- where applicable, verify that the assessments it carries out are made public in accordance with the applicable provisions.

The Nomination Committee ensures that the Board of Directors is not dominated by one person or a small group of persons in a way that is detrimental to the interests of the Company.

3.4.4.3 Activities carried out during 2023

In 2023, the CONOM met five times, including once in a joint CONOM-CACI session (on 29 June 2023); the attendance rate was 100%.

The CONOM Meetings were attended by the Chairperson of the Board of Directors (there was a change of Chair following a decision of the Board of Directors on 24 May 2023), and the Chief Executive Officer (who left the meeting whenever his personal situation was discussed), and representatives of the Human Resources Department of the Company and Societe Generale (who provided the data needed by the committee, etc.).

The committee reviewed the following matters:

- items related to office positions:
  - directorships (resignation of Mrs. DESTRE-BOHN, resignation of Mr. OUDEA, appointment of Mrs. MATHER, renewal of the terms of office of Mrs. LEBOT, Mr. ALBERTSEN, Mrs. LACOSTE and Mr. OUDEA (before his resignation on 15 December 2023)/ proposed new mandates,
  - the appointment of Mr. PALMIERI as Chairperson of the Board of Directors to replace Mrs. LEBOT (made by decision of the Board of Directors on 24 May 2023),
  - situation of the terms of office of Chief Executive Officer and Deputy Chief Executive Officer (expiry March 2024),
  - the assessment of the conflict of interest related to the possible assumption of an external mandate by Mr. DURAND;
- other items:
  - review of the response letter to the HCGE,
  - review of the 2022 annual assessment/launch of the 2023 annual assessment,
  - review of the compensation of independent directors.

In 2023, the activities of the Nomination Committee were impacted by exceptional events related to the context of the acquisition of LeasePlan and the new regulated status of the Financial Holding Company (FHC) adopted by ALD.

Consequently, the committee carried out specific monitoring:

- the process for appointing regulated functions and review of the profiles envisaged for future regulated functions;
- the selection process for key positions in the new ALD/LeasePlan scope;
- the choice of the new Chief Financial Officer, the organisation of the Finance Department and the Internal Control Department reviewed and adapted to the challenges of the new ALD-LeasePlan consolidated structure (joint CONOM-CACI Meeting of 29 June);
- the draft new Bylaws and Internal Rules of the Board, updated in line with the new regulated status.

3.4.5 Strategic Committee (COSTRAT)

3.4.5.1 Composition and meetings

The COSTRAT is composed of five members, including an independent director, and is chaired by the Chairperson of the Board of Directors.

The COSTRAT is composed of the following members: Pierre PALMIERI, Christophe PERILLAT (independent director), Diony LEBOT, Delphine GARCIN-MEUNIER and Mark STEPHENS.

3.4.5.2 Duties

The COSTRAT monitors the main actions undertaken by the Company's General Management in order to achieve the objectives set in any strategic plan and ensures that its implementation leads to the growth of the Company and the generation of long-term revenue.

Under the responsibility of the Board of Directors, to which it reports regularly, and without prejudice to the legal powers vested in the Company's administrative and management bodies, the Strategy Committee:

- is consulted for the preparation and any recommendations to the Board of Directors with regard to long/medium/short-term strategic plans and ensures that its design, structure, timetable and the resources allocated to them are consistent and promote profitability;
- evaluates the adequacy, effectiveness and sustainability of the measures put in place by General Management to guarantee the Company's competitiveness;
- evaluates and reviews the benchmark reports provided by management to gain a comprehensive view of the Company's market trends and positioning;
- in particular, monitors the corporate and social responsibility policies implemented by the Company;
- makes recommendations to the Board of Directors with respect to its annual budget as well as any significant audits performed by regulatory authorities;
- keeps the Board of Directors regularly informed of the Company's financial ratings and investor relations;
- is consulted, prior to the approval of the Board of Directors, for all investment projects or transactions relating to disposals and acquisitions likely to significantly affect the results of the Company, in accordance with Article 2.3e of the Internal Rules of the Board of Directors.

3.4.5.3 Activities carried out during 2023

In 2023, the activities of COSTRAT were impacted by exceptional events related to the context of the acquisition followed by the integration of LeasePlan and the new regulated status of the Financial Holding Company (FHC) adopted by ALD. The main focus was on the preparation of the Capital Market Day of 21st September 2023.COSTRAT was thus only able to meet once; all its members were present.

3.5 Statement relating to corporate governance

Since the listing of the Company's shares on Euronext Paris, the Company has followed the recommendations of the AFEP-MEDEF Code, which is regularly amended. The table below lists the recommendations of the AFEP-MEDEF Code for which the Company considers it important to provide explanations regarding its compliance.

Compliance with the recommendations of the AFEP-MEDEF Code

In addition to the organisation of strategic exchange seminars during which directors have the opportunity to deepen their knowledge of various subjects, particularly those related to mobility (connected vehicles, car sharing, EV, etc.), a training programme has been set up for 2023, including a regulatory component, a CSR component and a business component. This programme will reinforce the Board of Directors' expertise of the regulated environment in which Ayvens will have to operate while improving its understanding of central CSR issues as well as its comprehension of the business's operational constraints.

The AFEP-MEDEF Code to which the Company adheres may be consulted online at: http://www.afep.com.

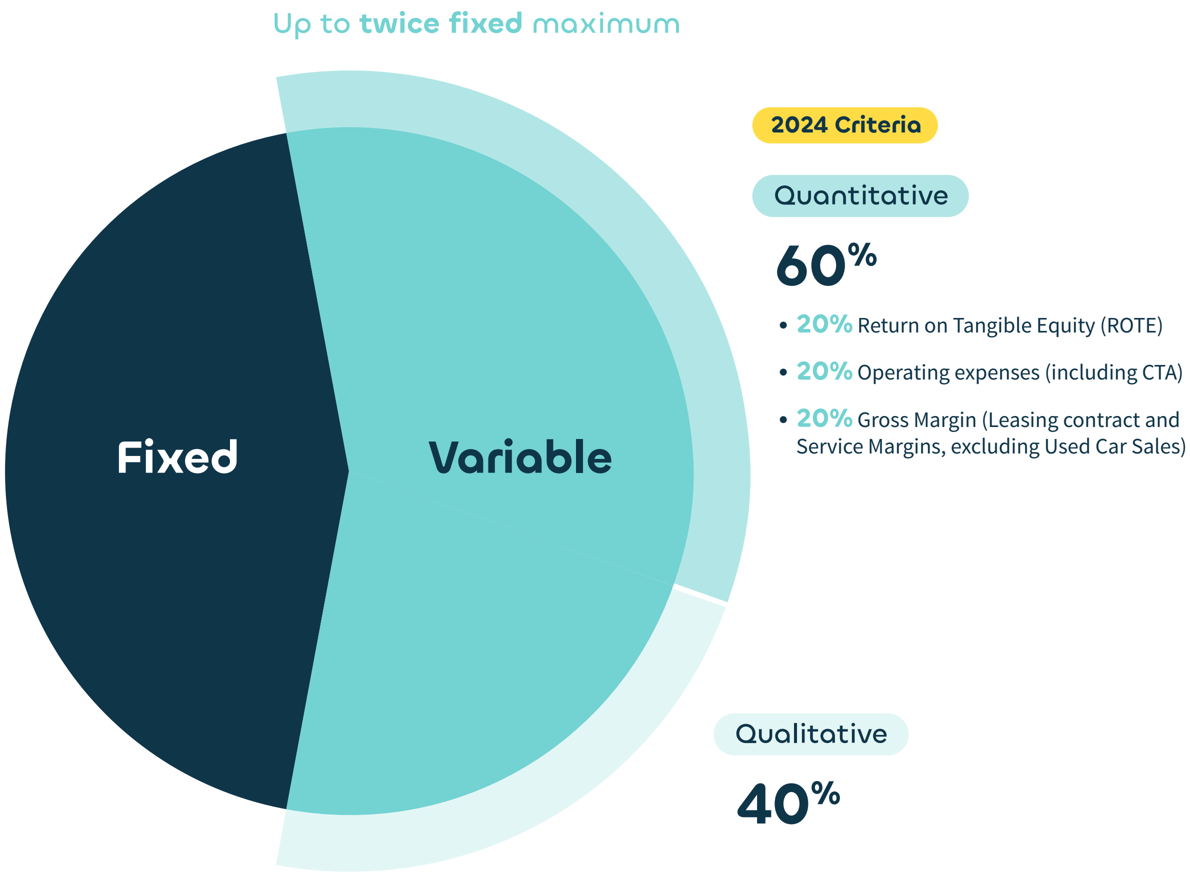
AFEP-MEDEF recommendations	Company's position and justification
Recommendations relating to the composition of the Nomination Committee by a majority of independent directors (Article 18.1)	The Nomination Committee is not composed of a majority of independent directors. However, half of the members of the Nomination Committee are independent, including its Chairman. The shareholding structure (presence of a majority shareholder) is reflected in the composition of this committee.
Recommendations relating to the holding of ALD shares by directors from Societe Generale (Article 21)	This recommendation is only applied with regard to ALD independent directors. The absence of a share ownership requirement for ALD non-independent directors (who are generally employees of Societe Generale group) is due to the fact that these individuals exercise their non-executive mandate with ALD without additional remuneration and are already highly exposed to the evolution of Societe Generale shares through profit-sharing or employee saving plans. It was therefore not considered appropriate to create an additional constraint for these individuals, who are in any case already heavily involved in the success of the Company.
Recommendations relating to the presence of a director representing employees on Compensation Committee (Article 19.1): *"It is recommended […] that an employee-director be a member of the committee."*	Societe Generale, the parent company, applies this recommendation. Pursuant to Article L. 225-27-1 of the French Commercial Code *(Code de commerce)*, the Company is exempt from having directors representing employees on the Board as far as the parent company, Societe Generale, has such directors on its own Board.

3.6 Internal control

The internal control systems implemented by the Group are described in detail in Section 4.2.4 "Internal control framework" and in Section 3.4.1 "Audit, Internal Control and Risk Committee" of this Universal Registration Document.

3.7 Compensation and benefits

Compensation structure



Structure of compensation

Vesting procedure for total variable compensation.

In accordance with Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 (the "CRD 5"), the Board of Directors has defined the following terms for the vesting and payment of total variable compensation:

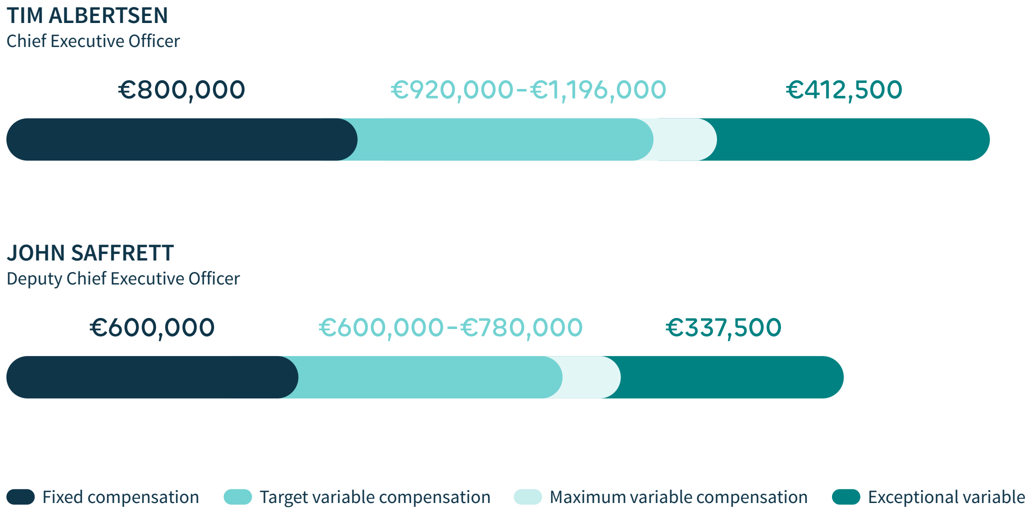
- a deferred portion subject to a condition of presence in the Company and a performance condition, vested in tranches of one-fifth over a five-year period, with a minimum deferral rate of 60%;
- at least 50% is indexed to the ALD share price (or share equivalents), resulting in 50% of the vested portion and a minimum of 50% of the unvested portion;
- the amount of the variable portion immediately granted in cash may not exceed 20% of the total amount.

The deferred portion is vested subject to:

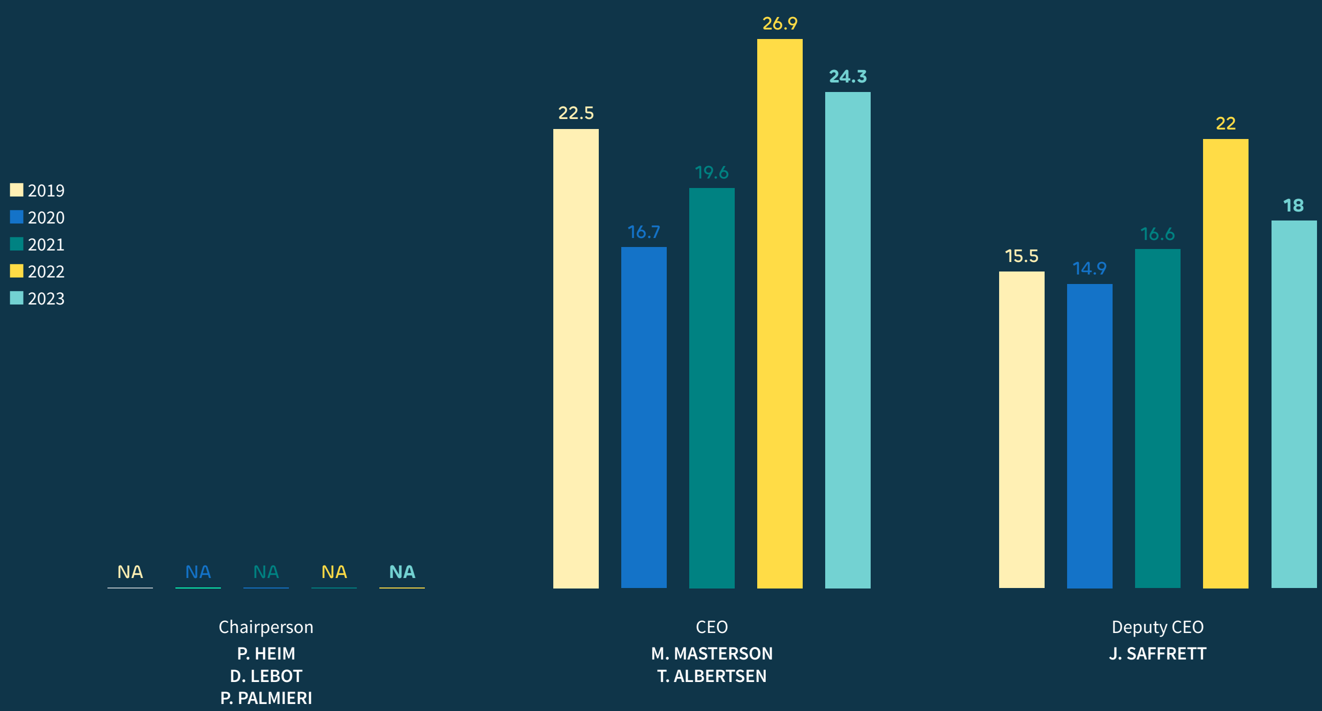
- a condition of continued presence. Exceptions to the latter condition are retirement, death, disability with incapacity to perform one's functions or a decision of the Board of Directors based on the terms of departure;
- reconsideration under a "malus" clause in the event of a significant deterioration of financial performance or a failure of duty;
- a profitability condition defined as ALD's positive Net income for the period (based on an arithmetical average) over the vesting period.

The deferred portion is also subject to a clawback clause valid for five years, which can be activated in the event of acts or behaviour deemed rash in terms of risk-taking, subject to applicability within the relevant legal and regulatory framework.

2024 compensation



Equity ratio–Average compensation



3.7.1 Compensation and benefits of executive corporate officers and directors

Since the listing of the Company's shares on Euronext Paris, the Company applies the recommendations of the AFEP-MEDEF Code (with the exception of the recommendations referred to in section 3.5 "Statement relating to corporate governance" of this Universal Registration Document).

The tables below summarise the compensation and benefits of all kinds paid to executive corporate officers and directors by the Company or any company included in the scope of consolidation within the meaning of Article L. 233-16 of the *French Commercial Code*, in respect of their term of office within ALD. The Chief Executive Officer and the Deputy Chief Executive Officers were previously employees of Societe Generale. Their employment contracts with Societe Generale were suspended after the listing of the Company's shares on Euronext Paris or upon their appointment if this took place at a later date.

Furthermore, the compensation of executive corporate officers complies with:

- Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 ("CRD5"), which requires that credit institutions apply compensation policies and practices that are compatible with effective risk management;
- the provisions of the *French Commercial Code*.

In accordance with the provisions of the *French Commercial Code*, no variable, annual or exceptional compensation shall be paid to the executive corporate officers without the prior approval of shareholders (say on pay, *ex post* vote).

3.7.1.1 Compensation policy principles applied in the 2023 financial year

The compensation policy applicable to the executive corporate officers was approved by the Board of Directors on 23 March 2023 and by the Annual General Meeting of 24 May 2023 (*ex ante* vote).

The compensation policy is aligned with the interests of the Company's various stakeholders *via* quantitative and qualitative performance objectives linked to the corporate strategy of Ayvens, which are used to determine the variable compensation of executives.

It is in line with the Company's corporate interest through the use of qualitative (non-financial) performance indicators, in particular objectives relating to environmental, social and governance (ESG) criteria, including the Group's staff engagement levels.

It supports the commercial strategy by integrating performance indicators for executives linked to commercial objectives, customer satisfaction and the development of strategic partnerships.

It also contributes to the sustainability of the Company by creating a direct link between the variable compensation of executives and objectives aimed at implementing the long-term strategy of the ALD Group.

Accordingly, the compensation policy provides for the deferred payment over a period of five years of the variable portion subject to presence and performance conditions. The purpose of this is to retain executives over the long term and take into account the Company's results over a period of five years following the end of the financial year. A minimum of 50% of variable compensation is paid in the form of ALD shares or phantom share units to enable an alignment of the interests of executives with the long-term interests of shareholders.

The "*malus*" clause and clawback mechanism make it possible to take into account risk management and compliance over that five-year period.

The compensation policy applicable to executive corporate officers is defined by the Board of Directors of ALD on the recommendations of the COREM. Executive corporate officers do not participate in the discussions and deliberations of the Board and the COREM concerning the policy applicable to their own compensation. The "target" levels of fixed and variable compensation take into account market practices based on studies carried out by an independent firm.

Executive corporate officers are subject to an annual independent assessment by the Risk Department and Compliance Department of Societe Generale. In the event of a negative assessment, the conclusions are shared with the Board in order to be included in their deliberations.

In the context of the acquisition of LeasePlan, the firm Korn Ferry was mandated to establish a benchmark for the compensation of the executive corporate officers taking into account the size of the entity post-acquisition. Based on this benchmark, the Board of Directors approved an adjustment to the target compensation of Tim ALBERTSEN and John SAFFRETT, presented below, based on a proposal by the COREM. The COREM observed that the target compensation of both Tim ALBERTSEN and John SAFFRETT was lower than the market level for equivalent positions in listed companies of a similar size. The new target remuneration is applicable since the effective acquisition of LeasePlan on 22 May 2023.

Furthermore, to better align with the practices of companies listed on the Next 20, COREM decided that the qualitative part of the variable remuneration would henceforth be capped at 130% (rather than 110%) in the case of outperformance.

Upon the acquisition of LeasePlan, Ayvens became a regulated entity and as such, the minimum level of deferral for the variable remuneration of the Chief Executive Officer and Deputy Chief Executive Officer is henceforth 60% (*versus* 40% previously).

Compensation of directors

The policy governing the remuneration of independent directors was approved by the Board of Directors on 7 February 2018.

In accordance with the recommendations of the AFEP-MEDEF Code, it includes (i) a fixed component, revalued in 2023 at EUR 36,000, which is paid to the independent directors and Chairmen of the specialized committees, to reward their long-term commitment and the responsibilities associated with their mandates, and (ii) a variable component, to reward attendance and participation at the various meetings of the Board and the specialized committees (EUR 3,000 per meeting), the total of which is calculated on the basis of directors' attendance.

The Chairpersons of the specialised committees receive 50% more than committee members because of the greater level of personal investment required.

Global annual attendance fees of EUR 400,000 were approved by the Annual General Meeting of 18 May 2022.

Compensation of the Chair

Successively, Mrs. Diony LEBOT and then Mr. Pierre PALMIERI did not receive any compensation for their role as Chair of the Board of Directors and were directly compensated by Societe Generale for their duties as Deputy Chief Executive Officer of Societe Generale.

Compensation of executive officers

The compensation for 2023 of the Chief Executive Officer and the Deputy Chief Executive Officer is broken down into the following three components:

- fixed compensation, which recognises the experience and responsibilities exercised, and takes into account market practices;
- annual variable compensation, which depends on performance for the year and the contribution of the executive corporate officers to the success of ALD;
- exceptional variable remuneration, which is conditional on the achievement of targets related to the integration of LeasePlan and related synergies (reference period concerning 2023 and 2024, final award to be determined *ex post* in 2025).

Fixed compensation

The annual fixed compensation amounts at the end of the 2023 financial year are as follows:

- Tim ALBERTSEN, Chief Executive Officer: EUR 800,000;
- John SAFFRETT, Deputy Chief Executive Officer: EUR 600,000.

In accordance with the governance in place in respect of compensation, these changes were decided by the Board of Directors on the proposal of the COREM, which was based on a compensation study carried out with the firm Korn Ferry to take account of market practices among companies of a similar size.

These fixed remuneration amounts are applicable since the closing date of the acquisition of LeasePlan and were approved by the Annual General Meeting of 24 May 2023.

Variable compensation

General principles

On 23 March 2023, the Board of Directors defined the components of variable compensation for 2023, which were approved by the Annual General Meeting of 24 May 2023. The annual variable compensation is calculated on the basis of quantitative criteria (60%) and qualitative non-financial criteria (40%).

The table below shows the target and maximum amounts of variable compensation. In the case of overperformance, the maximum variable remuneration is capped at 130% of the target variable remuneration.

The annual target variable compensation amounts applicable *prorata-temporis* up until the date of the closing remain unchanged from 2022. The amounts are as follows:

(in EUR)	Target variable compensation in 2023	*O/w quantitative portion*	*O/w qualitative portion*	Maximum variable compensation 2023	*O/w quantitative portion*	*O/w qualitative portion*
Tim ALBERTSEN	450,000	270,000	180,000	585,000	351,000	234,000
John SAFFRETT	400,000	240,000	160,000	520,000	312,000	208,000

The annual target variable compensation amounts applicable *prorata-temporis* for the period post closing are as follows:

(in EUR)	Target variable compensation in 2023	*O/w quantitative portion*	*O/w qualitative portion*	Maximum variable compensation 2023	*O/w quantitative portion*	*O/w qualitative portion*
Tim ALBERTSEN	920,000	552,000	368,000	1,196,000	717,600	478,400
John SAFFRETT	600,000	360,000	240,000	780,000	468,000	312,000

Quantitative portion

For the period from 1 January 2023 up until the date of closing, the quantitative portion (60%) for 2023 is assessed on the perimeter of the former ALD on the basis of the following four indicators:

- growth in the Fleet – weighting: 10%;
- growth in the Services margin and Leasing contract margin (corresponding to NBI excluding used car sales) – weighting: 10%;
- the cost/income ratio excluding used car sales – weighting: 10%;
- earnings per share (EPS) – weighting: 30%.

As of the effective closing of the LeasePlan acquisition, the quantitative portion (60%) is assessed on the new consolidated perimeter of Ayvens (the former ALD and LeasePlan) the basis of the following four indicators:

- growth in the funded fleet – weighting: 30%;
- the level of overheads – weighting: 10%;
- the cost/income ratio excluding used car sales – weighting: 10%;
- earnings per share (EPS) – weighting: 10%.

The indicators and weightings have been modified for the post transaction period in order to take into account the priorities of the new combined entity, notably commercial growth and cost control.

The target amounts for these quantitative criteria were precisely established by the COREM and approved by the Board of Directors, but are not being made public for reasons of confidentiality. The indicators/targets were set for the pre-closing period excluding non-recurring items linked to the acquisition of LeasePlan.

Due to the exceptional nature of 2023, with the acquisition of LeasePlan expected during the course of the financial year, the Board of Directors decided to evaluate the periods prior to and post closing separately.

Exceptionally, the Board fixed the targets for these quantitative criteria on the perimeter of the former ALD alone for the first part of 2023 until closing and then established, after the effective acquisition of LeasePlan, the new target amounts for the quantitative criteria retained for that period on the combined perimeter of Ayvens (the former ALD and LeasePlan), taking into account the financial data that was only available after closing.

The Board of Directors assessed the degree to which quantitative objectives had been achieved at closing (for the period from 1 January until the date of closing) and then after the close of the financial year, on the basis of the published results. The Board of Directors is empowered to decide, on the recommendation of the COREM, whether to make restatements for non-recurring exceptional and unbudgeted items not resulting from managerial decisions or operational management of activities.

In 2023, the achievement rate for the quantitative portion for the pre-closing period was 67.68% (an achievement rate of 112.8% on a base of 100), as indicated below:

Indicators	Weighting	Achievement rate
Growth of the Fleet	10%	9.88%
Growth of the service margin and the Leasing contract margin	10%	13.00%
The cost/income ratio excluding used car sales	10%	13.00%
Earnings per share (EPS)	30%	31.80%
TOTAL	**60%**	**67.68%**

In 2023, the achievement rate for the quantitative portion for the post-closing period was 39% (an achievement rate of 65% on a base of 100), as indicated below:

Indicators	Weighting	Achievement rate
Funded Fleet growth	30%	39%
Overheads	10%	0%
The cost/income ratio excluding used car sales	10%	0%
Earnings per share (EPS)	10%	0%
TOTAL	**60%**	**39%**

Qualitative (non-financial) portion

The qualitative non-financial portion (40%) is based on objectives set each year in advance by the Board of Directors for the coming financial year. In this respect, the collective and individual objectives were set with an equivalent weighting. The criteria specifying how the achievement of each qualitative objective would be measured have been established by the COREM and approved by the Board of Directors. These criteria are not made public for reasons of confidentiality.

The objectives are set for the full 2023 financial year and are linked to the implementation of the long-term strategy of Ayvens.

In compliance with the recommendations of the AFEP-MEDEF Code, it is proposed for 2023 that the collective objectives be based on criteria linked to the ESG strategy, and in line with the trajectory defined in Chapter 5 of the 2022 Universal Registration Document:

- the rollout of the development programme for electric and hybrid vehicles in the main countries and the proportion they represent within the fleet;
- objectives for the reduction of CO_2 emissions, relative to the internal CO_2 emissions indicator covering Scopes 1, 2, and the part of scope 3 included in this indicator (see section 5.5 of the 2022 Universal Registration Document);
- customer satisfaction as assessed using satisfaction surveys (measured by the net promoter score);
- objectives intended to promote gender equality, measured taking into account our engagements concerning the proportion of female representation in the senior management bodies;
- consideration of the results of the employee engagement rate, measured *via* our employer barometer;
- positioning in the principle extra-financial ratings.

As such, the objectives linked to the ESG strategy represent a weight of 20% in the calculation of the annual variable compensation.

The individual objectives of the executive corporate officers include:

- the implementation of organisational structures and strategic plans specific to their areas of responsibility;
- the definition and implementation of the sourcing and strategic partnerships strategy;
- the management of relations with investors;
- the quality of risk and compliance management.

The objectives based on the individual perimeter of supervision of each executive officer represent a weight of 20% in the calculation of the annual variable remuneration.

These objectives were assessed by the Board of Directors after the end of the financial year on the basis of predefined criteria on the recommendation of the COREM.

Based on the evaluation of the qualitative component for the 2023 financial year, an achievement rate of 40% (an achievement rate of 100% on a base of 100) was obtained for Tim ALBERTSEN and 40% (an achievement rate of 100% on a base of 100) for John SAFFRETT.

Variable remuneration amounts for 2023

Based on the target variable remuneration amounts for 2023 (prorated for the pre-closing and post-closing periods) and taking into account the quantitative and qualitative performance assessments detailed above, the proposed total annual variable remuneration for 2023 are as follows.

- Tim ALBERTSEN: EUR 632,563.
- John SAFFRETT: EUR 457,166.

These amounts are subject to final validation at the Annual General Meeting of 14 May 2024. No payments will be made prior to such meeting.

Vesting procedure for total variable compensation

In accordance with CRD5, the Board of Directors has defined the following terms for the vesting and payment of total variable compensation:

- a deferred portion subject to a condition of presence in the Company and a performance condition, vested in instalments of one-fifth over a five-year period, with a minimum deferral rate of 60%;
- at least 50% is indexed to the ALD share price (share equivalents), resulting in 50% of the vested portion and a minimum of 50% of the unvested portion;
- the amount of the variable portion immediately granted in cash may not exceed 20% of the total amount [1].

(1) In the 2023 compensation policy principles described in the 2022 URD, it was indicated 30% instead of 20%. Since the acquisition of LeasePlan, ALD is a regulated entity and as such, the minimum level of deferral for the variable remuneration of the Chief Executive Officer and Deputy Chief Executive Officer is 60% (versus 40% previously). As a consequence, the amount of the variable portion immediately granted in cash may not exceed 20% of the total amount (versus 30% previously)

The deferred portion is vested subject to:

- a condition of continued presence. Exceptions to this condition are retirement, death, disability with incapacity to perform one's functions or a decision of the Board of Directors based on the terms of departure;
- reconsideration under a "*malus*" clause in the event of a significant deterioration of financial performance or a failure of duty;
- a profitability condition defined as ALD's positive Net income for the period (based on an arithmetical average) over the vesting period.

The deferred portion is also subject to a clawback clause valid for five years, which can be activated in the event of acts or behaviour deemed rash in terms of risk-taking, subject to applicability within the relevant legal and regulatory framework.

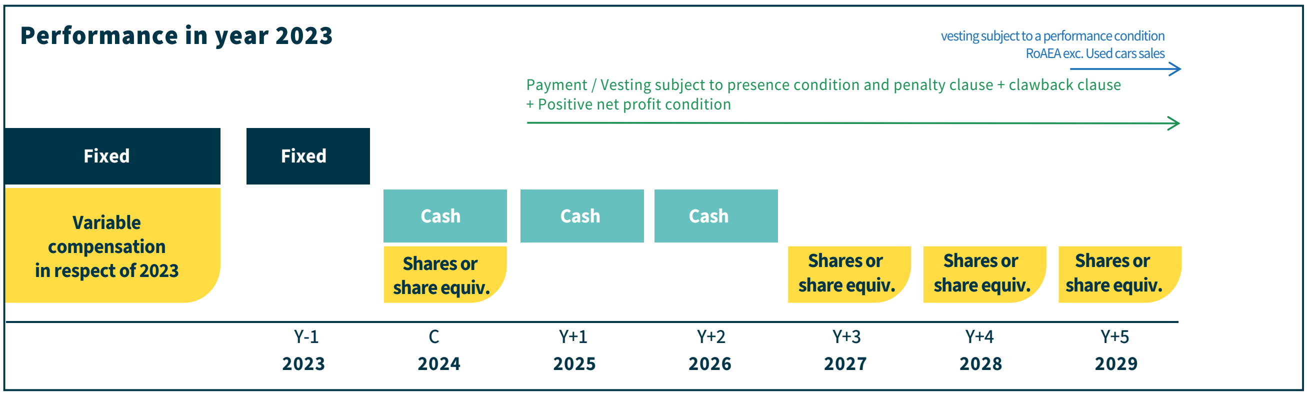
Payment of the last tranche of the deferred part at the end of five years is also conditional on the Return on Average Earning Assets excluding used car sales (RoAEA excluding used car sales). The full amount will only be paid if such RoAEA is above 2.3% (based on an arithmetic average) during the vesting period. If it is below 1.8%, no amount will be paid. If the RoAEA is between 1.8% and 2.3%, the COREM will propose a vesting percentage to the Board of Directors.

The Board of Directors is empowered to decide, upon the recommendation of the COREM, whether to make restatements for non-recurring exceptional and unbudgeted items not covered by managerial decisions or operational management of activities.

Exceptionally, the Board of Directors retains the right to review this performance condition during the year, taking into account financial data that will be available only after closing.

Moreover, the Chief Executive Officer and the Deputy Chief Executive Officer are prohibited from hedging their shares or share equivalents throughout the vesting and holding periods.

Total variable compensation – Chronology of payments in amounts or shares



Exceptional variable compensation

In view of legislation requiring an *ex ante* vote on all provisions of the compensation policy, the Board of Directors wanted to reserve the option of paying, where relevant, additional variable compensation in the event of exceptional circumstances of particular importance for the Company, requiring significant involvement or the management of difficulties.

In the context of the acquisition of LeasePlan and on the recommendation of ALD's COREM, an exceptional compensation plan was implemented in order to:

- retain key ALD employees for the purposes of the transaction and the business;
- provide an incentive for the successful completion of the transaction (finalise the closing and move ahead with the integration phase);
- enable business continuity during the transition period.

This compensation is established in accordance with the general principles of the AFEP-MEDEF Code regarding compensation.

In all cases, in accordance with CRD5 in force, the amounts decided with respect to this exceptional incentive bonus were calculated such that the total annual variable compensation amount including this exceptional compensation would not be more than twice the annual fixed compensation amount. These amounts were established taking into account the level of contribution expected from each beneficiary in relation to the transaction and with regard to external benchmarks.

Given the schedule of the transaction, this exceptional variable remuneration will be applicable over several financial years, and will be granted in two instalments, half after the closing of the transaction and half after completion of the main integration phase.

The amounts were defined as follows:

- Tim ALBERTSEN: 150% of his fixed salary for 2022, *i.e.* EUR 825,000 (of which a maximum of EUR 412,500 relating to 2023 and 2024);
- John SAFFRETT: 150% of his fixed salary for 2022, *i.e.* EUR 675,000 (of which a maximum of EUR 337,500 relating to 2023 and 2024).

This incentive bonus will be awarded subject to:

- a condition of presence in the Company at the time of the award;
- a performance condition and award [1] in two stages:
  - an interim award [1] of up to 50% of the total amount on the successful closing of the acquisition of LeasePlan,
  - the balance on the successful completion of the main integration phase and the achievement of expected synergies.

The first instalment was awarded further to the acquisition of LeasePlan and the award was validated *ex post* by the Annual General Meeting of 24 May 2023.

The main steps related to this acquisition were the following:

- the lifting of the main regulatory conditions, *i.e.* authorizations by the competent regulatory authorities (ACPR, ECB, DNB) and the exemption by the AMF from launching a takeover bid;
- the lifting of all competitive conditions precedent to the Acquisition, including the authorization issued by the European Commission and several other anti-trust authorizations issued by competent foreign authorities in the United Kingdom, Brazil, Mexico and Turkey;
- the capital increase in December 2022, which amounted to EUR 1.2 billion, thus securing the cash component of the purchase price;
- the effective completion of the closing (and, consequently, the completion of the above steps) before the Annual General Meeting of 24 May 2023.

As the second instalment of the exceptional variable compensation relates to the integration period, which overlaps between financial years 2023 and 2024, it will be presented in the respective *ex ante* reports. The second instalment will therefore be approved in 2025, following the 2024 *ex post* report. The Board of Directors fixed the performance conditions related to the second instalment of the exceptional variable compensation, in particular the key milestones to be achieved under the integration programme as well as the expected synergies (see Section 3.7.1.2).

The Board of Directors will maintain the option of deciding, upon the recommendation of the COREM, whether to pay all or part of this exceptional incentive bonus based on the individual contributions of each executive corporate officer in the achievement of these performance conditions.

The Board of Directors has set a maximum deadline for the achievement of each performance condition. In the event of a delay in execution due to exceptional factors not related to managerial decisions or operational activity management, the Board of Directors will maintain the option of deciding, on the recommendation of the COREM, whether to extend the maximum period for the achievement of the performance conditions.

It will be subject to the same with the terms of payment as the annual variable compensation and be subject to the same deferral and vesting conditions.

No exceptional variable compensation will be awarded to the executive corporate officers without obtaining the prior approval of the shareholders for the financial year concerned (say on pay, *ex post* vote).

Other benefits

Each executive corporate officer receives a Company car as well as a health insurance plan, the health, death and disability insurance coverage of which is in line with employee coverage.

The compensation policy provides, where applicable, for the assumption of certain costs when the duties require the Chief Executive Officer and the Deputy Chief Executive Officer and their families to relocate to different locations. In particular, housing costs, moving costs and school fees for children whose enrolment in a school of the relevant nationality/language is justified may be covered. To that end, Tim ALBERTSEN and John SAFFRETT receive housing allowances.

Equity ratio and changes in compensation *versus* performance

The tables below show the ratios between the total compensation due for the financial year for the Chief Executive Officer and Deputy Chief Executive Officer and the average and median compensation of the other employees of ALD SA (holding company) and of the Ayvens Group in France (ALD SA, ALD France (Temsys) and LeasePlan France), corresponding to the enlarged scope which represents the entirety (100%) of the Ayvens Group's workforce in France), including employees of Societe Generale working within either of these companies under secondment contracts.

This information is presented for the five most recent financial years and the methodology and tables used are those set out in the February 2021 publication of the AFEP guidelines on compensation ratios.

The information on the compensation of the Chief Executive Officer and Deputy Chief Executive Officer concerns the position of the executive corporate officer and not the person.

It should be noted that the Chair does not receive any compensation for her/his position as Chair of the Board of Directors of ALD, as she/he is compensated by Societe Generale for her/his duties within the Company.

For the 2023 financial year, the denominator was calculated of the basis of an estimation, since the final data was not available at the time of publication.

Within the extended perimeter, the remuneration of LeasePlan employees, who have been integrated only from May 2023 has been annualized.

The compensation and benefits of the Chief Executive Officer and Deputy Chief Executive Officer taken into account for the calculation of the ratios are exhaustive and correspond to those detailed in the standardised Table 2 of the AFEP-MEDEF Code.

The compensation is taken into account on a gross basis (excluding employer social contributions).

(1) Change of wording in the 2023 compensation policy principles described in the 2022 English version of the Universal Registration Document ("award" instead of "payment"). Half of this incentive bonus is definitively awarded at this stage and subject to the same terms of payment as the annual variable compensation and the same deferral vesting conditions as already indicated in the 2023 compensation policy principles described in the 2022 English version of the Universal Registration Document

Tables of ratios under I. 6° and 7° of Article L. 22-10-9 of the *French Commercial Code*

	Mike MASTERSON	Mike MASTERSON until 27/03/20 Tim ALBERTSEN since 27/03/20	Tim ALBERTSEN	Tim ALBERTSEN	Tim ALBERTSEN
	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022	Financial year 2023
Change (in %) in the CEO's remuneration	11%	-28%	30%	48%	-9%
Information on the scope of the listed company					
Change (in %) in average employee remuneration	0%	0%	10%	11%	-8%
Ratio to average employee remuneration	12.2	8.8	10.3	13.7	13.7
Change in the ratio (in %) compared to the previous year	12%	-28%	17%	33%	0%
Ratio to median employee compensation	15.0	10.9	13.1	18.3	17.0
Change in the ratio (in %) compared to the previous year	9%	-28%	21%	39%	-7%
Additional information on the extended perimeter					
Change (in %) in average employee remuneration	1%	-2%	10%	7%	1%
Ratio to average employee remuneration	22.5	16.7	19.6	26.9	24.3
Change in the ratio (in %) compared to the previous year	11%	-26%	17%	37%	-10%
Ratio to median employee compensation	28.2	21.1	25.0	34.9	30.0
Change in the ratio (in %) compared to the previous year	11%	-25%	18%	40%	-14%
Company performance					
Financial criterion – Net income Group share	564.2	509.8	873.0	1215,5	816,2
Change (in %) compared to previous year	2%	-10%	71%	39%	-33%

As Tim ALBERTSEN was appointed to replace Mike MASTERSON in March 2020, the ratio for the financial year 2020 also takes into account the latter's remuneration for the period from 1 January to 27 March 2020.

	John SAFFRETT since 01/04/19	John SAFFRETT	John SAFFRETT	John SAFFRETT	John SAFFRETT
	Financial year 2019	Financial year 2020	Financial year 2021	Financial year 2022	Financial year 2023
Change (in %) in the CEO's remuneration	N/A	-6%	23%	43%	-17%
Information on the scope of the listed company					
Change (in %) in average employee remuneration	0%	0%	10%	11%	-8%
Ratio to average employee remuneration	8.4	7.8	8.7	11.2	10.1
Change in the ratio (in %) compared to the previous year	N/A	-7%	12%	28%	-10%
Ratio to median employee compensation	10.3	9.7	11.1	15.0	12.6
Change in the ratio (in %) compared to the previous year	N/A	-6%	15%	35%	-16%
Additional information on the extended perimeter					
Change (in %) in average employee remuneration	1%	-2%	10%	7%	1%
Ratio to average employee remuneration	15.5	14.9	16.6	22.0	18.0
Change in the ratio (in %) compared to the previous year	N/A	-4%	12%	33%	-18%
Ratio to median employee compensation	19.4	18.9	21.2	28.6	22.2
Change in the ratio (in %) compared to the previous year	N/A	-3%	12%	35%	-22%

John SAFFRETT was appointed as the third Deputy Chief Executive Officer on 1 April 2019. As this is not a replacement, his remuneration has been annualised for the purposes of calculating the equity ratio for the 2019 financial year.

Recognition of performance conditions applicable to deferred compensation

The Board of Directors recognised the achievement of the performance conditions applicable to deferred remuneration payable in 2024.

Furthermore, with regard to the performance assessments by the Board of Directors and the independent assessments by Societe Generale's Risk and Compliance Departments, there was no need to make use of the "*malus*" clause or clawback mechanism.

Recognition of the performance condition for the acquisition of pension rights

Details of the pension plans applicable to Chief Executive Officers are provided in paragraph 3.7.2.

Tim ALBERTSEN and John SAFFRETT benefit from a supplementary defined contribution pension plan set up for the members of the Societe Generale Management Committee.

The plan provides for the payment of an annual contribution by the Company into an individual retirement account opened in the name of the eligible employee, based on their fixed compensation exceeding four annual social security ceilings. The Company rate has been set at 8%.

In accordance with applicable law, employer contributions relating to a given year will only be paid in full if at least 50% of the performance conditions for the variable remuneration component for the same year have been met.

As this performance condition is met, the supplementary pension rights in respect of 2023 are vested for Tim ALBERTSEN and John SAFFRETT.

3.7.1.2 Principles of the compensation policy applicable in the 2024 financial year

The compensation policy applicable to the executive corporate officers was approved by the Board of Directors on 21 March 2024 and will be submitted for approval at the Annual General Meeting of 14 May 2024 (*ex ante* vote).

The compensation policy is aligned with the interests of the Company's various stakeholders *via* quantitative and qualitative performance objectives linked to the corporate strategy of Ayvens, which are used to determine the variable compensation of executives.

It is in line with the Company's corporate interest through the use of qualitative performance indicators, in particular objectives relating to environmental, social and governance (ESG) criteria, including the Group's staff engagement levels.

It supports the commercial strategy by integrating performance indicators for executives linked to commercial objectives, customer satisfaction and the development of strategic partnerships.

It also contributes to the sustainability of the Company by creating a direct link between the variable compensation of executives and objectives aimed at implementing the long-term strategy of Ayvens.

Accordingly, the compensation policy provides for the deferred payment over a period of five years of the variable portion subject to presence and performance conditions. The purpose of this is to retain executives over the long term and take into account the Company's results over a period of five years following the end of the financial year. A minimum of 50% of variable compensation is paid in the form of ALD shares or phantom share units to enable an alignment of the interests of executives with the long-term interests of shareholders.

The "*malus*" clause and clawback mechanism make it possible to take into account risk management and compliance over that five-year period.

The compensation policy applicable to executive corporate officers is defined by the Board of Directors on the recommendations of the COREM. Executive corporate officers do not participate in the discussions and deliberations of the Board and the COREM concerning the policy applicable to their own compensation. The "target" levels of fixed and variable compensation take into account market practices based on studies carried out by an independent firm.

Executive corporate officers are subject to an annual independent assessment by the Risk Department and Compliance Department of Societe Generale. In the event of a negative assessment, the conclusions are shared with the Board in order to be included in their deliberations.

The proposed fixed and annual target variable remuneration levels for 2024 set out below are unchanged from 2023 (post closing).

The Board of Directors of 21 March 2024, based on a recommendation of the COREM, validated new Key Performance indicators and weightings for the calculation of the 2024 variable remuneration, presented below, in order to better align with the new Ayvens strategic plan.

Compensation of directors

The policy governing the remuneration of independent directors was approved by the Board of Directors on 7 February 2018.

In accordance with the recommendations of the AFEP-MEDEF Code, it includes (i) a fixed component, revalued in 2023 at EUR 36 thousand, which is paid to the independent directors and Chairmen of the specialized committees, to reward their long-term commitment and the responsibilities associated with their mandates, and (ii) a variable component, to reward attendance and participation at the various meetings of the Board and the specialized committees (EUR 2,000 per meeting increased to EUR 3,000 per meeting for the chairperson), the total of which is calculated on the basis of directors' attendance.

The Chairpersons of the specialised committees receive 50% more than committee members because of the greater level of personal investment required.

Global annual attendance fees of EUR 400 thousand are unchanged from 2023 and were approved by the Annual General Meeting of 18 May 2022.

Compensation of the Chair

Pierre PALMIERI does not receive any compensation for his role as Chair of the Board of Directors and is directly compensated by Societe Generale for his duties as Deputy Chief Executive Officer of Societe Generale.

Compensation of executive officers

The compensation for 2024 of the Chief Executive Officer and the Deputy Chief Executive Officer is broken down into the following three components:

- fixed compensation, which recognises the experience and responsibilities exercised, and takes into account market practices;
- annual variable compensation, which depends on performance for the year and the contribution of the executive corporate officers to the success of Ayvens;
- exceptional variable remuneration, which is conditional on the achievement of targets related to the integration LeasePlan and related synergies (reference period concerning 2023 and 2024, final award to be determined *ex post* in 2025).

Fixed compensation

The proposed annual fixed compensation for 2024 is unchanged from that applicable at the end of 2023 (post closing):

- Tim ALBERTSEN, Chief Executive Officer: EUR 800,000;
- John SAFFRETT, Deputy Chief Executive Officer: EUR 600,000.

Variable compensation

General principles

On 21 March 2024, the Board of Directors defined the components of variable compensation for 2024, which will be submitted for approval by the Annual General Meeting of 14 May 2024. The annual variable compensation is calculated on the basis of quantitative criteria (60%) and qualitative non-financial criteria (40%).

The table below shows the target and maximum amounts of variable compensation in respect of performance in 2024, unchanged from those applicable at the end of 2023 (post closing). In the case of overperformance, the maximum variable remuneration is capped at 130% of the target variable remuneration.

(in EUR)	Target variable compensation in 2024	*O/w quantitative portion*	*O/w qualitative portion*	Maximum variable compensation 2024	*O/w quantitative portion*	*O/w qualitative portion*
Tim ALBERTSEN	920,000	552,000	368,000	1,196,000	717,600	478,400
John SAFFRETT	600,000	360,000	240,000	780,000	468,000	312,000

Quantitative portion

The quantitative portion (60%) for 2024 is assessed on the perimeter of Ayvens on the basis of the following three indicators:

- Return on Tangible Equity (ROTE) [(1)]– weighting: 20%;
- Operating Expenses – weighting: 20%;
- Gross Margin (Leasing contract and Service Margins, excluding Used Car Sales – weighting: 20%.

The indicators and weightings have been modified for 2024 in order to take into account the strategic priorities of Ayvens, notably the return on capital employed, the optimisation of margins and cost control.

The target amounts for these quantitative criteria were precisely established by the COREM and approved by the Board of Directors, but are not being made public for reasons of confidentiality. The indicators/targets were set including all exceptional costs linked to the acquisition and integration of LeasePlan.

The Board of Directors will assess the degree to which quantitative objectives have been achieved after the close of the financial year, on the basis of the published results. The Board of Directors is empowered to decide, on the recommendation of the COREM, whether to make restatements for non-recurring exceptional and unbudgeted items not resulting from managerial decisions or operational management of activities.

Qualitative (non-financial) portion

The qualitative non-financial portion (40%) is based on objectives set each year in advance by the Board of Directors for the coming financial year. In this respect, the collective and individual objectives were set with an equivalent weighting. The criteria specifying how the achievement of each qualitative objective will be measured have been established by the COREM and approved by the Board of Directors. These criteria are not made public for reasons of confidentiality.

The objectives are set for the full 2024 financial year and are linked to the implementation of the long-term strategy of Ayvens.

In compliance with the recommendations of the AFEP-MEDEF Code, it is proposed for 2024 that the collective objectives be based on criteria linked to the ESG strategy, and in line with the trajectory defined in Chapter 5 of this Universal Registration Document:

- objectives for the reduction of CO_2 emissions of the running fleet;
- customer satisfaction as assessed using satisfaction surveys (measured by the net promoter score);
- objectives related to Ayvens Responsible Employer strategy including the results of the employee engagement rate, measured *via* our employer barometer and the progress on gender equality objectives concerning the proportion of female representation in the senior management bodies;
- our positioning in the principal group extra-financial ratings.
- progress against data quality objectives in line with ECB governance requirements.

As such, the objectives linked to the ESG strategy represent a weight of 20% in the calculation of the annual variable compensation.

The individual objectives of the executive corporate officers include:

- the implementation of the organisational structures and strategic plans specific to their areas of responsibility (including for 2024 the following: BEV strategy, margin management, remarketing strategy, digital operating models and cost reduction objectives, procurement operating model, innovation strategy);
- deployment of the new Ayvens' brand throughout the group;
- ensure an effective risk management framework in line with Ayvens' new regulatory requirements.

The objectives based on the individual perimeter of supervision of each executive officer represent a weight of 20% in the calculation of the annual variable remuneration.

These objectives will be assessed by the Board of Directors after the end of the financial year on the basis of predefined criteria on the recommendation of the COREM.

Vesting procedure for total variable compensation

In accordance with CRD5, the Board of Directors has defined the following terms for the vesting and payment of total variable compensation:

- a deferred portion subject to a condition of presence in the Company and a performance condition, vested in tranches of one-fifth over a five-year period, with a minimum deferral rate of 60%;
- at least 50% is indexed to the ALD share price (share equivalents), resulting in 50% of the vested portion and a minimum of 50% of the unvested portion;
- the amount of the variable portion immediately granted in cash may not exceed 20% of the total amount.

(1) See definition in section 2.1.3.5 "Definitions and methodologies,alternative performance measures" of this Universal Registration Document

The deferred portion is vested subject to:

- a condition of continued presence. Exceptions to this condition are retirement, death, disability with incapacity to perform one's functions or a decision of the Board of Directors based on the terms of departure;
- reconsideration under a "malus" clause in the event of a significant deterioration of financial performance or a failure of duty;
- a profitability condition defined as ALD's positive Net income for the period (based on an arithmetical average) over the vesting period.

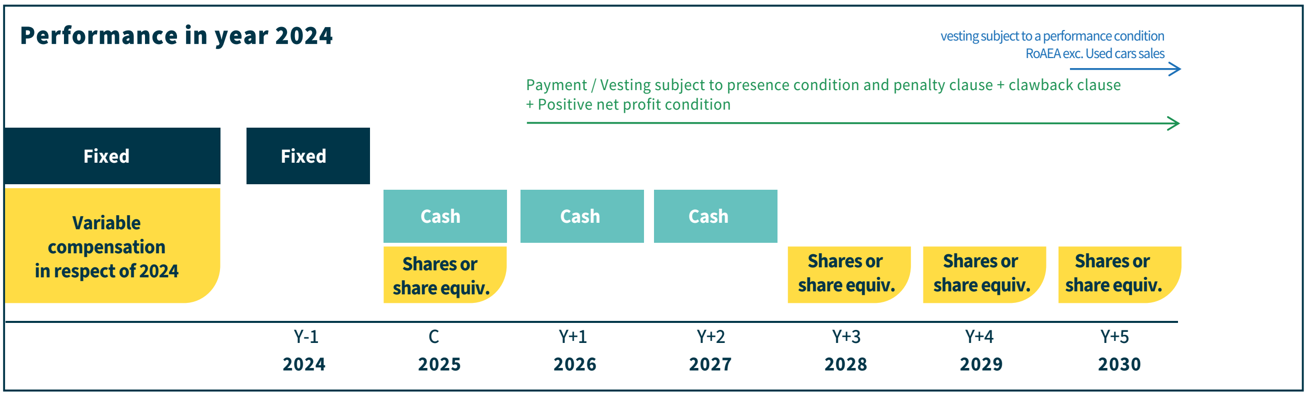
The deferred portion is also subject to a clawback clause valid for five years, which can be activated in the event of acts or behaviour deemed rash in terms of risk-taking, subject to applicability within the relevant legal and regulatory framework.

Payment of the last tranche of the deferred part at the end of five years is also conditional on the Return on Average Earning Assets excluding used car sales (RoAEA excluding used car sales). The full amount will only be paid if such RoAEA is above 2.3% (based on an arithmetic average) during the vesting period. If it is below 1.8%, no amount will be paid. If the RoAEA is between 1.8% and 2.3%, the COREM will propose a vesting percentage to the Board of Directors.

The Board of Directors is empowered to decide, upon the recommendation of the COREM, whether to make restatements for non-recurring exceptional and unbudgeted items not covered by managerial decisions or operational management of activities.

Moreover, the Chief Executive Officer and the Deputy Chief Executive Officer are prohibited from hedging their shares or share equivalents throughout the vesting and holding periods.

Total variable compensation – Chronology of payments in amounts or shares



Exceptional variable compensation

In view of legislation requiring an *ex ante* vote on all provisions of the compensation policy, the Board of Directors wanted to reserve the option of paying, where relevant, additional variable compensation in the event of exceptional circumstances of particular importance for the Company, requiring significant involvement or the management of difficulties.

In the context of the acquisition of LeasePlan and on the recommendation of ALD's COREM, an exceptional compensation plan was implemented in order to:

- retain key employees for the purposes of the transaction and the business;
- provide an incentive for the successful completion of the transaction (finalise the closing and move ahead with the integration phase);
- enable business continuity during the transition period.

This compensation is established in accordance with the general principles of the AFEP-MEDEF Code regarding compensation.

In all cases, in accordance with CRD5 in force, the amounts decided with respect to this exceptional incentive bonus were calculated such that the total annual variable compensation amount including this exceptional compensation would not be more than twice the annual fixed compensation amount. These amounts were established taking into account the level of contribution expected from each beneficiary in relation to the transaction and with regard to external benchmarks.

Given the schedule of the transaction, this exceptional variable remuneration will be applicable over several financial years, and will be granted in two instalments, half after the closing of the transaction and half after completion of the main integration phase.

The amounts were defined as follows:

- Tim ALBERTSEN: 150% of his fixed salary for 2022, *i.e.* EUR 825,000 (of which a maximum of EUR 412,500 relating to 2023 and 2024);
- John SAFFRETT: 150% of his fixed salary for 2022, *i.e.* EUR 675,000 (of which a maximum of EUR 337,500 relating to 2023 and 2024).

This incentive bonus will be awarded subject to:

- a condition of presence in the Company at the time of the award;
- a performance condition and award [(1)] in two stages:
  - an interim award [(1)] of up to 50% of the total amount on the successful closing of the acquisition of LeasePlan,
  - the balance on the successful completion of the main integration phase and the achievement of expected synergies.

The first instalment of the exceptional variable compensation was already awarded further to the acquisition of LeasePlan and was approved *ex post* by the 24 May 2023 Annual General Meeting of the shareholders.

As the second instalment of the exceptional variable compensation relates to the integration period, which overlaps between financial years 2023 and 2024, it will be presented in the respective *ex ante* reports. The second instalment will therefore be approved in 2025, following the 2024

(1) Change of wording in the 2023 compensation policy principles described in the 2022 URD ("award" instead of "payment"). Half of this incentive bonus is definitively awarded at this stage and subject to the same terms of payment as the annual variable compensation and the same deferral vesting conditions as already indicated in the 2023 compensation policy principles described in the 2022 URD.

ex post report. The Board of Directors fixed the performance conditions related to the second instalment of the exceptional variable compensation, in particular the key milestones to be achieved under the integration programme as well as the expected synergies.

This success will be assessed based on criteria such as the implementation of post-closing synergies, presented as part of the "PowerUp 2026" Strategic Plan, the post-closing integration of several countries, the definition of the new digital architecture and the appointment of the combined entity's management members and their N-1s.

The Board of Directors will maintain the option of deciding, upon the recommendation of the COREM, whether to pay all or part of this exceptional incentive bonus based on the individual contributions of each executive corporate officer in the achievement of these performance conditions.

The Board of Directors has set a maximum deadline for the achievement of each performance condition. In the event of a delay in execution due to exceptional factors not related to managerial decisions or operational activity management, the Board of Directors will maintain the option of deciding, on the recommendation of the COREM, whether to extend the maximum period for the achievement of the performance conditions.

It will be subject to the same with the terms of payment as the annual variable compensation and be subject to the same deferral and vesting conditions.

No exceptional variable compensation will be awarded to the executive corporate officers without obtaining the prior approval of the shareholders for the financial year concerned (say on pay, *ex post* vote).

Other benefits

Each executive corporate officer receives a Company car as well as a health insurance plan, the health, death and disability insurance coverage of which is in line with employee coverage.

The compensation policy provides, where applicable, for the assumption of certain costs when the duties require the Chief Executive Officer and the Deputy Chief Executive Officer and their families to relocate to different locations. In particular, housing costs, moving costs and school fees for children whose enrolment in a school of the relevant nationality/language is justified may be covered. To that end, Tim ALBERTSEN and John SAFFRETT receive housing allowances.

3.7.1.3 Presentation of the draft resolutions relating to the principles and criteria for determining and allocating the fixed, variable and exceptional components of the total compensation and benefits of any nature, attributable to the Chair of the Board of Directors, Chief Executive Officer and Deputy Chief Executive Officers by virtue of their office

Ex post resolutions on the 2023 compensation of corporate officers

Approval of the report on the compensation of corporate officers in accordance with Article L. 22-10-34 I of the French Commercial Code

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having read the Board of Directors' report, in application of Article L. 22-10-34 I of the *French Commercial Code*, approves the report on the compensation of corporate officers including the information mentioned in paragraph I of Article L. 22-10-9 as presented in the report on corporate governance prepared in accordance with Article L. 225-37 of the *French Commercial Code and as presented in the chapter 3 of the 2023 Universal Registration Document*.

Approval of the components of the total compensation and benefits of any kind paid or awarded in respect of the 2023 financial year to Tim ALBERTSEN, Chief Executive Officer, pursuant to Article L. 22-10-34 II of the *French Commercial Code*

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having read the Board of Directors' report, in application of Article L. 22-10-34 II of the *French Commercial Code*, approves the components of the total compensation and benefits of any kind paid during the 2023 financial year or awarded in respect of that year to Tim ALBERTSEN, Chief Executive Officer, as presented in the report on corporate governance prepared in accordance with Article L. 225-37 of the *French Commercial Code and as presented in the chapter 3 of the 2023 Universal Registration Document*.

Approval of the components of the total compensation and benefits of any kind paid or awarded in respect of the 2023 financial year to John SAFFRETT, Deputy Chief Executive Officer, pursuant to Article L. 22-10-34 II of the French Commercial Code

The Annual General Meeting, acting in accordance with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having read the Board of Directors' report, in application of Article L. 22-10-34 II of the *French Commercial Code*, approves the components of the total compensation and benefits of any kind paid during the 2023 financial year or awarded in respect of that year to John SAFFRETT, Deputy Chief Executive Officer, as presented in the report on corporate governance prepared in accordance with Article L. 225-37 of the *French Commercial Code and as presented in the chapter 3 of the 2023 Universal Registration Document*..

Ex ante resolutions on the 2024 compensation of corporate officers

Approval of the compensation policy applicable to the Chief Executive Officer and the Deputy Chief Executive Officer, pursuant to Article L. 22-10-8 II of the French Commercial Code

The Shareholders' Meeting, acting in accordance with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having read the Board of Directors' report, in application of Article L. 22-10-8 II of the *French Commercial Code*, approves the compensation policy applicable to the Chief Executive Officer and the Deputy Chief Executive Officer as presented in the report on corporate governance prepared by the Board of Directors in accordance with Article L. 22-10-8 I of the *French Commercial Code and as presented in the chapter 3 of the 2023 Universal Registration Document*.

Approval of the compensation policy applicable to the Chair of the Board of Directors and the directors, pursuant to Article L. 22-10-8 II of the *French Commercial Code*

The Shareholders' Meeting, acting in accordance with the quorum and majority conditions required for Ordinary Shareholders' Meetings, having read the Board of Directors' report, in application of Article L. 22-10-8 II of the *French Commercial Code*, approves the compensation policy applicable to the Chair of the Board of Directors and the directors as presented in the report on corporate governance prepared by the Board of Directors in accordance with Article L. 22-10-8 I of the *French Commercial Code and as presented in the chapter 3 of the 2023 Universal Registration Document*.

3.7.1.4 Summary of the compensation, options and performance shares (in EUR) awarded to each executive corporate officer for the financial years ended 31 December 2022 and 31 December 2023 (Table 1 of the AFEP-MEDEF Code)

Diony LEBOT and Pierre PALMIERI received no compensation for their position as Chair of the Board of Directors of Ayvens. They were directly compensated by Societe Generale in respect of their functions within Societe Generale.

Tim ALBERTSEN (Chief Executive Officer)	2022	2023
Remuneration due for the year	1,621,962	1,482,836
Valuation of options granted during the year	-	
Valuation of performance shares granted during the year	-	
TOTAL	**1,621,962**	**1,482,836**

John SAFFRETT (Deputy Chief Executive Officer)	2022	2023
Remuneration due for the year	1,329,689	1,100,448
Valuation of options granted during the year	-	
Valuation of performance shares granted during the year	-	
TOTAL	**1,329,689**	**1,100,448**

3.7.1.5 Summary table of remuneration (in EUR) of each executive corporate officer (Table 2 of the AFEP-MEDEF Code)

The table below shows the various remunerations (fixed, variable, *etc.*) paid and due to each executive corporate officer for the financial years ended 31 December 2022 and 31 December 2023.

Diony LEBOT and Pierre PALMIERI did not receive any remuneration for their position as Chair of the Board of Directors of Ayvens.

	2022		2023	
Tim ALBERTSEN (Chief Executive Officer)	Amounts due for 2022	Amounts paid in 2022	Amounts due for 2023 (1)	Amounts paid in 2023
Fixed remuneration	492,500	492,500	702,083	702,083
Annual variable remuneration	949,460	422,809	632,563	526,987
Of which exceptional variable compensation	412,500			75,154
Of which:				
deferred variable compensation	774,514	276,945	506,050	352,041
non-deferred variable compensation	174,946	145,864	126,513	174,946
Exceptional remuneration				
Remuneration of the director's mandate				
Benefits in kind (2)	180,002	180,002	148,190	148,190
TOTAL	**1,621,962**	**1,095,311**	**1,482,836**	**1,377,260**

(1) The variable remuneration for 2023 is subject to approval at the Annual General Meeting on 14 May 2024.
(2) This amount corresponds to vehicle and housing benefits. The valuation method for the housing benefit in kind was revised in the 2022 financial year and is now valued at its real value.

John SAFFRETT (Deputy Chief Executive Officer)	2022 Amounts due for 2022	2022 Amounts paid in 2022	2023 Amounts due for 2023 (1)	2023 Amounts paid in 2023
Fixed remuneration	411,667	411,667	541,250	541,250
Annual variable remuneration	814,798	349,962	457,166	431,155
Of which exceptional variable compensation	337,500			33,317
Of which:				
deferred variable compensation	653,318	216,073	365,733	269,676
non-deferred variable compensation	161,480	133,889	91,433	161,479
Exceptional remuneration				
Remuneration of the director's mandate				
Benefits in kind (2)	103,224	103,224	102,032	102,032
TOTAL	**1,329,689**	**864,853**	**1,100,448**	**1,074,437**

(1) The variable remuneration for 2023 is subject to approval at the Annual General Meeting on 14 May 2024.
(2) This amount corresponds to vehicle and housing benefits. The method of valuation of the housing benefit in kind was revised in the 2022 financial year and is now valued at its real value.

3.7.1.6 Remuneration (in EUR) received by non-executive directors and the non-voting director (Table 3 of the AFEP-MEDEF Code)

The table below shows the remuneration received by the directors for the financial years ended 31 December 2022 and 31 December 2023. In accordance with the Internal Regulations of the Board of Directors, only directors qualified as independent receive a remuneration for their duties as directors of Ayvens.

	2022		2023	
	Amounts due for 2022	**Amounts paid in 2022**	**Amounts due for 2023**	**Amounts paid in 2023**
Diony LEBOT (Chair of the Board of Directors, director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Pierre PALMIERI (Chair of the Board of Directors, director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Karine DESTRE-BOHN (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Frédéric OUDEA (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Delphine GARCIN-MEUNIER (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Xavier DURAND (director)				
Remuneration (fixed, variable)	80,000	75,000	105,000	100,000
Other remuneration	-	-		
Christophe PERILLAT (director)				
Remuneration (fixed, variable)	49,000	45,000	78,000	67,000
Other remuneration	-	-	-	-
Laura MATHER (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Patricia LACOSTE (director)				
Remuneration (fixed, variable)	72,000	67,000	94,000	94,000
Other remuneration	-	-	-	-
Anik CHAUMARTIN (director)				
Remuneration (fixed, variable)	55,000	50,000	85,000	65,000
Other remuneration	-	-	-	-
Benoit GRISONI (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Marc STEPHENS (director)				
Remuneration (fixed, variable)	-	-	-	-
Other remuneration	-	-	-	-
Didier HAUGUEL (non-voting director)				
Remuneration (fixed, variable)	-	-	35,000	5,000
Other remuneration	-	-	-	-

3.7.1.7 Stock option plans and performance share plans offered by the Company or by any Group company

Since 2018, a performance share plan in ALD shares is offered for employees working for the ALD Group.

Share subscription or purchase options granted during the financial year to each executive director by the issuer or by any Group company (table 4 of the AFEP-MEDEF Code)

During the financial year ended 31 December 2023, no stock options were granted.

Share subscription or purchase options exercised during the financial year by each executive director (table 5 of the AFEP-MEDEF Code)

During the financial year ended 31 December 2023, no stock options were exercisable.

Performance shares granted during the financial year to each executive director by the issuer (table 6 of the AFEP-MEDEF Code)

Tim ALBERTSEN and John SAFFRETT were not eligible for the ALD Performance Share Plan in 2023.

	Date of award	Total number of shares granted during the year	Valuation of shares according to the method used for the consolidated financial statements	Date of acquisition of shares	Date of availability of shares	Performance conditions
Tim ALBERTSEN	None	None	None	None	None	None
John SAFFRETT	None	None	None	None	None	None

Ms.Diony LEBOT and Mr.Pierre PALMIERI were not eligible for the ALD performance share plan and do not receive any share awards as a result of their position with Ayvens.

Performance shares that became available during the year for each executive corporate officer (Table 7 of the AFEP-MEDEF Code)

ALD performance shares that became available during the year

	Date of award	Number of shares that became available during the year
Tim ALBERTSEN	None	None
John SAFFRETT	None	None

History of stock option grants – information on stock options (table 8 of the AFEP-MEDEF Code)

ALD has never granted any stock options.

The last option plan granted by Societe Generale expired in the 2017 financial year.

Share subscription or purchase options granted to the top ten non-executive employees and options exercised by them (Table 9 of AMF Position-Recommendation No. 2021-02)

During the financial year ended 31 December 2023, no stock options were granted and no stock options were exercisable.

History of performance share grants (Table 10 of the AFEP-MEDEF Code)

The performance share plans offered by ALD to the Group's key employees (plans 1, 3, 5, 7, 9 and 11) and to employees whose variable remuneration follows CRD5 (plans 2, 4, 6, 8, 10 and 12) have the following characteristics.

	Plan 6 – 2020	Plan 5 – 2020	Plan 4 – 2019	Plan 3 – 2019
Date of the General Meeting	22 May 2018	22 May 2018	22 May 2018	22 May 2018
Date of the Board of Directors	27 March 2020	27 March 2020	28 March 2019	28 March 2019
Total number of ALD shares allocated during the Board of Directors	**34,635**	**353,281**	**33,231**	**235,475**
Adjusted total number of shares allocated (3)	**35,948**	**387,522**	**N/A**	**N/A**
Of which the number allocated to executive directors	-	-	-	-
John SAFFRETT (1)	-	-	6,870	-
Total number of beneficiaries	5	264	6	229
Date of acquisition of rights	31/03/22 (1st tranche) 31/03/23 (2nd tranche)	31/03/23	31/03/21 (1st tranche) 31/03/22 (2nd tranche)	31/03/22
End date of retention period	30/09/22 (1st tranche) 30/09/23 (2nd tranche)	N/A	30/09/21 (1st tranche) 30/09/22 (2nd tranche)	N/A
Performance conditions (2)	yes	yes	yes	yes
Fair value (in EUR)	7.25	7.25	10.16	10.16
Number of shares acquired as of 31 December 2023 (4)	25,813	349,153	24,270	216,611
Cumulative number of shares cancelled or lapsed (4)	10,135	38,369	8,961	18,864
Remaining performance shares at year-end (4)	-	-	-	-

(1) Share grants as an employee, prior to the date of appointment as a corporate officer.
(2) The performance condition is the average positive ALD Group Net income (arithmetic average), excluding own debt, measured over the three financial years (two for the first tranche of Plans 4, 6, 8, 10 and 12) preceding the acquisition date.
(3) Following the share capital increase with preferential subscription rights of December 2022, the number of share rights vesting under the 2020, 2021 and 2022 performance share plans was adjusted (for each beneficiary with share rights not vested yet in December 2022, multiplied by 1,107 and rounded up).
(4) For plans granted in 2020,2021 and 2022: adjusted quantity following the share increase for each beneficiary with share rights not vested yet in December 2022

	Plan 12 – 2023	Plan 11 – 2023	Plan 10 – 2022	Plan 9 – 2022	Plan 8 – 2021	Plan 7 – 2021
Date of the General Meeting	19 May 2021	19 May 2021	19 May 2021	19 May 2021	22 May 2018	26 mars 2021
Date of the Board of Directors	23 March 2023	23 March 2023	29 March 2022	29 March 2022	26 March 2021	26 March 2021
Total number of ALD shares allocated during the Board	**38,250**	**395,017**	**25,443**	**409,602**	**19,827**	**291,004**
Adjusted total number of ALD shares allocated (3)	**N/A**	**N/A**	**28,173**	**452,817**	**21,955**	
Of which the number allocated to executive directors	-	-	-	-	-	-
John SAFFRETT	-	-	-	-	-	-
Total number of beneficiaries	6	393	6	374	5	280
Date of acquisition of rights	31/03/26 (1st tranche) 31/03/27 (2nd tranche)	31/03/26	31/03/25 (1st tranche) 31/03/26 (2nd tranche)	31/03/25	31/03/23 (1st tranche) 31/03/24 (2nd tranche)	31/03/24
End date of retention period	30/09/26 (1st tranche) 30/09/27 (2nd tranche)	N/A	30/09/25 (1st tranche) 30/09/26 (2nd tranche)	N/A	30/09/23 (1st tranche) 30/09/24 (2nd tranche)	N/A
Performance conditions	yes	yes	yes	yes	yes	yes
Fair value (in EUR)	8.31	8.31	9.50	9.50	10.72	10.72
Number of shares acquired as of 31 December 2023 (4)	-	-	-	-	10,977	-
Cumulative number of shares cancelled or lapsed (4)	-	14,197	-	24,961	-	24,048
Remaining performance shares at year-end (4)	38,250	380,820	28,173	427,856	10,978	266,956

3.7.2 Employment contracts, supplementary pension schemes and severance pay of executive corporate officers

Executive corporate officers serve for a term of four years. Their employment contracts are suspended for the duration of their term of office. Their term of office is governed by French law which provides for the possibility of dismissal by the Board of Directors at any time without notice and without the need for justification.

Supplementary pension plan of the members of the Management Committee of Societe Generale (Article 82)

This defined contribution supplementary pension plan was set up for the members of Societe Generale's Management Committee with effect from 1 January 2019. Tim ALBERTSEN and John SAFFRETT have benefited from this scheme since their respective appointments to the Societe Generale Management Committee on 10 February 2020.

The plan provides for the payment of an annual contribution by the Company into an individual retirement account opened in the name of the eligible employee, based on their fixed compensation exceeding four annual social security ceilings. The rights acquired will be paid at the earliest on the date that the employee draws their pension under the national retirement plan.

The Company rate has been set at 8%.

In accordance with applicable law, employer contributions relating to a given year will only be paid in full if at least 50% of the performance conditions for the variable compensation component for the same year have been met.

Since the performance condition for the 2023 financial year was met, the amount of the contribution to be paid in respect of 2023 is EUR 26,236 for Tim ALBERTSEN and EUR 19,770 for John SAFFRETT.

Valmy pension savings scheme (formerly IP Valmy)

The executive corporate officers also retain the benefits of the supplementary defined contribution plan that applied to them as employees prior to their appointment as executive corporate officers.

This defined contribution plan, established under Article 83 of the French General Tax Code, was set up in 1995 and was modified on 1 January 2018 (henceforth called Epargne Retraite Valmy). It is compulsory for all employees with more than six months' seniority in the Company and allows beneficiaries to build up retirement savings, which are paid in the form of a life annuity when they retire. This plan is financed up to 2.25% of the compensation capped at four annual Social Security ceilings, of which 1.75% paid by the Company. This plan is now insured with Sogecap.

Supplementary pension plan

This plan is closed, no further rights were awarded after 31 December 2019.

Until 31 December 2019, the executive corporate officers retained the benefits of the senior management supplementary pension plan that applied to them as employees prior to their appointment as executive corporate officers.

In accordance with the law, any increase in the potential rights was subject to a performance condition.

This supplementary plan was introduced in 1991. In accordance with Article L. 137-11 of the French Social Security Code, it provides senior executives appointed as of that date with potential rights to a yearly income from the date on which they begin to draw their pension under the national social security retirement plan.

This scheme, which was revised on 17 January 2019, was permanently closed on 4 July 2019 and no further rights were awarded after 31 December 2019, pursuant to Order No. 2019-697 of 3 July 2019 in respect of corporate supplementary pension schemes. This Order prohibited the affiliation of any new beneficiaries to schemes under which pension rights are conditional upon the beneficiary still working for the Company when they reach retirement, as well as the award of such conditional pension rights to any existing beneficiaries for periods worked after 2019.

The total rights accumulated when existing beneficiaries draw their pension will therefore consist of the sum of their rights frozen at 31 December 2018 and the minimum rights constituted between 1 January 2019 and 31 December 2019. These rights will be reassessed according to the change in value of the AGIRC point between 31 December 2019 and the date on which the beneficiary draws their pension. Such rights are conditional upon the beneficiary still working at Societe Generale when they reach retirement. They are pre-financed with an insurance company.

As an example, based on the assumption of retirement at the age of 62, the potential estimated annual pension rights payable at 31 December 2019 under this scheme, regardless of the conditions under which the commitment is honoured, are EUR 2.2 thousand for Tim ALBERTSEN and EUR 500 for John SAFFRETT.

Non-compete clause

Tim ALBERTSEN and John SAFFRETT are subject to a non-compete clause for a period of 24 months from the date of the termination of their duties as executive corporate officers and the date of their departure from Societe Generale. In return, they continue to receive their fixed compensation.

The Board of Directors can unilaterally waive this clause within fifteen days of the date on which the executive corporate officer leaves their office. In such a case, the departing officer will no longer be bound by any commitment and no sums will be payable to them in this respect.

Any breach of the non-compete clause would result in the immediate payment by the officer of a sum equal to 24 months of fixed compensation. In such circumstances, ALD would be released from its obligation to pay any financial consideration and may furthermore claim back any financial consideration that may already have been paid since the breach.

No payments will be made under the non-compete clause to any officer leaving the Company due to retirement or beyond the age of 65.

Severance pay

Following the suspension of the employment contracts of Tim ALBERTSEN and John SAFFRETT, it is expected that the Board of Directors will make a severance payment to them in respect of the termination of their respective functions.

The amount of this payment is set at two years of fixed compensation, minus any indemnity owed for the termination of the employment contract.

The severance pay is owed only in the event of simultaneous termination of the ALD term of office and the contract with Societe Generale and only in the event of forced departure, documented as such by the Board of Directors. No severance pay would be owed in the event of resignation (unless it is deemed mandatory by the Board of Directors) or non-renewal of the term of office at the initiative of the executive corporate officer or in the event of serious misconduct.

Any decision on severance pay is subject to examination by the Board of Directors to verify the situation of the Company and the performance of each executive corporate officer in order to confirm that neither the Company nor the executive corporate officer has shown a failure to perform.

In accordance with the AFEP-MEDEF Code, no severance pay may be made to an executive corporate officer if he or she is entitled to draw their pension. Severance pay will be contingent upon an overall achievement rate for the annual variable remuneration targets of at least an average of 50% over the three years prior to the officer leaving or over the duration of their term of office if less than three years.

Under no circumstances may the severance pay and non-compete clause combined exceed the cap recommended in the AFEP-MEDEF Code of two years' fixed plus annual variable remuneration including, where applicable, any other severance payments provided for under an employment contract.

3.7.2.1 Employment contracts, supplementary pension schemes and severance pay of the Chairperson of the Board of Directors and the Executive Corporate Officers in 2023

	Employment contract		Supplementary pension scheme		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
Diony LEBOT (Chairperson of the Board of Directors) From 27/08/20 to 23/05/23	X (1) (2)			X		X		X
Pierre PALMIERI (Chairperson of the Board of Directors) From 24/05/23	X (1) (2)			X		X		X
Tim ALBERTSEN (Chief Executive Officer) From 27/03/20	X (1) (3)			X		X		X
John SAFFRETT (Deputy Chief Executive Officer) From 01/04/19	X (1) (3)			X		X		X

(1) Employment contract signed with Societe Generale.
(2) Employment contract suspended during the term of office as Deputy Chief Executive Officer of Societe Generale.
(3) Employment contract suspended during their term of office with ALD.

3.7.3 Amount of provisions established or recognised by the Company or its subsidiaries for the payment of pensions, retirement benefits and other benefits

The Company did not make any provision for the payment of retirement or other similar benefits to the executive corporate officers, other than provisions to cover post-employment benefits, as indicated in note 31 “Retirement benefit obligations and long-term benefits” and note 36 “Related parties” of the Group’s consolidated financial statements for the financial year ended 31 December 2023.

3.7.4 ALD share ownership and holding obligations

The Chief Executive Officer and the Deputy Chief Executive Officer(s) are required to hold a certain minimum number of ALD shares as determined on 28 June 2017 by the Board of Directors based on the recommendation of the Compensation Committee. In accordance with the AFEP-MEDEF Code, these obligations were reviewed by the Board of Director’s at its meeting of 27 March 2020 within the context of the appointment of the Chief Executive Officer and the renewal of the Deputy Chief Executive Officers’ terms office.

A benchmark was carried out by Korn Ferry on a panel of companies of a similar size to that of ALD, after the acquisition of LeasePlan, in order to obtain market practices on the minimum shareholding requirements for Chief Executive Officers. The Board of Directors of 23 March 2023, based on a recommendation from the COREM, decided to modify the minimum ALD shareholding requirements in order to be better aligned with the market practices of the Next 20 companies, as follows:

- Tim ALBERTSEN, Chief Executive Officer, must hold 61,500 shares, representing one year’s annual fixed compensation as defined post closing;
- John SAFFRETT, Deputy Chief Executive Officer, must hold 46,000 shares, representing one year’s annual fixed compensation as defined post closing.

These increased shareholding requirements must be satisfied by the end of a five-year period in their position. The Chief Executive Officer and the Deputy Chief Executive Officer must acquire the shares over time, at a rate of around 20% per year. At 31 December 2027, the Chief Executive Officer and the Deputy Chief Executive Officer must have acquired 100% of the shares they are required to hold.

Since ALD is part of the Societe Generale, the Board of Directors has authorised the partial substitution of Societe Generale shares already held for ALD shares. The parity for this was fixed by the Board of Directors. In all cases, ALD shares must account for a minimum of 50% of the shares held.

Shares held under this requirement may not be hedged.

3.7.5 Appointment of a new executive corporate officer

In general terms, the compensation components and structure described in this compensation policy also apply to any new executive corporate officer appointed, taking into account their scope of responsibility and professional experience. This principle also applies to other benefits offered to executive corporate officers (supplementary pension, health insurance plan, *etc*.).

It is the responsibility of the Board of Directors to set the level of fixed compensation corresponding to these characteristics, consistent with that of the current executive corporate officers and market and sector practices.

If a new executive corporate officer not from a Societe Generale entity is appointed, they may benefit from a sign-on award, where applicable, as compensation for the remuneration forgone when leaving their previous employer. The vesting of this compensation is deferred over time and subject to the achievement of performance conditions similar to those applied to the deferred variable compensation of executive corporate officers.

3.8 Related-party transactions

3.8.1 Main related-party transactions

There are no related-party transactions within the meaning of Article L. 225-38 of the French Commercial Code for the financial years 2018, 2019, 2020, 2021 and 2022 other than those potentially identified in the special reports of the Statutory Auditors and already approved by the Shareholders' Meeting. For further information on agreements between the Group and Societe Generale, see section 6.2, note 36 "Related parties" of this Universal Registration Document. It should be noted, however, that in 2023 two regulated agreements were authorised on 5 April 2023, the execution of which took place on 22 May 2023, concerning loans granted by Societe Generale to the Company eligible for AT1 and T2 as part of the merger between ALD and LeasePlan, so that the Company complies with the prudential requirements applicable to it from the completion of the acquisition. These agreements were the subject of an informative notice published on the Company's website.

Following its meeting of 27 March 2020, the Board of Directors, pursuant to the new provisions of Article L. 22-10-12 of the French Commercial Code, put in place a procedure of regular reviews to ascertain whether agreements involving ordinary operations concluded under normal conditions genuinely comply with these conditions. This procedure is based on a mapping of the agreements in question and verification of the criteria carried out by the Company's Legal Department. The analyses are reported to the Audit Committee for review and then approved annually by vote of the Board of Directors, from which the directly and indirectly interested parties abstain. The Board also rules on the periodic requirement to review the content of such agreements.

Through the annual implementation of this procedure, the Audit Comittee became acquainted in particular with the links that exist between all subsidiaries of the ALD Group and Societe Generale, its main shareholder, by going beyond the legal requirement of simply analysing existing agreements at the level of the holding company. The analysis made it possible to establish that the dual criterion of normal conditions and ordinary operations pursuant to Article L. 225-39 of the *French Commercial Code* was respected, in particular through the verified application of the principle of fair competition in transfer pricing.

The related-party transactions within the meaning of IFRS are described in note 36 to the Group's consolidated financial statements, which are presented in section 6.2 "Audited consolidated financial statements for the year ended 31 December 2023" of this Universal Registration Document. These transactions relate mainly to key management compensation, sales of goods and services, information technology services, premises, brokerage, insurance policy, corporate services, loans and tax consolidation.

3.8.2 Statutory auditors' report on related party agreements

Annual General Meeting held to approve the financial statements for the year ended December 31, 2023

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of ALD,

In our capacity as statutory auditors of your Company, we hereby present our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code (Code de commerce) of the continuation of the implementation, during the year ended December 31, 2023, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors (Compagnie nationale des commissaires aux comptes) relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

Agreements submitted for approval to the Annual General Meeting

In accordance with Article L. 225-40 of the French Commercial Code (Code de commerce), we have been notified of the following related party agreements which received prior authorization from your Board of Directors.

- With Société Générale, shareholder of your Company

Persons concerned

(I) Mrs Diony Lebot, director of your Company and advisor to the General Management of Société Générale (Formerly deputy Chief Executive Officer from 2018 to 2023).

(II) Mrs Delphine Garcin-Meunier, director of your Company and Head of Mobility and International Retail Banking & Financial Services at Sociéte Générale.

(III) Mr Didier Hauguel, director of your Company and director of of other Société Générale subsidiaries.

(IV) Mr Benoit Grisoni, director of your Company and Chief Executive Officer of Boursorama, subsidiary of Société Générale.

Conclusion of two loan contracts eligible for AT1 and T2 ranks

Nature and purpose

On April 5, 2023, your Company entered into two loan agreements with Société Générale eligible for Tier 2 ("T2") capital and Additional Tier 1 ("AT1") capital as per Regulation (EU) No 575/2013 of June 26, 2013.

Conditions

(I) T2 eligible loan: Subordinated loan contract for a maximal principal amount of € 1,500,000,000 repayable in a lump sum, with a maturity date set at ten years and a provision in favor of your Company allowing it to proceed with early repayment five years after the conclusion of the contract. The compensation for this loan is calculated on the basis of a variable rate (3-month Euribor) and an additional margin of 3.36%, giving a total amount of € 65,559,500 for the fiscal year 2023.

(II) AT1 eligible loan: Perpetual super-subordinated loan contract without a fixed maturity date, for a maximal principal amount of € 750,000,000, repayable in a lump sum and with a clause beneficial to your Company permitting early repayment five years after the conclusion of the contract. The compensation for this loan is calculated on the basis of a fixed rate of 9.642%, giving a total amount of €. 7,834,125 for the fiscal year 2023.

This agreement was authorized by your Board of Directors on April 5, 2023.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors justified this agreement for the purpose of bringing your Company into compliance with its prudential obligations and to allow the Company, if necessary, to finance a portion of the cash acquisition of 35% of the shares constituting the share capital of LP Group B.V.

Agreements previously approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements previously approved by the Annual General Meeting, whose implementation continued during the year ended December 31, 2023.

Paris-La Défense, 12 April 2024

The Statutory Auditors
French original signed by

DELOITTE & ASSOCIES	**ERNST & YOUNG et Autres**
Pascal COLIN	Vincent ROTY

3.9 Diversity policy for the management bodies

The diversity policy applicable to ALD's management bodies was set out at the Board of Directors' Meeting of 3 November 2020. The scope of this policy covers the highest management bodies of the Group (Executive Committee) as well as the Management Committees of all Group entities. At the proposal of the general management, the Board of Directors set a target of 35% women in ALD Group's management bodies by the end of 2025.

The suitability policy, including diversity guidelines, applicable to LeasePlan's management bodies was set out at the Managing Board meeting per January 1 2022. As LeasePlan Corporation is a Significant Institution, it falls under supervision of the ECB and thus it needs to ensure that it has implemented a framework ensuring a sound assessment process of the Suitability of the members of both the Supervisory Board and Managing Board individually, as well as each of the Supervisory Board and Managing Board collectively, as well as regarding Key Function Holders. The scope of this policy covers the Supervisory Board, the Managing Board and the Key function holders (including Executive Committee). In relation to gender diversity, LeasePlan Corporation aimed to have at least 30% females and 30% males in its Supervisory Board, Managing Board, and the group of Key Function Holders.

For LeasePlan as of 31 December 2023, the rate for women the Supervisory Board was 17% and in the Managing Board, and the group of Key Function Holders was 15%.

Since 2018, with the aim of promoting gender balance in the management bodies, the Board of Directors for ALD, on the proposal of the COREM, has used the qualitative targets of the general management to set annual objectives to improve the representation of women in the Group's management functions, as well as a target of at least 50% of women in ALD Group's strategic talent development programmes. In order to achieve the target set for 2025 and in line with the action plan implemented since 2018, the Board continued to set intermediary targets on an annual basis.

For LeasePlan the targets and guidelines were defined in 2021 and effectuated in 2022. LeasePlan Corporation will annually review the composition of the Supervisory Board, the Managing Board and the group of Key Function Holders, its compliance with the objectives and targets set in relation to diversity and, if objectives or targets have not been met, prepare a plan to ensure that the diversity objectives and targets will be met. Foreseeing the merger with ALD, the Managing Board decided not to effectuate the action plan for diversity as the leadership team would soon undergo a significant change.

For Ayvens as of 31 December 2023, the rate for women in Group Management bodies stood at 32% (vs. 33.2% at the end of 2022). This represents the percentage of women in the senior management bodies after the integration of LeasePlan and the senior management selection process that was consequently implemented during 2023. The rate stands slightly below the ALD group rate at end of 2022. The Ayvens' Board of Directors meeting of February 7th 2024 reviewed the gender diversity objective for the group's management bodies in light of the new Ayvens group situation post-acquisition of LeasePlan. The Board decided to maintain the objective of 35% of women in senior management positions, however the time horizon to reach that objective is now proposed to be end of 2026 in alignment with the new Ayvens strategic plan.

The Diversity focused action plan, included in the new Diversity, Equity & Inclusion strategy (ExCo approved in November 2023 and launched in January 2024), contains the following elements:

- 50-50 female/male candidates in succession for top leadership
- Over 50% females in development programs
- Minimum of 30 female talents in our top leadership programs
- 100 Coaching opportunities in 2024 for diverse talent (75% females)
- 100 Reverse mentoring opportunities for young talents & senior leadership
- 10 talents in the expert talent programs (at least 50% females)

4

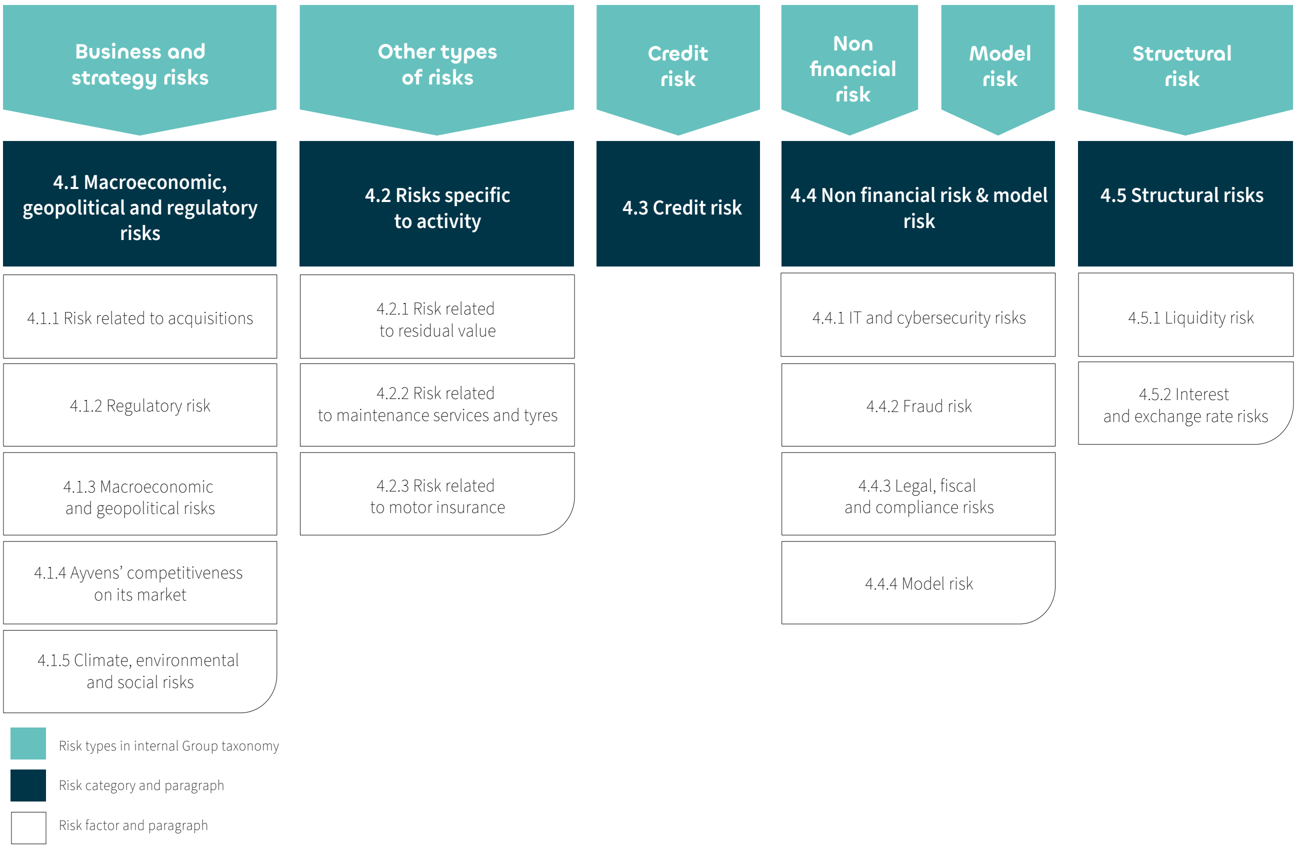
Risk and capital adequacy

4.1 Risk factors

The main risk factors which Ayvens estimates are specific to the Group and could have a significant effect on its business, profitability, solvency, access to financing and financial instruments are presented in this chapter.

As part of its internal risk management, the Group has identified different types of risk factors and has grouped them into 5 main risk categories, in accordance with Article 16 of the Regulation (EU) 2017/1129, also known as “Prospectus 3” regulation of 14 June 2017, according to the main risk factors that the Group believes could impact the risk categories. Risk factors are presented based on an evaluation of their materiality, with the most material risks indicated first within each category.

The diagram below illustrates how the categories of risks identified in the risk typology have been grouped into the five categories and which risk factors principally impact them.



4.1.1 Macroeconomic, geopolitical and regulatory risks

4.1.1.1 Risks related to acquisitions

Identification of the risk

The Group could encounter difficulties in executing announced acquisitions and generating the expected benefits and synergies. The integration of newly acquired companies may also divert management from existing operations

On 22 May 2023, ALD SA completed the acquisition of 100% of LeasePlan. This acquisition is subject to substantial risks and uncertainties, including those described below which have been grouped in this sub-section whatever their typology. Should these risks materialise, they could have a material adverse effect on the Group and its activities, financial situation, operating results or outlook.

Risk of not achieving synergies and other benefits expected from the acquisition

The success of the acquisition will depend on the effective realisation of the anticipated synergies and economies of scale, as well as on the Group's ability to maintain LeasePlan's development potential and to effectively integrate LeasePlan into the Group. The integration process relating to LeasePlan will be long and complex and involves inherent risks, costs and uncertainties. The synergies and other benefits that the acquisition is expected to generate (including growth opportunities, cost savings, increased revenues and profits) are particularly dependent on the quick and efficient integration of ALD's and LeasePlan's activities (operations, technical and informational systems), as well as on the ability to maintain LeasePlan's customer base and effectively capitalise on the expertise of the two groups in order to optimise development efforts.

The Group could face significant difficulties in implementing the integration plan, some of which may have been unforeseeable or are outside of the Group's control, notably with respect to differences in standards, controls, procedures and rules, corporate culture, organisation and the need to integrate and harmonise the various operating systems and procedures that are specific to each group, such as financial and accounting systems and other IT systems.

Beyond the expected evolution of LeasePlan's human resources, the Group may face difficulties in retaining some of its own or LeasePlan's key employees due to uncertainties about or dissatisfaction with their new roles in the integrated organisation following the acquisition. As part of the integration process, the Group will have to address issues inherent to the management and integration of a greater number of employees with distinct backgrounds, profiles, compensation structures and cultures, which could lead to disruption in its ability to run its operations as intended and therefore adversely affect its ability to meet its objectives.

The successful integration of LeasePlan will require a significant amount of management time and, thus, may impair management's ability to run the business effectively and to seize strategic opportunities during the integration period.

Any difficulties, failures, material delays or unexpected costs of the integration process that might be encountered in the integration of LeasePlan could result in higher implementation costs and/or lower benefits, synergies or revenue than anticipated, which could have a material adverse effect on the activities, results and financial condition of the Group and/or on the Group's ability to meet its objectives.

The Group's due diligence in connection with the acquisition may not have revealed all relevant considerations or liabilities of LeasePlan

The Group conducted due diligence on LeasePlan to identify facts that it considered relevant to evaluate the acquisition, including the determination of the price that the Group has agreed to pay, and to formulate a business strategy. However, the information provided to the Group and its advisors during the due diligence process may be incomplete, inadequate or inaccurate. If the due diligence investigations failed to correctly identify material issues and liabilities that may be present in LeasePlan, some of which may not be covered by the contractually negotiated warranty or insurance policies, or if the Group did not correctly evaluate the materiality of some of the risks, the Group may be subject to significant, previously undisclosed liabilities of the acquired business and/or subsequently incur impairment charges (including asset depreciations) and/or other losses. If these events were to occur, the Group may be exposed to lower operational performance than what was originally expected or additional difficulties with respect to the integration plan, which could have a material adverse effect on the activities, results and financial condition of the Group and/or on the Group's ability to meet its objectives.

The Group's unaudited *pro forma* consolidated financial information and like-for-like performance indicators may not be representative of the Group's results once the acquisition is complete

This Universal Registration Document contains unaudited *pro forma* consolidated financial information to reflect the acquisition as if it had taken place on 1 January 2023 for the unaudited *pro forma* consolidated income statement for the financial year ended 31 December 2023, prepared on the basis of the IFRS audited consolidated financial statements of each of the Group and LP Group B.V. The unaudited *pro forma* consolidated financial information for the financial year ended 31 December 2023 was prepared in accordance with Annex 20 of Delegated Regulation 2019/980 supplementing European Regulation 2017/1129 and by applying the recommendations issued by ESMA (ESMA32-382-1138 of 4 March 2021) and the provisions of AMF Position-Recommendation 2021-02 on *pro forma* financial information. Detailed information on the basis of preparation is provided in Section 6.7 "Unaudited *pro forma* consolidated financial information" of this Universal Registration Document.

The unaudited *pro forma* consolidated financial information is based on preliminary estimates and assumptions that the Group believes to be reasonable and is being furnished solely for illustrative purposes. The estimates and assumptions used to establish the unaudited *pro forma* consolidated financial information, set out in this Universal Registration Document, may be materially different from the combined group's actual or future results. Consequently, the unaudited *pro forma* consolidated financial information included in this Universal Registration Document does not purport to indicate the results that would have actually been achieved, had the transactions effectively been completed on the assumed date or for the periods presented, or which may be realised in the future, nor does the unaudited *pro forma* consolidated financial information give effect to any events other than those discussed in the unaudited *pro forma* consolidated financial information and related notes.

The Group and LeasePlan may not have been able to share all of the relevant information necessary to make reliable estimates and the Group may not have been able to identify, estimate, and record all of the relevant adjustments to prepare the unaudited *pro forma* consolidated financial information. As a result, investors should not place undue reliance on the unaudited *pro forma* consolidated financial information presented in this Universal Registration Document, which, beyond its illustrative nature, may not accurately reflect the current or future performance of the combined group.

In addition, in presenting and discussing the Group's financial position, operating results and net results throughout this Universal Registration Document, the Group uses certain Alternative performance measures (the "like-for-like performance") not defined by IFRS and that have not been audited or reviewed. These Alternative performance measures ("APMs") should not be viewed in isolation as alternatives to the equivalent IFRS measures and should be used as supplementary information in conjunction with the most directly comparable IFRS measures. Alternative performance measures do not have standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other companies. The Group believes that these measures provide valuable supplemental information to the Company's management, investors and other stakeholders to evaluate the company's performance. Notwithstanding, the illustrative 2022 and 2023 "like-for-like" indicators commented in Section 2.1.3.3 "Like-for-like performance" of this Universal Registration Document should not be considered as representative of the results which the combined Group would have achieved, nor of future results. Actual results may differ significantly from those reflected in these illustrative indicators for several reasons, including, but not limited to, differences in actual conditions compared to the assumptions used to prepare these illustrative indicators.

The Group may incur substantial transaction and integration costs in connection with the acquisition

The aggregate amount of all external fees, costs, and expenses incurred by the Group in connection with the acquisition (including the fees and expenses of its financial, legal, and accounting advisors, communication expenses, and expenses relating to the financing of the acquisition as well as the preparation of the integration of LeasePlan) amounted to EUR 128 million in 2022 and EUR 170 million in 2023. The Group expects that the cumulative amount of "Costs to achieve" will reach EUR 525 million over the 2022-2025 period. However, this estimate could prove to be inaccurate and the aggregate amount of all external fees, costs and expenses incurred by the Group could prove to be higher, which could have an adverse impact on the Group's business, financial position and results.

Risks relating to future sales or transfers of ALD's shares by its principal shareholders after the end of their respective lock-up period

Societe Generale, TDR and ATP hold 52.59%, 17.60% and 1.80%, respectively, *i.e.*, a total of 72.00% of ALD's share capital following the completion of the acquisition, and 71.33% of the share capital of the Company in case of full exercise of the warrants.

Pursuant to the shareholders' agreement between Societe Generale and certain LeasePlan's selling shareholders acting in concert in the context of the acquisition (TDR, ATP and Lincoln), (i) Societe Generale is committed to a 40-month lock-up period as from 22 May 2023 (date of completion of the acquisition) and (ii) each of ATP, Lincoln and TDR are committed to a 12-month lock-up period as from the same date, it being specified that the other existing shareholders of Lincoln are also bound by a 12-month lock-up undertaking pursuant to a separate lock-up agreement, in each case with respect to all shares held in ALD and subject to certain customary exceptions. As from the expiry of the lock-up undertakings of Societe Generale (40 months), of ATP, Lincoln and TDR (12 months), and of the other LeasePlan selling shareholders (12 months) following the completion of the acquisition, there will no longer be a general lock-up of their respective ALD shares but dispositions of shares will be subject to limitations to provide for a potential gradual exit of these shareholders. At the end of the lock-up period, ATP, Lincoln and TDR will have the option to transfer up to 50% of their respective ALD shares within 12 months following the expiration of this period. In the event that they do not make use of this option or make only partial use of it, they may each sell up to 66.67% of their respective ALD shares in the subsequent 12-month period, and so on, in any event within a limit of 66.67% of their respective ALD shares per year.

If any of Societe Generale, TDR, ATP and/or Lincoln were to decide to sell or transfer, directly or indirectly, all or part of their shareholding on the market at the expiration of their respective lock-up period, or if such a sale or transfer is perceived as imminent or probable, the market price of ALD's shares may be significantly and negatively affected.

Tax risks related to the acquisition and the implementation of the prior or subsequent reorganisation transactions

The completion of the acquisition and the implementation of the prior or subsequent reorganisation transactions could result in adverse tax consequences (tax costs, loss of tax attributes, *etc.*).

More generally, the organisation of the Group following the completion of the acquisition and the reorganisation operations that may be implemented in order to streamline the organisation of the combined group and facilitate the combination of the activities of the Group and LeasePlan may give rise to tax inefficiencies and/or additional tax costs (for example, tax costs related to the reorganisations that would be implemented in order to facilitate the integration, the inability to implement or delay in implementing local tax consolidations between the Group and LeasePlan entities in certain countries, transfer pricing policies, *etc.*). These various factors could lead to an increase in the Group's tax expenses and have a material adverse effect on its effective tax rate, its results, and/or its financial position.

The acquisition could also result in the loss of tax credits or the benefits of tax consolidation agreements, which could increase the tax expense or lead to the impairment of deferred tax assets and consequently impact the combined group's Net income and financial position.

In addition, the tax treatments or regimes applicable to past or future reorganisations involving the companies of the Group and the LeasePlan group could be interpreted by the competent French or foreign authorities in a manner that differs from the assumptions used by the two groups to structure the transactions. The Group is therefore not in a position to guarantee that the relevant tax authorities will agree with the interpretation of the legislation adopted or that may be adopted in the various jurisdictions concerned or with the quantification of the resulting tax consequences. Nevertheless, during integration process involving the local entities of the Group, particular attention was paid to ensure the compliance and to preserve the efficiency of the tax treatment in each country.

Risk of activating change of control clauses

In its ordinary course of business, LeasePlan is a party to joint ventures, supply contracts and other instruments some of which contain change of control clauses or similar provisions. Although LeasePlan has undertaken in the Framework Agreement to use its reasonable endeavours to obtain as soon as practicable, and in any event prior to the completion of the acquisition, an unconditional waiver to any change of control provision or other similar provisions granting a counterparty termination rights that may be triggered by the completion of the acquisition with respect to 6 material financing, licensing or partnership/commercial agreements identified in the Framework Agreement, and to comply with any notification obligation under certain other agreements listed therein, the completion in full of such actions prior to the closing of the acquisition does not constitute a condition precedent under the Framework Agreement.

Following the acquisition, LeasePlan could therefore lose the benefit of some of the contracts mentioned above, or any other contracts containing change of control clauses or similar provisions, if the concerned counterparties were to terminate them or negotiate more onerous financial terms in order to grant their consent. This could have a material adverse effect on the activities, results and financial condition of the Group and/or on the Group's ability to meet its objectives.

More generally, the Group expects that waivers will be granted by LeasePlan's creditors as their situation would be improved thanks to the acquisition. Following the Group's acquisition of LeasePlan, the Group's ratings by Standard & Poor's and Fitch were upgraded to A- (from Fitch BBB+ and Standard & Poor's BBB), while Moody's issued a new rating of A1, all of which are better than LeasePlan's previous ratings.

Since the acquisition of LeasePlan, there has been no significant impact in terms of change of control clauses.

Dedicated teams are in charge of efficiently and quickly integrating the acquired entities.

The Group has set up a dedicated department which conducts the integration of LeasePlan, with a view to generating the potential synergies identified, while controlling integration costs, within the target timeframe.

The deployment of the target system for managing all risks described in this chapter across the post-acquisition scope follows the inital roadmap defined in compliance with Ayvens Group and Societe Generale standards.

4.1.1.2 Regulatory risk

Identification of the risk

New regulatory status entails significant requirements to comply with, while changes in the regulatory framework to which the Group is subject by virtue of its status could have a negative impact on its business, financial situation or costs.

Upon completion of the acquisition of LeasePlan, Ayvens became a regulated entity with the status of Financial Holding Company ("**FHC**"). The Group endeavours to comply with all legal obligations associated with this status, in particular those described by the Order of the Minister of Finance and Public Accounts of the French Republic of 3 November 2014 relating to the internal control of companies in the banking, payment and investment services sector subject to the supervision of the *Autorité de contrôle prudentiel et de résolution* ("**ACPR**"). From a prudential point of view, Ayvens has become a "significant" financial institution, which implies that it is directly supervised by the European Central Bank ("**ECB**"), but also by the Banque de France *via* the ACPR, in their respective areas of competence. The Group must comply with prudential requirements, including communication and reporting obligations as well as capital, liquidity and other requirements.

From a prudential perspective, Ayvens will have to report Solvency, Leverage and Large Exposures ratios, together with other reporting obligations under the European Banking Authority's supervisory reporting frameworks, i.e. the common reporting (COREP) and financial reporting (FINREP) frameworks. Ayvens must carry out the Internal Capital Adequacy Assessment Process (ICAAP) exercise on an annual basis and comply with Pillar 2 requirements determined by the ECB in the context of its Supervisory Review and Evaluation Process (SREP).

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

The Group has deployed efforts to significantly strengthen its governance and risk management policies and systems (see Section 4.2 "Risk management organisation" for more details).

The Group benefits from the support and expertise of the Societe Generale group in the deployment of methodologies, policies and systems to meet the regulatory requirements associated with the status of a significant financial institution under the direct supervision of the European Central Bank. The Group also leverages on the experience of LeasePlan Corp as a regulated entity supervised by ECB.

4.1.1.3 Macroeconomic and geopolitical risks

Identification of the risk

The Group's business and results may be impacted by a deterioration of the economic and/or geopolitical environment.

The Group could be faced with a significant deterioration in economic conditions resulting from crisis affecting capital or credit markets, liquidity constraints, regional or global recessions, sharp fluctuations in commodity prices (especially oil), currency exchange rates or interest rates, inflation or deflation, rating downgrades, restructuring or defaults of sovereign or private debt, or geopolitical events (including acts of terrorism and military conflicts). Such events, which can develop quickly and have effects that may not have been anticipated, could affect the Group's operating environment for short or extended periods and have a material adverse effect on its activities, its cost of risk, the value of its assets, or its financial results and situation.

In particular, the Group is exposed to the changing political, macroeconomic or financial situations of the regions or countries where it operates. The deterioration of these situations could have an impact on the Group's operating environment and its businesses, as well as the business climate of a region or a country. In case of a significant deterioration, the Group could incur expenses, impairment of assets or losses, which would negatively impact its financial results and situation.

Ayvens' operations, results and financial situation could be adversely impacted by intensifying geopolitical risks. The conflict in Ukraine which began in February 2022 is causing high tensions between Russia and Western countries, with impacts on global growth, on the price of energy and raw materials, as well as economic and financial sanctions put in place by a large number of countries, particularly in Europe and the United States.

The conflict between Israel and Hamas which began in October 2023 could have similar impacts or contribute to them, with also a risk on the transport of goods and raw materials *via* the Suez Canal. Recent attacks on merchant ships claimed by the Houthis in the Bab-el-Mandeb Strait could also impact gas and oil supplies, as well as the availability and delivery times on goods produced in Asia. In Asia, American-Chinese relations, relations between China and Taiwan and relations between China and the European Union are strained by geopolitical and commercial tensions, relocation of production and risks of technological fractures. These could lead to delays in the production of electronic components like semiconductors that could impact the production of vehicles.

In Ukraine, where it had approximately 3,800 vehicles under lease at 31 December 2023 (down from a funded fleet of approximately 4,500 vehicles at 31 December 2022), Ayvens has taken measures to support its employees as much as possible, accompany its clients and secure its assets. At end 2023, the recorded provision related to the vehicles that have been or are at risk of being damaged or located in the occupied territories has not changed. There was no additional provision compared to 31 December 2022 (provision of EUR 3.3 million), based on the local management's assessment of expected losses as well as potential customer credit loss. Taking into account this provision, ALD Ukraine's total assets amounted to EUR 76.9 million at 31 December 2023, compared with EUR 67.6 million as at 31 December 2022.

On 20 April 2023, ALD completed the disposal of its subsidiary ALD Russia to JSC Tsk. On 30 October 2023, the Group completed the disposal of ALD Belarus. On 27 February 2024, the sale of the subsidiary LeasePlan Russia (3,500 vehicles) to Expo Capital Liz was completed after clearance from the relevant Russian regulatory authorities. Ayvens is no longer present in Russia and Belarus.

Geopolitical risk is managed through a rigorous and cautious policy of conducting operations.

The Group closely monitors geopolitical developments in the countries in which it operates, paying particular attention to the laws and regulations in force.

4.1.1.4 Ayvens' competitiveness on its market

Identification of the risk

The Group may not be able to compete successfully, or competition may increase in the businesses in which it operates.

The Group operates in a highly competitive industry characterised by consolidation in a number of its core markets, particularly in the more mature European markets.

The Group's main competitors are, at the global level, international independent operators, bank affiliates and car manufacturers' captives. In addition, in certain markets, the Group may be in competition with local players.

The Group's competitors, some of whom are part of car manufacturers or banks that may have access to substantial funding at low cost, may seek to compete aggressively on the basis of pricing, particularly with the consolidation of main players. In particular, the importance of car manufacturers' captives is increasing as their parent companies seek to present themselves as all round providers of mobility solutions which are able to capture a greater share of the market for acquiring and operating vehicles, rather than solely as car manufacturers. Further, the Group may be required by customers to match competitors' downward pricing either to maintain or gain market share, which may adversely affect the Group's margins. If the Group's prices are too far from those of its competitors, it may lose customers and/or business volume.

In addition, the Group's positioning is dependent on its ability to meet customers' expectations, *i.e.* its ability to continuously improve its existing range of products and services and to develop new products, services, systems and software that meet the evolving needs of its customers.

The Group has a competitive positioning on its market.

The size of the fleet managed by the Group gives it a significant advantage when negotiating vehicle purchase prices, and also when it comes to knowledge of the market. Being able to offer customers vehicles from several manufacturers is an advantage when competing with car manufacturers.

The Group has also developed recognised expertise in how to incorporate services and innovate by designing offers which meet new customer expectations (including advice on a carbon emissions reduction strategy, flexible leasing terms, digital offering).

4.1.1.5 Climate, environmental and social risks

Identification of the risk

The Group's business could have adverse impacts on the climate, the environment and society, or may be impacted by climate, environmental, or societal change.

The Group's sustainable development policy and the integration of Climate and Environment in the risk management framework is set out in Chapter 5 "Declaration of extra-financial performance" of this Universal Registration Document. Detailed and prioritised mapping of ESG (environmental, social and governance) risks is presented in section 5.1 of this Universal Registration Document, along with the policies established to identify, assess and mitigate the most significant risks.

For Ayvens, the most significant challenge in terms of external climate- and environmental risk drivers are the emissions associated with the assets financed (scope 3 emissions): road transport is responsible for 20% of emissions in the EU, of which the vast majority (16%) is tied to the types of vehicles financed by Ayvens (passenger cars and LCVs). The leasing sector's visibility on climate issues goes beyond this already significant percentage, as it affects the daily life of both the public and businesses. The second major impact of transport is expressed in the pollution from nitrogen oxide (NOx) emissions and fine particulates during the vehicle use phase, especially for diesel engines – entailing major public health issues. Given the increasing call to action on these emissions in environmentally aware regions, the transitional risk drivers have the potential to affect multiple risk categories in the Ayvens risk taxonomy. Transitional risk drivers do not only influence the residual value of our assets (asset risk), but are also important for the sustainability strategy (strategic risk), repayment capabilities of our clients (credit risk) or the ability to attract talents for our company (HR risk).

Additionally, physical risk drivers, expressed as the increased intensity and frequency of severe weather events, will have impact on the Ayvens' assets (vehicles and buildings), operations and supply chain as detailed in section 5.8.2.2.3 "Climate change adaptation" of this Universal Registration Document.

To limit the risks or maximise the positive impact of its business activity, Ayvens is working on both reducing exposure to internal combustion vehicles (especially diesel), broadening the mobility offering and creating the conditions required for greater adoption of EV, projects that are already well underway (see Section 5.2 "Sustainable mobility at the heart of the business" of this Universal Registration Document).

After having begun the reduction of the share of diesel vehicles in its fleet since 2017, Ayvens is committed to the transition of its fleet towards a more balanced mix between electrified vehicles (EV) and internal combustion engine vehicles. These efforts have been carried over into the renewed PowerUP 2026 sustainability strategy, released in September 2023. In leading the transition, Ayvens' sustainability strategy sets targets for emissions, EV adaptation and the average emissions of the fleet.

Given its position as a facilitator/prescriber, Ayvens is convinced it has a major role to play in supporting customers with the EV transition of its fleet. This positioning, combined with the efforts made on the products/services offered and growing customer demand, places Ayvens far ahead of the market as a whole, both in terms of electrifying its fleet and reducing CO_2 emissions. Electric Vehicles totalled 35% of new cars delivered in Europe in 2023 (*vs.* 23% for the market [(1)]), a share expected to grow to 50% target in the PowerUP 2026 plan.

The growing share of Electric Vehicles automatically results in lower emissions. CO_2 emissions from Ayvens deliveries are historically 5-10g/km lower than the market. Moreover, inventory managed by Ayvens consist of recent models, which include the latest technological developments in terms of safety and emissions (average age of two years *vs.* 11 years in Europe), meeting the latest certification standards.

Ayvens also has expressed in the PowerUP 2026 strategic plan its intention to invest in new mobility solutions with a lower environmental impact. "Mobility as a Service", carpooling and soft mobility solutions are promoting new behaviours that are gradually moving away from the traditional one car per user paradigm.

(1) Source: ACEA

4.1.2 Risks specific to activity

4.1.2.1 Risks related to residual value

Identification of the risk

The Group may be unable to sell its used vehicles at desirable prices, and faces risks related to the residual value of its vehicles in connection with such disposals.

As a general rule, the Group retains the residual value risk on its leased vehicles and sells vehicles returned by its clients at the end of the lease, at a profit or loss. Used car sales profits totalled EUR 349.5 million in 2023 (including LeasePlan from 22 May 2023), compared to EUR 747.6 million and EUR 437.7 million for financial years ended 31 December 2022 and 2021 respectively.

Between 2020 and 2022, the car market was mainly driven by external factors (COVID, semiconductor shortage, Ukraine conflict, inflation, interest rates, *etc.*) that resulted in a lack of new vehicle supply with a consequent significant increase of new and used car prices. Since the end of 2022, a normalisation of the new and used car markets is observed.

2023 OEM (Original Equipment Manufacturers) production levels have increased (supply chain problems solved) returning to pre-pandemic levels, resulting in shorter delivery times. However, in the second half of 2023, new vehicle market demand started to cool down, linked to customers' purchasing power concerns in an increasing inflation and high interest rates environment. The impact on Battery Electric Vehicles (BEVs) was amplified in 2023 by the decrease in government subsidies (notably in BEV's mature markets) and the rise in energy costs discouraging some BEV buyers as BEV's Total Cost of Ownership is less favourable. Demand and production gaps on new vehicles are forcing OEMs to adjust prices, mainly *via* discounts.

As anticipated, the used car market performance continued to normalize in 2023. Used car prices have decreased on all markets, with a negative impact on BEV's used car prices and a downward trend in key European countries. While used BEV are still in demand, their prices are lower than anticipated.

The Group is exposed to a potential loss in a financial year from (i) resale of vehicles related to leases which expire during the period whose resale value is lower than their net carrying amount and (ii) additional impairment during the lease period if residual value drops below contractual residual value.

Future sales and estimated losses are impacted by external factors such as macroeconomic conditions, government policies, tax and environmental regulations, consumer preferences and new vehicle prices. If resale prices on used vehicles decline, the Group could face a reduction in its resale performance, or even record a loss, which could have a material negative impact on the Group's operations, earnings, financial situation and/or capacity to achieve its targets.

Since CO_2 emission reduction targets (imposed on car manufacturers) came into effect in 2020 and following an underlying trend reinforced by the European Union's ban on the sale of new Internal Combustion Engine (ICE) cars from 2035, growth in EV sales continued to accelerate in 2023, mainly in Western Europe. At OEM level, an acceleration in BEV sales is expected starting in the second half of 2024, as from the end of 2025, OEMs must comply with the next CO_2 level target deadline.

This context and/or further economic and political developments in relation to EV could have a material negative impact on the Group's operations, earnings, financial situation and/or capacity to achieve its targets.

As at 31 December 2023, EV (Battery Electric Vehicles and Plug-in Hybrid Electric Vehicles) represented c. 20% of Ayvens' total funded fleet.

Residual value risk is managed according to a central policy which defines the procedure for setting and reviewing residual values.

The Group policy on residual value risk aims to monitor used car market trends and adapt the Company's pricing and financial policy.

The procedure for setting residual values defines the process, roles and responsibilities for determining the residual values that will be used in quotations for leased vehicles. Residual values are set locally, using a fully traceable procedure with a clear audit trail. Ayvens' central Asset Risk team then approves these residual values.

Residual values are calculated on specific vehicle segments based on the size and type of vehicle and are based on statistical models, local sales price guides, proprietary data on sales of used vehicles, and domestic factors applying to each country (inflation, sector adjustments, life cycle, *etc.*).

The Group also aims to specifically monitor residual values for EV, whose future resale in the specific used vehicle market could also involve uncertainties related to the level of demand, the level of prices, or rapid technological change. The traditional procedures for setting residual values, based in particular on observed resale prices, have their limits for these vehicles, given their recent introduction. For this reason, a dedicated working team focuses on determining the residual values for Electric Vehicles since 2020. This team has established specific pricing procedures and continuously monitors factors that may impact the resale prices of Electric Vehicles, such as the development of technologies, subsidies for the purchase of Electric Vehicles and battery longevity.

Fleet reviews are conducted once or twice annually to accelerate impairment in countries where losses are expected.

Two fleet reviews are conducted each year in subsidiaries with more than 5,000 vehicles and one review in smaller entities. During these reviews, the residual value of the active fleet is compared to revised market estimates. In each country, the General Manager is responsible for managing the review process according to a methodology approved centrally and defined at Group level.

Ayvens central Asset Risk team is responsible for verifying that the review is conducted in compliance with these requirements. When a net loss is realised in the portfolio, additional impairment is recorded in accordance with Ayvens' accounting standards. Conversely, the rate of depreciation is reduced, or even stopped, in the event of a significant net gain on the portfolio.

The Group is developing its multi-cycle lease offering.

This approach will reduce the residual value risk as the latter is significantly lower at the end of a second contract. To further reduce this risk, Ayvens may take additional steps to encourage customers to extend their lease.

4.1.2.2 Risks related to maintenance services and tyres

Identification of the risk

The Group's pricing structure and assumptions regarding the future maintenance, repair and tyre costs of the vehicles in its fleet over the term of the lease may prove to be inaccurate, which could result in reduced margins or losses.

Maintenance risk is the risk when the actual costs of maintenance incurred during the contract life are greater than the costs forecasted and included in the quotation at the beginning of the contract. Maintenance costs are determined on a local scale based on local historical statistics and taking into account the different types of vehicles (internal combustion, 100% electric, hybrid, *etc*.). A global review of the maintenance margin is carried out for each country on a regular basis in order to back test the pricing assumptions in terms of costs and frequencies and to make the necessary adjustments if maintenance and tyre costs are higher in the last part than in the first part of a contract's life.

Factors which can increase costs:

- extension of maintenance to services not initially included;
- maintenance frequency higher than initial assumptions (poor evaluation, type of usage by customers);
- price of supplies needed for maintenance of vehicles higher than initially estimated, in particular in times of inflation;
- labour costs higher than initially estimated.

General inflation has a negative impact on maintenance costs, in particular through labour costs and spare parts and tyres prices. Historically, most of the Group's leases are on a fixed-fee basis, based on a set of assumptions about costs and inflation (which may turn out to be lower than the levels being seen during unforeseen periods of high inflation), the Group may not be able to pass on the increased prices to its existing customers, which may result in reduced margins or losses on the leasing contracts in question. As a matter of fact, sharply rising inflation, in particular on auto components and services, had a negative impact on Ayvens' margins in 2023. Shall the current inflationary trends continue beyond the level the Group is able to pass on to its customers, the Group may not be able to recover the unbudgeted costs, which would negatively impact its operations, results, financial situation and/or capacity to achieve its targets.

The Group has extensive experience and records relating to the calculation of maintenance expenses.

The Group has put in place a procedure to ensure that statistics on maintenance costs are frequently and thoroughly updated. The Group also has a long history of maintenance cost trends for most makes and models offered for lease.

The possible increase in inflation is embedded in the pricing parameters for Ayvens' service offerings.

Inflation and its outlook are part of the Group monitoring system, in order to adapt the price of services invoiced under its new contracts.

Inflation beyond a certain threshold is one of the parameters included in the lease contracts of certain countries where significant inflation is recurrent. This mechanism allows, subject to commercial considerations, the adjustment of the price of services billed to clients during the term of their contracts.

4.1.2.3 Risk related to motor insurance

Identification of the risk

The Group is exposed to the costs related to damages paid on the self insurance (own damage) programmes in its leasing entities and the selling of insurance by its (re) insurer (LPINS or ALD RE).

As a result of its normal business activities, the Group is exposed to motor insurance risk. Motor insurance risk is the risk of financial losses, relating to vehicle insurance. The risk taken by the business therefore, is the risk that the factor charged within the lease instalments, to cover damage sustained to the vehicles, is inadequate. Additionally, some local entities offer a non-insurance solution referred to as 'risk retention'. For non-compulsory lines of cover, where local regulations permit, the Group may offer a warranty for damage sustained to a vehicle, up to a pre-defined limit, in return for a higher lease charge. This risk also consists of long-tail risks (e.g. motor third-party liability and legal defence, where the Group agrees to refund the insurer an agreed amount as a deductible) and short-tail risks (e.g. motor material damage and passenger indemnity).

The Group has its own insurance companies in Dublin, Euro Insurances DAC trading as LeasePlan Insurance, which is a freedom of services-based insurance company (1), and ALD Re DAC, which is a reinsurance company, both writing risks for the respective businesses. Additionally, throughout the Group, there are a number of entities which hold mediation licences, to sell insurance products, as well as entities which also perform claim handling activities, in relation to insurance and risk retention claims.

The Group has a sound governance to monitor the performance of the risks and to analyse pricing and reserving.

Within the (Re)insurance companies in Dublin, there are underwriting committees monitoring the performance of the risks and analysing pricing and reserving. Additionally, the (Re)insurance companies have their own risk committees (both at entity and local Board level), to oversee the business. From a Group perspective, there is a Motor Insurance Governance Committee, which is a sub-committee of the Group Risk Committee and which monitors risk, compliance and regulatory affairs matters, across all of the Group's insurance business.

At Group and entity level, performance of the insurance portfolio is monitored through analysing loss ratios. The loss ratios are calculated using net incurred, which includes paid claims, provisions for claims not yet settled and a provision for Incurred but not (enough) reported (IBN(E)R) (2) divided by net premium. The Group's risk appetite is always for the loss ratio to be below 100%. The loss ratios for the programmes across the Group are monitored on a quarterly basis, by the Group's (RE)insurance companies and the Group's Motor Insurance Governance Committee.

For large risks, where an entity wishes to place insurance internally for a large fleet (above 2,500 units), the quotation request must be referred to the Group's Insurance Risk Review Committee. If approved, the quote can then be presented to the insurance company, which additionally, has its own internal processes around risk acceptance.

Following an increasing number of climate event claims over recent years, the Group has now established a committee to look at what measures can be taken to protect the fleet, during such events. The committee will report and implement its findings later in 2024.

(1) Freedom of Services (FoS) insurance is a possibility for an insurance undertaking, licensed in an EEA Member State, to provide its insurance services in the territory of another EEA Member State without permanent establishment. This means that a single policy can cover exposures in multiple EEA jurisdictions or an insurer based in one jurisdiction can issue multiple policies in another jurisdiction

(2) Accounting methodology to hold reserves for accidents not yet known about or where the incident is known, but the current reserved amount may prove to be inadequate in the future

4.1.3 Credit risk

Identification of the risk

The Group is exposed to the risk of default by its customers under leases and/or Fleet Management contracts.

Credit risk is the risk of losses resulting from the inability of Group customers, issuers or other counterparties to meet their financial commitments. This includes the risk of a default on lease payments and accounts receivable due to the Group.

The Group's credit risk depends on the concentration and risk profile of its customers, the geographical and sectoral segmentation of its exposure, the nature of this exposure to the credit risk and the quality of its leased vehicles portfolio, as well as economic factors which may influence customers' ability to make scheduled payments. For instance, during the global economic crisis in 2008-2009, the Group briefly experienced moderately higher default rates from businesses. Since 2011, the cost of risk has remained below internal warning levels. As a result of the coronavirus crisis, the Cost of risk spiked in 2020, partly coming from non-performing customers and partly due to more negative outlooks for performing customers based on forward-looking economic data, but not resulting in serious problems for Ayvens. In 2023, the cost of risk stood at a moderate 18 basis points (1) level, in line with 2022 (20 basis points). While the cost of risk remained moderate in 2023, the current macroeconomic environment, successive interest rates hikes in a relatively short period of time and resulting threat of recession could increase the Group's credit risk in the short or medium term.

As at 31 December 2023, the Group's on- and off-balance sheet exposures measured in EAD amounted to EUR 24.6 billion, of which 47% corresponded to the corporate portfolio. At the same date, 70% of the Group's corporate exposure consisted of customers rated BBB- or higher.

Breakdown of risk by internal rating for corporate clients as at 31 December 2023:

Rating	**% of Corporate EAD**
AAA-AA	2%
A	23%
BBB	45%
BB	23%
B	5%
<B	2%

As at 31 December 2023, Group receivables with customers and financial institutions totalled EUR 7,348.9 million. The increase compared to the previous year (EUR 3,157.9 million in 2022) is mainly due to the acquisition of LeasePlan in May 2023. At 31 December 2023, the Group had set aside provisions of EUR 223.5 million for impairment of trade receivables. As at 31 December 2023, forward-looking provisions for uncertainties of currently sound customers, stage 2 provisions, were EUR 38.1 million.

While the Group generally has the ability to recover and sell leased vehicles following a customer default, the resale value of the recovered vehicles may not be adequate to cover the book value of the vehicle as a result of a default.

The Group relies on procedures in line with Societe Generale's risk policy (see Section 6.2 "Notes to consolidated financial statements" note 4 "Financial and operating risk management").

Ayvens entities must respect central risk management procedures. Societe Generale's Risk Department is closely involved with monitoring Group risks and updating Group procedures.

Credit authorisations vary depending on whether a customer is exclusive or shared with Societe Generale. This system of authorisations takes into account the amounts committed and the creditworthiness of the counterparties. Applications for large amounts are reviewed by Societe Generale's risk teams.

For companies, the Group assesses and monitors the likelihood of default of each individual counterparty with the help of ratings models.

The Group has put in place a collection policy.

This policy relates to the collection of unpaid lease payments and the recovery and resale of the vehicle. Debt collection remains under the direct responsibility of the Group's subsidiaries with dedicated teams in charge of collecting unpaid invoices in compliance with local regulations and market practices.

(1) Of average earning assets

4.1.4 Non-financial risk and model risk

4.1.4.1 IT and cybersecurity risks

Identification of the risk

The Group can fail to ensure the proper functioning of its software, websites and mobile applications, or fail to adapt them to future technological developments.

The Group's ability to provide reliable services, competitive pricing and accurate and timely reporting for its customers depends on the efficient operation and user-friendly design of its back-office platforms, internal software, websites and mobile applications as well as services provided by third-party providers. For its information technology infrastructure, the Group draws on the quality service from intragroup service providers, which provides network connectivity and security environment support under the terms of a service agreement.

The risks are:

- Ayvens' inability to provide the service;
- loss of the Group's ability to maintain and improve the responsiveness, features and characteristics of its technologies and information systems.

In addition, subsequent to the merger of LeasePlan and ALD, the Group may encounter difficulties in the process of consolidating the IT systems and infrastructures of the two companies, which may lead to costly and time-consuming integration efforts. This could result in significant costs, delays, disruptions, or limit the achievement of the synergies expected from the acquisition which could have a material adverse effect on the Group and its activities, financial situation, operating results or outlook.

The Group has set up an IT risk management framework that meets regulator's expectations, market standards and the Societe Generale Code of Conduct.

This framework aims to:

- ensure the right level of expertise and responsibility for managing risks across the Group;
- ensure the right level of information-sharing with internal or external counterparties;
- provide decision-making support with the right level of information on the risks incurred;
- ensure that managers and risk managers get a relevant level of information enabling them to carry out their activities (while respecting the confidentiality of such information).

The risks that could impact the Group's ability to implement its strategy or achieve its objectives and performance are identified, assessed and managed in a measured, efficient and proactive manner.

The Group has set up a dedicated department, called Integration Management Office ("IMO"), to ensure the efficient and rapid integration of LeasePlan. The consolidation of the IT systems and infrastructures of ALD and LeasePlan is one of the key workstreams of the IMO. To manage Integration Risk linked to IT and Legal Risks, the IMO has created dedicated positions to help entities.

Identification of the risk

Any disruption to, or third-party attack on, the Group's information technology systems could adversely impact its business.

System malfunctions and faults in the computer systems, hardware and software, including server failures or possible attacks from the outside, for instance attacks originating from criminal hackers or computer viruses, create the risk that IT services will not be available. The Group's information and communications systems are crucial to the conduct of its business – even more so as digital services and the digitalisation of processes becomes more widespread. Any breach of its own or its external partners' systems could materially disrupt the Group's business. Such incidents could incur significant costs for information recovery and verification; lost revenues; customer attrition; disputes with counterparties or customers; difficulty managing operations; information leaks, including sensitive business information, the value of its investments in its products or its research and development; the issue of its legal liability, and ultimately tarnish the Group's reputation. Difficulties with certain counterparties could also indirectly incur risks to the Group's credit and/or reputation.

The Group could suffer targeted, sophisticated attacks on its IT network, resulting in embezzlement, loss, theft or disclosure of confidential data or customer data (which could constitute violations of (EU) Regulation 2016/679 of the European Parliament and of the Council on the protection of individuals with regard to the processing of personal data and on the free movement of such data ("GDPR"). Such incidents, managed by the privacy function of the Compliance team, may result in operational losses and adverse effects on the Group's business, results and client reputation.

The Group's liability could include penalties imposed by the regulator (in Europe and in other countries where the Group operates), complaints from its business partners, identity theft or other similar fraud claims as well as for other misuses of personal information, including unauthorised marketing purposes, and any of these claims could result in litigation.

The conflict in Ukraine since 2022 significantly increased the risk of cyberattacks for the Group and its external partners, which could disrupt websites and increase the risk of data leaks. With this in mind, the Group has taken the necessary measures to handle the growing threats and protect its systems.

Security governance organised around a Global Chief Information Security Officer.

The latter supervises the various security managers and correspondents in the Group entities and interacts with IT Risks and Security contacts at Societe Generale, whose policies are implemented by the Group. As a subsidiary, the Group is supervised by Societe Generale.

An assessment and control mechanism to measure exposure to risks and the expected level of security.

The Group:

- has set its appetite for operational risks and cybersecurity risks;
- carries out regular risk analysis on its assets, notably taking into account regulatory and legal risks (GDPR, national regulations, security in contracts) and implements the security measures needed to guard against these risks in a way that is consistent with its risk appetite;
- formally draws up indicators (Key Risk Indicators/Key Performance Indicators) to help guide its risk reduction strategy;
- carries out regular assessments of its level of risk exposure (internal audits, independent audits, intrusion and vulnerability tests) and management of corrective action plans with a view to continuous improvement;
- carries out permanent supervision controls in order to check the application of standards and policies within these entities.

The Group manages the risk of attacks through preventive actions and close monitoring.

The Group:

- bases its cybersecurity approach on market standards such as NIST & ISO 27001;
- performs permanent monitoring of cybercrime relying on the services of the Societe Generale Computer Emergency Response Team (CERT) and SOC (Security Operating Centre);
- implements back-up plans and infrastructures for its critical assets and organises business continuity and crisis management tests in order to check their effectiveness;
- runs awareness campaigns and employee training as a first line of defence against operational and cybersecurity risks. Employees are at the core of the Group's business and are a preferred target for social engineering (phishing, fraud against the Chair, *etc.*).
- manages adherences to GDPR by specialists and a Data Privacy Officers who are part of the Compliance governance set-up.

4.1.4.2 Fraud risk

Identification of the risk

Fraud or criminal activity may be committed by an employee of Ayvens or by persons outside Ayvens. It includes the theft of money, securities, or assets (physical or intellectual) belonging to Ayvens or held by Ayvens on behalf of third parties, fictitious or unauthorised transactions, unauthorised use of privileged or confidential information, swindles or any other criminal activity impacting Ayvens' assets or premises, including malicious interference with the information systems.

External fraud in the shape of car theft is inherent to the leasing business and will predictably lead to financial impact that will be either priced in the leasing fee or insured. Car theft by third parties (i.e., without involvement of customer) is the most common form of external fraud at Ayvens, for example, the theft of the vehicle from the driver's home, Ayvens premises or public areas. In other cases, the vehicle may be picked up at the supplier's delivery point using identity theft. Customer fraud may appear in cases where the customer has difficulty meeting their payment obligations and does not return the vehicle upon Ayven's request. These cases are more frequent in the Small & Medium Enterprise (SME) and Private Lease (PL) segments and are influenced by unfavourable macroeconomic circumstances. Fraud with involvement of the customer and internal fraud are much less likely and have a marginal impact.

Ayvens uses a loss data collection tool to register operational risk incidents and losses. In 2023, 64% of operational risk incidents in terms of numbers were classified as external frauds. In terms of net financial impact, external fraud cases represented 39% of Ayvens' total net financial operational loss impact (EUR 47.5 million in 2023).

Ayvens has a fraud risk management framework to prevent, detect, investigate/handle and remediate/follow-up internal and external fraud aiming at harmonising the current initiatives from ALD and LeasePlan.

Ayvens has a zero-tolerance policy towards internal fraud.

Ayvens has defined and implemented control measures to prevent and detect fraud in general, such as access management, dual control, segregation of duties, background check / employee screening, and physical controls, among others. In particular, car theft/fraud is reduced by strengthening controls at customer onboarding and during the lifecycle of the lease (e.g., *via* early warnings), reinforcing the identification (e.g., *via* identification tool) and improving the delivery process (e.g., making suppliers aware of the risk of identity theft).

Car theft by third party is monitored *via* Key Risk Indicators and internal fraud as part of Ayven's risk appetite indicators on a quarterly basis. Lessons learned from previous fraud cases are shared across entities to ensure early detection of a new *modus operandi*.

4.1.4.3 Legal, fiscal and compliance risks

The Group complies with numerous national sectoral/cross-cutting laws and regulations on credit transactions, insurance product distribution, competition law, the financial markets, compliance with sanctions and embargoes, counter-terrorist financing, anti-money laundering, anti-corruption, personal data protection and consumers' rights. The proliferation of sources for legal, regulatory and tax obligations is a risk in terms of the control and clarity of the legal framework applicable to the Group's business activities.

Identification of the risk

The Group could be subject to litigation or administrative and/or legal proceedings as well as sanctions for failure to comply with regulations that could harm its interests.

If the Group were unable to comply with its contractual obligations due to provisions being deemed unenforceable or invalid, this could incur its civil liability and could also expose it to the risk of criminal or administrative sanctions, guarantee calls, professional and employment restrictions or prohibitions and other restrictions that would harm its proprietary interests and thus be likely to harm its image.

In addition to the risk of breach of contract and penalties, commitments may also be required from the supervisory authorities and thus force the Group to review its compliance programme, its commercial practices and in general lead to increased costs related to its internal organisation.

If the Group's entities fail to comply with regulations on anti-corruption, anti-money laundering or compliance with sanctions and embargoes, the Group could be subject to financial, administrative or criminal sanctions.

Ongoing litigation

Since 2011, ALD India has been involved in litigation with the Indian tax administration over the application of service tax for the period of March 2006 up to and including June, 2017 on leasing contract payments. Whereas the local administration considers this tax to be applicable because in their view the full service leasing and fleet management services constitute a single inseparable service, ALD India, on the other hand, considers that its leasing activity constitutes a separate financing service which is subject to sales tax only. A provision of EUR 13.6 million has been recorded for this matter. ALD India paid 7.5% of the total costs as an advance tax and filed an appeal with the service tax tribunal. The last hearing was scheduled for December 2023. However, the decision has not yet been received. LeasePlan India is involved in a similar case with the Indian tax administration over the application of service tax for the period April, 2014 up to and including June, 2017 on operating leasing contract payments. A petition has been submitted by LeasePlan India to the relevant tribunal seeking an injunction restraining the payment of the service tax. Next date of the hearing in concerned tribunal is scheduled for April 2024.

ALD Italy is involved in a tax dispute with the Lazio region (Rome) concerning its payment of road/traffic taxes in the Trento region, a widespread standard practice in the car leasing industry, instead of Rome, where its headquarters are located, resulting in an alleged loss of tax revenue for the Lazio region from 2016 up to and including 2017. On 19 October 2023, the First Instance Tax Court of Rome ruled in favor of ALD Italy and cancelled both the road tax assessments for financial years 2016-2017. The Lazio region appealed against this judgement. At the same time, on 22 January 2021, ALD Italy received another notice from the tax authorities regarding financial year 2018. The first hearing was held on 19 April 2023. ALD Italy won the case, but the decision was appealed by the Lazio Region on 26 May 2023. In December 2023, ALD Italy received a notification on road tax for financial year 2020. Due to a change in law, the amounts at stake for year 2020 are lower, ALD Italy being now legally liable for the payment of the road tax only for vehicles in stock, pool/flexi vehicles (used for prelease or replacement vehicles – short term lease) and company cars. A total provision of approximately EUR 15.6 million for financial years 2016, 2017, 2018 and 2020 has been booked. The financial year 2019 is prescribed and no reassessment has been received by ALD Italy. LeasePlan Italy is also involved in similar litigations regarding road tax for several periods from 2016 to 2018. LeasePlan Italy won the first tax degree before the competent Tax Court. The tax authority appealed the sentences, and the litigation is pending before the (II level) Tax Court. In addition, LeasePlan Italy is involved in disputes with the Municipality of Rome regarding I.P.T (Tax on Vehicles registration) for the periods 2017-2018. In 2017, LeasePlan Italy moved the registered office to Trento and paid the I.P.T. in Trento. LeasePlan Italy considers that it is in the position to successfully challenge this as: i) there is a specific rule in the I.P.T. discipline that provides for a territorial criterion of the tax based on the place where the registered office of the owner of the vehicles is located; ii) its registered office located in Trento was not fictitious. The first hearing is to be set for the I level degree before the Tax Court. An initial provision of EUR 40 million is currently being re-assessed.

In 2017, ALD Spain initiated a dispute following a tax adjustment in respect of financial years 2011 up to and including 2014 relating to income tax, withholding tax and VAT. This tax adjustment is under dispute. Proceedings are ongoing before the administrative courts. The tax administration's cancellation of several penalties led to the provisioned amount being adjusted to EUR 1.2 million. In addition, a tax audit from the Spanish tax authorities has been open since 2019 for financial years 2015 up to and including 2017, which resulted in the booking of a provision of EUR 8.6 million for recovery of VAT on insurance services. The debate revolves around the question of whether the insurance part associated with the leasing agreement is to be considered as an ancillary service or not and thus can or cannot be accounted for in the total amount of recoverable VAT. Legal proceedings have been brought in relation to that tax reassessment. In November 2023, ALD Spain received a partially estimated VAT resolution from the Central Economic Administrative Court. Other potentially disputed amounts for similar cases have been fully provisioned for the financial years 2018 up to and including 2021 for a total of EUR 18.5 million. However, no notifications have been received and no disputes are currently pending related to the 2018-2021 period. In a similar case, LeasePlan Spain is involved in a dispute with the Spanish tax authorities over the application of VAT over insurance activities performed by LeasePlan Spain as an ancillary service to its operating lease activities for the period 2016 up to and including 2020. LeasePlan Spain considers the insurance activities as elements that form part of the main (lease) transaction, which is subject to VAT and not exempt from VAT. No provision has been recorded for this matter. Since March 2022, LeasePlan Spain is awaiting a resolution of the Central Economic Administrative Court.

ALD Brazil is currently involved in two disputes with the Brazilian tax authorities over the application of vehicle resale tax (known as "PIS and COFINS taxes") and the calculation methods to be used for the application of tax credits ("IPVA"). The PIS and COFINS cases, which cover the 2014 and 2018 fiscal years, exposes ALD Brazil to (potential) adjustments of EUR 5 million and EUR 8.8 million, which resulted in the booking of a provision of EUR 1.7 million and EUR 3 million. An independent technical opinion supplied by tax experts and professors on the Brazilian subsidiary's claim concluded that there seem to be no legitimate grounds for the request for collection of PIS and COFINS on the revenues from used vehicle sales. ALD Brazil filed a second level of appeal at District Court/Court of Appeal.

In 2023, Ayvens has been witnessing an increase in potential claims in the motor finance sector-wide practice in the UK, referred to as the discretionary commissions arrangements, whereby an introducing broker for a motor finance credit product would at its discretion determine the amount of commission received, ultimately impacting the interest rate offered to the client. Recent decisions rendered by the Financial Ombudsman Service which entitle selected customers to seek redemption of the discretionary commissions paid with interests, have raised discussions and concerns on the existence of potential underlying liabilities for companies in the motor finance sector. Even though Ayvens' exposure to this potential litigation risk is likely limited to only a small percentage of its respective activities, the extent to which Ayvens could be exposed is currently difficult to assess. The Financial Conduct Authority is investigating the topic for the motor finance industry and is likely to set the parameters around which customers will/will not be entitled to redress.

Legal and compliance teams are supported by Central Legal and Compliance functions of Societe Generale.

Ayvens' Legal and Compliance Departments rely on the expertise of Societe Generale's legal and compliance function and ensures compliance with the policies relating to legal affairs and regulatory domains. In addition, Societe Generale provides certain services on behalf of Ayvens' Legal Department, such as the supervision of activities related to the Group's corporate life.

The Group's central policies comply with Societe Generale's requirements. In particular, Ayven's policies are in line with SG Code, with regard to combating bribery, anti-money laundering and counter-terrorist financing, and compliance with provisions related to sanctions and embargoes.

The Group's policies define the measures enabling business to be conducted in compliance with applicable regulations and high ethical standards. The Societe Generale Code of Conduct and the Group's Code of Conduct on Corruption and Influence Peddling, are specifically directly communicated or made accessible to all employees.

Policies are regularly adjusted in light of the results of risk mapping and changes in regulations.

The Central Compliance Department implements an annual self-assessment framework to measure and monitor compliance risks and adjust accordingly regulatory impacts of the compliance risks to which the Group is exposed. This exercise, performed separately at ALD and LeasePlan in 2023 following different methodologies, will work on convergence in 2024 and transition to a common risk assessment exercise in 2025, in alignment with Societe Generale guidelines.

Group employees regularly receive mandatory training on compliance risks.

This training contributes to increasing employees' risk awareness.

In addition, Ayvens' Compliance Department ensures regular coordination and oversight of local compliance officers located in the subsidiaries. This network of local compliance correspondents is instrumental to ensure local implementation of the policies defined by the Group, as well as the monitoring of local compliance framework and reporting/escalation of any potential compliance incident

4.1.4.4 Model risk

Identification of the risk

The Group could be subject to adverse consequences arising from decisions based primarily on models.

Model risk is defined as the risk of adverse consequences (including financial loss, poor business and strategic decision making, or damage to the reputation) arising from decisions based primarily on models. The source of model risk may be linked to incorrect model design, implementation, use or monitoring. Model risk stems from uncertainty of the model's output or errors in modelling processes.

Model risk refers to the models in use (IRB credit risk, credit risk evaluation, residual value, insurance models and models for repair and maintenance) spread across different risk types and different units. Model risk for regulatory models is specifically distinguished by the regulator and is under increased scrutiny.

Model risk is monitored in the Risk Appetite Statement.

Model risk in terms of risk appetite is defined as global risk, meaning that it is monitored at Group level. Key risk indicators are defined and tracked on a quarterly basis. The analysis and reporting on model risk is based on the model inventory data which is diligently maintained and updated quarterly to reflect the most recent information.

Model risk management is based on sound governance.

Controls are implemented and monitored on the basis of the model lifecycle. Model lifecycle depicts the stages of the model starting from initiation till the time it is decommissioned. The controls and range of activities conducted for a model, as listed below, are proportionally required with the potential risk presented by their intended use: model initiation/expression of need, model inventorying, model tiering, model development & testing, independent model validation (initial, change-based, periodic), backtesting, model approval, formal deployment, ongoing monitoring, residual model risk assessment and reporting, model change management controls and documentation for each phase of the model life cycle.

Ayvens' model risk management started to be implemented in 2023, based on the LeasePlan set-up and will continue to be deployed in 2024 in line with Societe Generale's principles.

4.1.5 Structural risks

4.1.5.1 Liquidity risk

Identification of the risk

Inability to meet its financial commitments when they fall due.

The Group is exposed to liquidity risk, which is the risk of not being able to meet financial commitments when they fall due and at a reasonable price. A structural liquidity position is derived from the maturities of all outstanding balance sheet and off-balance sheet positions according to their liquidity profile (see Section 6.2 note 4 "Financial and operating risk management" §4.1.2 "Treasury risk").

To finance its expansion, the Group relies on Societe Generale, which remains its first lender after the acquisition of LeasePlan, covering 33% of its financing requirements as at 31 December 2023 (compared to 69% at 31 December 2022). In addition, Ayvens has access to the capital markets (bond issues and securitisations), where there is high demand for its issues, which allows it to raise liquidity on competitive terms. In the event of difficulties in accessing the capital markets on terms it considers acceptable, due to market conditions or factors specific to the Group, or if it experiences unforeseen liquidity outflows, its liquidity could be impaired.

Since the acquisition of LeasePlan, completed on 22 May 2023, the Group controls a deposit-taking financial institution, LeasePlan Corporation N.V. In the event of potential run-off of sight deposits and/or non-renewal of fixed-term deposits resulting from an acute stress on LeasePlan Corporation N.V., on Ayvens and/or on the banking sector more broadly, the Group may not be able to maintain a satisfactory level of deposits from its depositors, in which case it may have to resort to more expensive funding which could have a material adverse effect on its margins and results, or may not be able to meet its financial commitments as they fall due. Notwithstanding, LeasePlan Corporation N.V. is subject to liquidity regulatory requirements and as such, maintains a liquidity buffer and liquid reserves in the form of cash held at central bank to comply with these requirements.

The liquidity position is closely monitored.

Despite the more diversified funding structure, notably deposits collected since the acquisition of LeasePlan, the Group's exposure to liquidity risks remains limited as the Group's policy is to finance the underlying assets over the same duration as the corresponding lease contracts. Residual liquidity gaps for each entity are reviewed each month under the supervision of Ayvens Group's Central Treasury Department, which ensures that the debt is correctly backed by the leased assets. The liquidity position is then reviewed and consolidated at Group level. Any deviation from thresholds is corrected under the supervision of the Group's Central Treasury.

The Group has diversified sources of financing.

At 31 December 2023, financing from Societe Generale accounted for 33% of the Group's total funding. Since LeasePlan was acquired, funding sources are more diversified, with 67% of funding from bonds issuance, bank loans, securitisations and deposits from individuals in the Netherlands and Germany.

Ayvens is included in Societe Generale's liquidity risk management.

4.1.5.2 Interest and exchange rate risks

Identification of the risk

The Group is exposed to interest rate risk and to a foreign exchange risk in countries outside the Euro zone.

Ayvens is present in countries outside the Euro zone and is therefore exposed to foreign exchange risks related to inflows and outflows of cash from daily business activities as well as holdings in subsidiaries outside the Euro zone. Currency risks related to current business activities are very limited, as there are no cross-border leasing activities.

Ayvens' policy consists in matching the interest rate and currency profile of its funding with the lease contract portfolio profile as much as possible. Where matching is not possible, Ayvens uses derivatives to hedge interest rates and foreign exchange rate risks. There can however be a residual discrepancy (surplus or deficit) in the fixed rates position of each entity.

While the Group is economically hedged, there can be accounting mismatches when derivatives do not qualify for hedge accounting and are fair valued through the income statement. In the context of volatile market conditions, the fact that the hedging derivatives portfolio is fair valued can generate some volatility on revenues. Nevertheless, this volatility, which is of accounting nature, would be neutralized towards the maturity of the derivative.

For more details concerning the foreign currency exposure of Ayvens, refer to Section 6.2 note 29 “Borrowings from financial institutions, bonds and notes issued” and, concerning the Group’s sensitivity to changes in interest rates, Section 6.2 note 4 "Financial and operating risk management” §4.1.2 "Treasury risk" of this Universal Registration Document.

Interest rate risk is covered by a hedging policy.

Any residual interest rate risk exposure must comply with the sensitivity limits set for each entity. Sensitivity is defined as the variation in the net present value of the future residual fixed-rate positions (surplus or deficit) for a 10 bps parallel shift in the yield curve.

The Group’s Central ALM and Treasury Department monitors the interest rate risk exposure and advises subsidiaries to implement hedging operations. A monthly report measuring interest rate risk exposure is produced by each entity to be reviewed and consolidated by the Ayvens Group Central Treasury Department.

The Group’s financing and refinancing rules aim to minimise foreign exchange risk.

Ayvens' Group policy consists of financing the underlying asset in the same currency as the corresponding lease contract.

Any residual foreign exchange risk is managed in order to minimise the impact on the Group of fluctuations in the currencies in which it operates.

To achieve this goal, Ayvens quantifies its exposure to structural foreign exchange risk for each subsidiary by analysing all assets and liabilities arising from commercial operations and proprietary transactions. The Group's Treasury Department is responsible for monitoring structural exchange rate positions and manages the impact on profitability due to exchange rate fluctuations. Societe Generale’s Finance Department draws up the methodology for managing this risk and runs quarterly reviews of Ayvens’ positions.

4.2 Risk management organisation

4.2.1 Risk appetite

Principles governing Risk appetite

Risk appetite is defined as the level of risk that Ayvens is ready to accept to achieve its strategic goals. This process started in 2018 when ALD was a Business Unit of Societe Generale. As a regulated entity (Financial Holding Company), Ayvens has formalised it Risk Appetite Statement in a document which describes the main risk management principles, policies and quantitative thresholds (alert threshold, limit, *etc.*).

The Risk Appetite Framework:

- is an integral part of Ayvens' Risk Management Framework and Ayvens' Internal Control framework;
- defines Risk Appetite governance;
- presents the approach and methodology by which the risk appetite is identified, measured, determined, allocated, supervised, communicated and reported;
- describes the formalisation of this risk appetite in the Risk Appetite Statement;
- defines interactions with key strategic processes, such as:
  - the Risk Identification;
  - the Internal Capital Adequacy Assessment Process (ICAAP);
  - the Recovery Plan, Contingency Funding Plan and Contingency Capital Plan;
  - the strategy definition; and
  - culture and conduct, and compensation mechanism;
- is reviewed annually by Ayvens Board of Directors.

The framework, elaborated according to Societe Generale's guidelines, applies to the whole perimeter of Ayvens (ALD and Lease Plan), as well as third parties acting for or on behalf of Ayvens over which Ayvens has control.

Financial profile

The risk tolerance is calibrated by determining the highest acceptable level of financial profile deterioration in an adverse stress test scenario (decennial frequency). These indicators and their calibrations must be consistent with the budget of the Group. Ayvens is a regulated entity subject to regulatory requirements (Leverage ratio, Total capital ratio and CET 1 Ratio).

Business and strategic risks

Strategy and business risks are the risks related to the execution of the strategy and business plan. This risk is divided into two categories of risks:

- Strategic risk drives the execution of strategic initiatives. As such, Ayvens' strategic initiatives are limited in number and can be defined as the main actions and means implemented to achieve the objectives defining Ayvens' strategy;
- Business risk drives the execution of Ayvens' strategic and financial plan. The risk of execution of the financial trajectory is governed by a monitoring and control system within the Finance Department.

Credit risk

Credit risk appetite is managed through a system of credit policies and risk limits.

When assessing credit risk, Ayvens focuses on medium and long term client relationships, targeting both clients with which the Group has an established relationship and prospects representing profitable business development potential over the mid-term.

Acceptance of any credit commitment is based on in-depth client knowledge (Know Your Customer, analysis of the credit worthiness of the client) and a thorough understanding of the purpose of the transaction.

In a leasing transaction or in fleet management, risk acceptability is based, first, on the borrower's ability to meet its commitments, in particular through the cash flows which will allow the repayment of the debt. Nevertheless, the main mitigant in leasing transactions is the full Ayvens vehicle ownership over the length of the contract. Additionally, leased vehicles are essential for Ayvens' clients to conduct their activities for a significant portion of its client portfolio.

Counterparty ratings are key in the credit policy and serve as the basis for the credit approval authority grid used in both the commercial and risk functions.

Ayvens seeks risk diversification by controlling the concentration risk.

Proactive management of impaired risks is key to contain the risk of final loss in the event of default of a counterparty. In this regard, Ayvens has implemented rigorous procedures and/or has enhanced the monitoring of counterparties whose risk profile is deteriorating, including contacting clients after payment delays, vehicle return in case of default, resold vehicle or second leasing.

Counterparty risk

Counterparty credit risk on market activities is the risk that the creditworthiness of a counterparty to a transaction (derivatives or repos) could default or deteriorate in creditworthiness before the final cash flow is settled. In addition, Ayvens uses derivatives to hedge its interest rate and currency exposures associated with the funding of lease contracts.

Exposure to counterparty risk on derivative transactions is mitigated by clearing trades through central counterparties or *via* the use of ISDA (International Swaps and Derivatives Association) and supporting CSA's (Credit Support Annex).

Counterparty risk is limited and assessed as non-material for Ayvens.

Market risk

Ayvens does not carry out Market activity and as such does not have appetite for Market risk.

Non-financial risks (including compliance risk)

Non-financial risks are defined as risks of non-compliance, risk of inappropriate conduct, IT risk, cyber security risk, other operational risks, including operational risk associated with credit risk, market risk, model risk, liquidity and funding risk, structural and interest rate risk. These risks can lead to financial losses.

Governance and methodology have been put in place on the scope of non-financial risks.

As a general rule, Ayvens has no appetite for operational risk and non-compliance risk. Furthermore, there is zero tolerance for incidents severe enough that they are likely to seriously harm its reputation, jeopardise its results or the trust of its customers and employees, disrupt the continuity of its critical operations or call into question its strategy.

- Internal fraud: Ayvens does not tolerate unauthorised operations by its employees. Ayvens’ growth is based on relationships of trust among its employees, within the Societe Generale Group and between Ayvens and its employees. This requires respect, at every level, of the Societe Generale Group's principles, such as displaying loyalty and integrity. Ayvens’ internal control systems must be capable of preventing acts of major fraud.
- Cybersecurity: Ayvens has no appetite for fraudulent intrusions, service disruptions, compromises of elements of its information system, particularly those that would result in asset theft or client data theft. Ayvens intends to introduce effective means to prevent and detect this risk. It uses a barometer which measures the maturity of the cyber security controls deployed within its entities and the appropriate organisation to deal with potential incidents.
- Data leaks: trust is one of Ayvens’ key assets. As a result, the Group commits to deploy the necessary resources and implements controls to prevent, detect and remedy data leaks. Ayvens does not tolerate leaks of its most sensitive information, in particular with what concerns its customers.
- Operational continuity: Ayvens widely relies on its information systems for its business and is committed to ensure the continuity of its most vital services. Consequently, Ayvens has a very low tolerance for the risk of unavailability of the systems supporting its vital processes, in particular information systems directly accessible by its clients or enabling to carry out its activity on the financial markets. In addition, to deal with the occurrence of certain extreme events that could permanently affect its information system, its external service providers or a major Group entity based abroad, Ayvens is developing resilience solutions to ensure its survival.
- Outsourced services: Ayvens intends to demonstrate a high degree of thoroughness in the control of its activities entrusted to external service providers. As such, the Group adheres to a strict discipline of monitoring its providers and reviews them at a frequency appropriate to their risk level. Ayvens does not have any appetite for a delay in the management of its service providers exceeding 3 months.
- Management continuity: Ayvens intends to ensure the management continuity of its organisation in order to avoid any lasting absence of a manager which might jeopardize the achievement of its strategic objectives and which could threaten team cohesion or disrupt the Group’s relations with its stakeholders.
- Physical security: Ayvens applies security standards to protect personal, physical and intangible assets in all the countries where it operates. The Societe Generale Group Security Department ensures the right level of protection against hazards and threats, notably through security audits on a list of sites it has defined.
- Execution errors: Ayvens has organised its daily operations processes and activities through procedures designed to promote efficiency and mitigate the risk of errors. Despite having established a robust framework of internal controls, the risk of errors cannot be completely avoided, in particular during the phase of integration of LeasePlan. Ayvens has a low tolerance for execution errors which would have a very high impact on its clients.
- Compliance risk: Compliance risk is considered a non-financial risk, in keeping with the Group’s risk taxonomy. Acting in compliance means understanding and observing the external and internal rules that govern the Group's banking and financial activities. These rules aim to ensure a transparent and balanced relationship between Ayvens and all of its stakeholders. Compliance is the cornerstone of trust between the Group, its clients, its supervisors and its staff. Compliance with rules is the responsibility of all Group employees, who must demonstrate compliance and integrity on a daily basis. The rules must be clearly expressed, and staff informed and/or trained to understand them properly.
  Ayvens has no appetite for non-compliance risk. Ayvens is required to strictly comply with all laws and regulations which govern its activities in all countries in which it operates and the Group implements international best practices for that purpose.

Structural risks – Liquidity risks

Liquidity risk management is mainly based on a monitoring of financing risk (or economic risk), through the Ayvens’ liquidity gap indicator and the internal refinancing needs (or the contribution to Societe Generale Group’s liquidity position). Compliance with their respective internal refinancing limits ensures that Ayvens' (or Societe Generale's) external refinancing needs remain compatible with the funding plan.

Structural risks – Interest rate and exchange rate risks

Structural interest rate risk (also referred to as Interest Rate Risk in the Banking Book – IRRBB) refers to the risk – whether current or prospective – to Ayvens’ equity and earnings (hence for the Net Present value and the Net Interest Margin) caused by adverse movements in interest rates affecting the items comprising its banking book. There are four main types of risk: rates level risk, curve risk, optional risk (arising from automatic options and behavioural options) and basis risk related to the impact of relative changes in interest rates indices. All four types of IRRBB may potentially affect the value or yield of interest-rate sensitive assets, liabilities and off-balance sheet items.

Ayvens structural interest rate risk management primarily relies on the sensitivity of the Net Present Value (“NPV”) of fixed-rate residual positions (excesses or shortfalls) to interest rate changes, as well as the sensitivity of revenues according to several interest rate scenarios.

Ayvens’ policy in terms of structural exchange risks is to require entities to hedge their exposures to currency exchange rate fluctuations, by backing all balance sheet and off-balance sheet items, and to monitor residual exposures with small amount limits.

Model risk

The Group is committed to define and deploy internal standards to reduce model risk on the basis of key principles, including the creation of three independent lines of defence, the proportionality of due diligence according to each model's level of risk, the consideration of the models' entire lifecycle and the consistency of approaches across the Group.

A wrong design, implementation, use or a non-rigorous models monitoring can have two mains unfavorable consequences: an under estimation of equity based on models validated by regulators and/or financial losses.

The appetite for model risk is defined for the following model families: IRB credit risk, credit risk evaluation, residual value, insurance models and models for repair and maintenance.

Insurance risk

Ayvens' objective is to minimize costs related to damages paid on the self insurance (own damage) programs in its leasing entities and the sale of insurance by the Group's insurance companies (LPINS or ALD Re) by optimizing the premium income as much as possible and by ensuring that customers are selected using prudent underwriting criteria leading to an adequate risk premium.

Risk related to operating leasing activities (asset risk)

The residual value risk is the risk of a loss of value due to the changes in the price of vehicles on second-hand markets. The resale price of the vehicles is estimated at the inception of the leasing contract. The resale price may differ from the estimated value, thus generating a gain or a loss. This risk also covers the risk on the value of repair, maintenance and tyres (RMT) to a lesser extent.

Ayvens remains inherently vigilant about the proper assessment of the future value of its assets (which have the advantage of being liquid and diversified in terms of brands and geography) while monitoring the development of the used vehicle markets.

Expertise in setting, measuring and monitoring residual values is constantly reinforced by the development of new tools (constitution of a large database of used vehicles, automation of processes, implementation of efficient statistical tools). Ayvens' pricing and provisioning policy remains prudent and further protects the business unit from the economic uncertainties that may have impacted the automobile leasing market in the past.

4.2.2 General framework

Governance

As part of the supervision of its risk appetite, Ayvens relies on the following organisation:

Roles of Ayvens Board of Directors

The Ayvens Board of Directors:

- approves Ayvens' Risk Appetite Statement (RAS) and Ayvens' Risk Appetite Framework (RAF) every year;
- approves in particular the Ayvens risk appetite indicators after Ayvens General Management's validation;
- ensures that risk appetite is relevant to the Ayvens' strategic and financial objectives and its vision of the risks presented by the macroeconomic and financial environments;
- examines the risk appetite compliance dashboards presented quarterly and is informed of risk appetite breaches and the remediation action plans implemented;
- sets corporate officers' *(mandataires sociaux)* compensation, approves the principles of the Ayvens Group's compensation policy, in particular for regulated persons whose activities could have a material impact on Ayvens' risk profile, and ensures that they are consistent with the risk management objectives.

In the context of the Risk Appetite Framework, Ayvens Board of Directors relies mainly on Ayvens Board's Risk Committee (Ayvens CoRISK).

Roles of Ayvens General Management

The Ayvens General Management:

- validates the following documentation: Ayvens' Risk Appetite Statement and its governance and implementation framework (Risk Appetite Framework) based on a proposal from the Ayvens' Chief and Compliance Risk Officer with a contribution from the Ayvens Chief Financial Officer;
- examines the risk appetite compliance dashboards presented to it quarterly and is informed of risk appetite breaches and the remediation action plans implemented;
- monitors the effectiveness and integrity of the risk appetite framework;
- develops internal communications on risk appetite and ensures that the subject is properly covered in the Universal Registration Document.

As part of the Risk Appetite Framework, Ayvens General Management relies on several committees that are aligned with Societe Generale governance. This organisation will be presented in section "4.2.3 Risk Management Organisation".).

Risk identification process

Ayvens relies on the Societe Generale Group's risk taxonomy as a starting point of its risk identification process. Ayvens' Enterprise Risk Management (ERM) division is responsible for coordination with experts, identified per risk category, and reviews the Societe Generale risk taxonomy to determine whether it properly reflects the spectrum of risks to which Ayvens is exposed to.

Risk quantification

The outcome of the identification process is an inventory of material risks, called Ayvens Risk Cartography, updated annually, validated by Ayvens Transversal Risk Committee and sent to the Ayvens Enterprise Risk Committee and Ayvens Board (and its Risk Committee) for information.

For each material risk identified, indicators to measure this risk are put in place to monitor it. These indicators may be based, among other things, on measures of exposures (risk-weighted or not), sensitivities to changes in one or more risk factors (e.g. interest rates, *etc)*. These indicators may be expressed as ratios and are sometimes subject to regulatory or publication requirements.

Setting and formalisation of Risk appetite at Group level

The risk appetite is formalised in a document, the Risk Appetite Statement (RAS), updated once a year.

The documentation related to risk appetite (RAS & RAF) is reviewed annually and validated in Ayvens Transversal Risk Committee and presented to Ayvens Enterprise Risk Committee (ERC) for information. It is then shared with Societe Generale for review by the competent authorities. It is then submitted to Ayvens CoRISK and Board of Directors for approval. Lastly, Ayvens must regularly update its Risk Appetite Framework due to internal changes, or due to updates in Societe Generale's RAF, and must notify Societe Generale.

4.2.3 Risk management organisation

Governance of risk management

Two main high-level bodies govern Group risk management: the Board of Directors and the General Management. General Management presents the main aspects of, and notable changes to, the Group's risk management strategy to the Board of Directors. As part of the Board of Directors, the CoRisk (Risk Committee) advises the Board on overall strategy and appetite regarding all kinds of risks, both current and future.

As ALD became a regulated entity (Financial Holding Company) upon the acquisition of LeasePlan, Ayvens' risk management organisation changed to meet the requirements assigned to a regulated entity. This new organisation is aligned with Societe Generale's organisation and relies on several committees such as Enterprise Risk Committee (ERC), Compliance Committee (COM-CO), Transversal Risk Committee (TRC), ALM Committee (ALCO), Asset Risk Committee (ARC) and Credit Risk Committee (CRC). To ensure a sound risk management organisation, local entities of Ayvens are also involved in risk management organisation. They are required to organize committees: COM-CO, ERC and Internal Control Coordination Committee (ICCC). The frequency and the types of committees to be organized are defined according to the fleet size.

4.2.4 Internal control framework

Internal control is part of a strict regulatory framework applicable to all banking institutions.

In France, the conditions for conducting internal controls in banking institutions are defined in the Order of 3 November 2014, modified by the Order of 25 February 2021. This Order, which applies to financial holding companies, defines the concept of internal control, together with a number of specific requirements relating to the assessment and management of the various risks inherent to the activities of the companies in question, and the procedures under which the supervisory body must assess and evaluate how the internal control is carried out.

The internal control framework is based on the "three lines of defence" model, in accordance with the Basel Committee and European Banking Authority guidelines:

- the first line of defence (LoD1) comprises all Group employees and operational management.

Operational management is responsible for risks, their prevention and their management (by putting in place first-level permanent control measures, amongst other things) and for implementing corrective or remedial actions in response to any deficiencies identified by controls and/or process steering;

- the second line of defence (LoD2) is provided by the risk and compliance functions.

Within the internal control framework, operational management is responsible for verifying the proper and continuous running of the risk security and management operation functions through the effective application of established standards, defined procedures, methods and requested controls. Accordingly, these functions must provide the necessary expertise to define in their respective fields the controls and other means of risk management to be implemented by the first line of defence, and to ensure that they are effectively implemented; they conduct second-level permanent control over all of the Group's risks, based in particular on the controls they have defined, as well as those defined, if necessary, by other expert functions (e.g. sourcing, legal, tax, human resources, information system security, *etc.*) and by the businesses;

- the third line of defence (LoD3) is provided by the Internal Audit Department, which encompasses the General Inspection and Internal Audit functions. This department performs periodic internal audits that are strictly independent of the business lines and the permanent control function;

The Chief Executive Officer is responsible for ensuring the overall consistency and effectiveness of the internal control system.

To this end, the purpose of the Internal Control Coordination Committee (ICCC) is to monitor the consistency and effectiveness of the internal control, in response in particular to the obligation laid down in Art. 16 of the amended French Order of 3 November 2014. The Committee is chaired by the Chief Executive Officer.

Permanent control system

Ayvens' permanent control system comprises:

- the first-level permanent control, the basis of the Group's permanent control, is performed by the businesses. Its purpose is to ensure the security, quality, regularity and validity of transactions completed at operational level;
- the second-level permanent control, independent from the businesses and concerns three departments, i.e. the Compliance, Risk and Finance Departments.

First-level permanent control

The permanent Level 1 controls, carried out on operations, ensure the security and quality of transactions and the operations. These controls are defined as a set of provisions constantly implemented to ensure the regularity, validity, and security of the operations carried out at operational level. The permanent Level 1 controls consist of:

- any combination of actions and/or devices that may limit the likelihood of a risk occurring or reduce the consequences for the Company;
- controls performed by managers: line managers control the correct functioning of the devices for which they are responsible.

As such, they must apply formal procedures on a regular basis to ensure that employees comply with rules and procedures, and that Level 1 controls are carried out effectively.

Second-level permanent

The permanent Level 2 controls ensure that the Level 1 controls work properly. The scope includes all permanent Level 1 controls, including managerial supervision controls and controls carried out by dedicated teams.

Level 2 control reviews aim to give an opinion on :

- the effectiveness of Level 1 controls;
- the quality of their implementation;
- their relevance (including, in terms of risk mitigation);
- the definition of their modus operandi;
- the relevance of remediation plans implemented following the detection of anomalies, and the quality of their follow-up.

The permanent level 2 control - control of the controls - is carried out by dedicated teams centrally within Risk & Compliance and Finance Departments, and locally within the entities. The Level 2 control teams are independent of operational teams.

Internal audit

Internal Audit function is delivered by Societe Generale's Service Unit Inspection and Internal Audit (“IGAD”) on the ALD perimeter. Before the Declaration of Non-Objection was granted by the European Central Bank to Ayvens, LeasePlan's internal audit function was performed by the LeasePlan Group Audit.

4.3 Capital management and adequacy

4.3.1 Regulatory framework

The general framework defined by Basel III is structured around three pillars:

- Pillar 1 sets the minimum solvency, leverage and liquidity requirements and defines the rules that banks must use to measure risks and calculate the related capital requirements, according to standard or more advanced methods;
- Pillar 2 concerns the discretionary supervision implemented by the competent authority, which allows them – based on a constant dialogue with supervised credit institutions – to assess the adequacy of capital requirements as calculated under Pillar 1, and to calibrate additional capital requirements taking into account all the risks to which these institutions are exposed;
- Pillar 3 encourages market discipline by developing a set of qualitative or quantitative disclosure requirements which will allow market participants to better assess a given institution’s capital, risk exposure, risk assessment processes and, accordingly, capital adequacy.

4.3.2 Capital management

As part of its capital management, the Group ensures that its solvency level is always compatible with the following objectives:

- maintaining its financial strength and respecting the risk appetite;
- preserving its financial flexibility to finance organic growth and growth through acquisitions;
- allocating adequate capital to the various businesses, according to the Group’s strategic objectives;
- maintaining the Group’s resilience in the event of stress scenarios;
- meeting the expectations of its various stakeholders: supervisors, debt and equity investors, rating agencies, and shareholders.

The Group determines its internal solvency targets in accordance with these objectives and regulatory thresholds.

The Group has an internal process for assessing the adequacy of its capital that measures and explains the evolution of the Group’s capital ratios over time, taking into account any future regulatory constraints and changes in the scope.

This process is based on a selection of key metrics that are relevant to the Group in terms of risk and capital measurement, such as CET1 and Total Capital ratios. These regulatory indicators are supplemented by an assessment of the coverage of internal capital needs by available CET1 capital and an economic perspective, thus confirming the relevance of the targets set in the risk appetite. Besides, this assessment takes into account the constraints arising from the other metrics of the risk appetite, such as the leverage ratio.

Solvency ratio

Solvency ratios are set by comparing the Group's equity (Common Equity Tier 1 (CET1), Tier 1 (T1) or Total Capital (TC)) with the sum of risk-weighted exposures for credit, market and operational risks. Each quarter, the ratios are calculated following the accounting closing and then compared to the supervisory requirements. As at 31 December 2023, taking into account the combined regulatory buffers, the phased-in CET1 ratio level that would trigger the Maximum Distributable Amount (MDA) mechanism stood at 9.14%. This level will increase progressively to 9.54% as of 31 December 2024.

Breakdown of prudential capital requirement

	31 December 2023
Minimum requirement for Pillar 1	4.50%
Minimum requirement for Pillar 2 (P2R)*	1.41%
Minimum requirement for contracyclical buffer	0.73%
Minimum requirement for conservation buffer	2.50%
Minimum requirement for CET 1 ratio	9.14%

** According to Article 104 bis of the CRDV Directive, P2R must be meet with a minimum of 56.25% with CET1 capital and 75% with Tier 1 capital*

Regulatory capital and solvency ratios

In EUR Million	31 December 2023
Common Equity Tier 1 Capital	7 141
Total Tier 1 Capital	7 891
Total Regulatory Capital	**9 391**
Total Risk-Weighted Assets	57 377
Credit Risk-Weighted Assets	49 034
Market Risk-Weighted Assets	1 993
Operational Risk-Weighted Assets	6 350
Common Equity Tier 1 ratio	12,5%
Tier 1 ratio	13,8%
Total Capital Ratio	**16,4%**

5

Declaration of Extra-Financial Performance

5.1 Introduction: Sustainability embedded in the Group strategy

5.1.1 Main areas of Sustainability strategy

2023 was a year of transition for the Company's sustainability strategy, due to the acquisition of LeasePlan by ALD Automotive, finalised on 23 May, 2023. The policy and the actions carried out are part of ALD's Move 2025 strategic plan, which was approved in 2020. This Move 2025 plan placed Corporate Social Responsibility (CSR) at the heart of the Group's strategy: the responsibility pillar, called Move for Good, was an essential part of this. The completion of the acquisition of LeasePlan gave rise to new strategic thinking, reflected in the PowerUp26 strategic plan, presented for the first time at the "Capital Markets Day" of 21 September 2023 (see Section 1.4.2, "PowerUp 2026" strategic plan: becoming the leading global sustainable mobility player" of this Universal Registration Document). This plan further embeds sustainable development into the Group's mission and strategy. It incorporates the main lines of the Move 2025 CSR strategy while adjusting the content and the level of ambition. The structure of this report reflects the main themes of the Move 2025 Plan, since it structured most of the 2023 financial year. It also sheds light on future key areas incorporated in the PowerUp 2026 plan for the new Ayvens Group.

In practice, ALD's - and looking forward Ayvens' - sustainable development policy, is based on four focal points:

- **promoting sustainable mobility in customer solutions** (with electric vehicles at the heart of the system);
- being a **responsible and committed employer**, and developing human capital;
- **ethical and responsible business practices**, both in internal behaviours and with external stakeholders (such as environmental and social risk management, customer satisfaction, responsible purchasing and ESG training for co-workers);
- **reducing the Group's internal environmental footprint** (including its own emissions).

The first three areas are largely included in the new strategic plan. A new fundamental pillar is appearing for the coming years, based on the notion of positive impact on the entire value chain, which encompasses the carbon footprint across all emission scopes. For example, it will help introduce opportunities around the environmental impact of vehicle maintenance, which will be explained in future reporting exercises.

The present document carries over the structure of ALD's previous Declarations of Extra-Financial Performance. It presents ALD's policies in a documented manner and, on an *ad hoc* and non-systematic basis, some elements of policies in force within LeasePlan prior to the acquisition, selected on the basis on their relevance. Regarding the reported metrics, a consolidated vision at Ayvens level, with details of ALD and LeasePlan, has been presented each time it was possible. Of note, the specific approach of LeasePlan regarding the management of Climate and Environmental (C&E) risks is detailed in a separate document, available on Ayvens corporate website.

Our goal is to create added value for all our stakeholders and support society's positive transformations. As a major player in mobility and a service company, Ayvens' greatest environmental and social impact resides in the products and services sold, primarily through the emissions of vehicles managed on behalf of customers. This is why, the sustainability policy is firmly rooted in the theme of sustainable mobility.

5.1.2 Sustainability governance and main commitments

The sustainability policy is defined and coordinated by a dedicated team led by a Chief Sustainability Officer that reports directly to the Group Chief Executive Officer. This change took place in May 2023, following the closing of the LeasePlan acquisition, and the announcement of the composition of the new Executive Committee. The head office CSR team previously composed of three people will be strengthened in 2024 with the arrival of at least two new employees.

The presence of local CSR ambassadors in the operating entities was always key to ensure the consistency and impact of the CSR setup across the various geographies. To date, in ALD's historical scope, more than 30 countries have an identified CSR ambassador. This community is managed *via* quarterly calls and a range of internal communications channels.

In 2022, the preparation for the integration of LeasePlan had led to the establishment of a dedicated structure called the Integration Management Office (IMO). From the end of 2022, and even more formally during the 2023 financial year, the IMO was enriched with an ESG stream. One of the main objectives of this stream was to formalise the future central and local governance of the function. Precise guidelines on the target structure to be implemented locally were distributed to the operating entities. This will lead to the creation of "Sustainability" positions in all subsidiaries, with variable headcount depending on the size of the managed Fleet, but with more dedicated employees and a more robust network. The implementation of these structures is underway and will be finalised during the first half of 2024.

The sustainable development policy and achievements are the subject of regular updates within the Group's various governance bodies: meetings with the new Executive Committee (every two months) as well as before the Board of Directors (two sessions in 2023). A brand new body called the "ESG Board" composed of a panel of Managing Directors of Ayvens subsidiaries as well as representatives of the Executive Committee was also set up in early 2024. Its purpose is to decide on strategic orientations and launch concrete initiatives on the various dimensions of ESG.

Ayvens gives particular importance to **dialogue with** internal and external **stakeholders** on environmental and social issues. There are multiple external stakeholders:

- strategic suppliers (see Section 5.4.3);
- customers, specifically large multinationals (see Section 5.4.1);
- coalitions like ChargeUp Europe (see Section 5.2.1.2);
- non-governmental organisations specialising in mobility;
- professional organisations (Leaseurope and national equivalents).

Lastly, Ayvens's CSR setup is **fully integrated with that of Societe Generale**, in terms of process and strategy. In terms of process, this integration takes many forms:

- annual environmental reporting and associated methods (tools, emissions factors);
- business line animation (integration into Societe Generale's CSR committees);
- environmental and social risk management system (see Section 5.4.2);
- participation in thematic working groups (including biodiversity, alignment of the automotive portfolio).

In substance, Ayvens steers its development according to the **values and principles set forth in the key agreements and international pacts** to which Societe Generale adheres:

- the Universal Declaration of Human Rights and its complementary commitments;
- the fundamental conventions of the International Labour Organisation (ILO);
- the UNESCO World Heritage Convention;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights;
- the United Nations Framework Convention on Climate Change and the Paris Climate Agreement; and
- the United Nations Sustainable Development Goals (SDGs).

Ayvens is also a stakeholder in Societe Generale's **public** environmental and social **commitments**, specifically:

- 2003: joined the UN Global Compact, which urges companies to incorporate principles of human rights and working conditions;
- 2016: signed the Women's Empowerment Principles;
- 2016: signed the ILO "Business and Disability" Charter;
- 2018: supported the UN Guiding Principles against anti-LGBT+ discrimination;
- November 2019: signed the Responsible Digital Charter;
- 2019: renewed the Global Agreement on Fundamental Rights, with international trade union federation UNI Global Union;
- 2021: founding signatory to the Net Zero Banking Alliance (NZBA), a UNEP-FI initiative, for a commitment to align its portfolios with trajectories aimed at global carbon neutrality by 2050, with the target of limiting global warming to 1.5°C.
- 2022: signature of the One in Three Women Charter, to strengthen the Group's commitment against violence against women;
- 2023: renewal of the Global Agreement on Fundamental Rights, with international trade union federation UNI Global Union.

In terms of climate commitments, ALD publicly committed to the Science-Based Targets initiative (SBTi) in November 2021 during COP26, as did LeasePlan. This commitment will consist of reducing greenhouse gases across all scopes, according to a trajectory compatible with achieving the "net zero" target no later than 2050. LeasePlan's SBTi trajectory was approved in the summer of 2023. The approach for ALD was postponed until it was possible to define goals in the context of the new Ayvens Group scope. A new commitment in the name of Ayvens was therefore registered in December 2023. Ayvens is therefore committed to setting short- and medium-term reduction targets (by 2030) compatible with the Paris Agreements and a 1.5°C warming trajectory, as well as having a "net zero" carbon footprint in accordance with the SBTi protocol no later than 2050.

SBTi must validate these targets within 24 months after the initial commitment. Work on building this trajectory will begin in the first half of 2024. The CO_2 reduction targets, announced as part of the PowerUp26 Plan, cover so-called "internal" emissions defined in Sections 5.5.1 and 5.5.2 of this Universal Registration Document (-35% in 2026, and -60% in 2030 *vs.* 2019), as well as Scope 3 emissions (-20% in 2026, and -46% in 2030 *vs.* 2019). These objectives are globally in line with the trajectory required by the Net Zero scenario. However, they will be reassessed, completed and reinforced when necessary, on scopes 1, 2 and 3.

Note that ALD is also the driving force behind the "Women in Fleet" movement launched at the Fleet Europe Summit in November 2022 and continued and amplified in professional business summits in 2023. Amid a largely male-dominated industry, this movement is designed to give visibility to women leading the industry and, more generally, make women's voices heard.

5.1.3 New regulations

This Declaration of Extra-Financial Performance (DEFP) is drawn up pursuant to the legislative framework that enacts into local law the (EU) Non-Financial Reporting Directive (NFRD) (Articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*)). It is established on a voluntary basis, as Ayvens may be exempt from it given that the Group is consolidated by Societe Generale. For Ayvens, it is an opportunity to clarify the link between its business model (see Chapter 1 of this Universal Registration Document), its sustainability ambitions and the policies and processes established to manage the environmental and social (E&S) risks inherent in its activities. Alongside risks, the Declaration of Extra-Financial Performance also highlights the CSR opportunities for the Group and its customers. Along the same lines, Ayvens is also reporting about the way its activities align with the **European Financial Taxonomy** (see Section 5.8 of this Universal Registration Document). From 2024, the extra-financial reporting of the Ayvens Group will be brought into compliance with the new European CSRD Directive ("Corporate Sustainability Reporting Directive").

Prior to the completion of this DEFP, the mapping of non-financial (ESG) risks was updated. The Group's risk typology (see Chapter 4 of this Universal Registration Document) was cross-referenced with climate, environmental and social risk factors that could exacerbate those risks.

The CSR Department developed the mapping and scoring methodology in collaboration with the Risk Department, the Human Resources Department, the Purchasing Department, the Compliance Department, the Innovation and Marketing Department, the Sales Department (consulting) and the Used Vehicle Remarketing Department. The risk factors identified by this analysis were evaluated according to two criteria: their potential severity (low to very high) and their probability of occurrence (very low to almost certain). The combination of these two factors constitutes the extent of the risk for the Ayvens Group. The methodology and results of this mapping have been approved by the Executive Committee and presented to external auditors. The mapping for 2023 is in line with that of the previous financial year, while incorporating elements specifically related to the LeasePlan acquisition.

5.1.4 Main risk factors identified

The non-financial (ESG) risk factors standing out as the most significant in the mapping are:

Significant risks (severity x probability)	Sustainability issues and main policies	Associated URD section
Environmental impact and climate change • Implementation of traffic restriction policies in urban centres: impact on vehicle demand • Rapid change and tightening of automotive regulations (*e.g.* CO_2 standards/PHEV emissions calculation), impacting the profile of assets (diesel, electric) • Reputation risk from the managed fleet's overall environmental impact (CO_2) and its impact on public health (NOx) • Risk related to a potential "EU corporate EV Fleet mandate" • Physical risks: impact of climate change on Ayvens' assets (premises/vehicles)	• New uses and new mobility, Smart Cities (Mobility as a Service, Sharing, *etc.*) • Energy transition and low-emission vehicles • Reduction of the internal carbon footprint • Work with Regulatory Affairs Department/Lease Europe/ NGOs • Reducing our own impact on the planet to slow down climate change • Asset insurance measures to minimise financial impact	• 5.2.2 • 5.2.1 • 5.5.1 • 5.2.1.2 • 5.8.2.2.3

Customer expectations and market risks
• Decreased appetite for the automotive segment due to changes in values (mature markets): potential impact on demand for new and used vehicles
• Increase in automotive costs for BtoB and BtoC customers (*e.g.* rising oil prices, taxes, reduction in subsidies for electric vehicles, shortage of raw materials/semiconductors): potential negative impact on demand
• Risk of customer and operational dissatisfaction related to electric vehicles (issues with the installation of charging terminals)
• Change and fragmentation in regulations and taxation on Company cars (*e.g.* "bonus malus")
• Insufficient consideration of the transition to new uses (sharing, mobility on demand): decrease and change in demand
• Risk of insufficient customer service or customer dissatisfaction, in particular related to the acquisition/ integration of LeasePlan
	• "Second Lease" remarketing strategy
	• New uses and new mobility, Smart Cities (Mobility as a Service, Sharing, *etc.*)
	• Customer satisfaction and experience programme
	• Consulting services, alternative mobility offers (car sharing, second lease, mobility budget, *etc.*)
	• Consulting, awareness-raising education on electric vehicles
	• Acquisitions or shareholding: Skipr, Fleetpool
	• Consultancy/Regulatory watch/EV Programme
	• Consulting services, alternative mobility offers (car sharing, second lease, mobility budget, *etc.*)
	• Harmonisation of the methodology (ALD-LP) to conduct the NPS 2024 Campaign
	• Hypercare process rolled out centrally and in countries impacted by the LP integration. It consists of three pillars:
	  ◦ Management of CX KPIs
	  ◦ Monitoring of risks shared by countries with associated mitigation
	  ◦ Customer Pulse Survey (conducted on a sample of Fleet managers, every quarter to collect trends)
		• 5.2.1.2
		• 5.4.1
		• 5.2.2
		• 5.4.1

Human capital and working environment • Insufficient support for employees in the transformation of the business model • Risk of discrimination, in particular gender equality • Risk of discrimination excluding gender equality (disabled, generation, religion) • Risk of harassment (sexual, managerial, *etc.*) • Insufficient consideration of well-being at work issues (impact on employee commitment) • Difficulties in recruiting and retaining qualified employees • Risks associated with the planned acquisition of LeasePlan: risk of work overload for employees	• Employability and agility of employees • Promotion of diversity, including gender balance • Diversity, Equity & Inclusion becomes one of the pillars of the People strategy of Ayvens, • Mandatory training/Whistleblowing procedure to report an inappropriate situation/Regular communication to raise employee awareness (principles of the Culture & Conduct programme, right to alert). • Recruitment, retention and engagement • "Happiness at Work" programme • Societal commitment • Creation of the IMO (Integration Management Office): teams dedicated to the acquisition project of LeasePlan	• 5.3.2 • 5.3.4 • 5.3.4 • 5.3.3.1 • 5.3.1 • 5.3.1 & 3.2.4.1

Significant risks (severity x probability)	Sustainability issues and main policies	Associated URD section
Infringements of human rights and breaches of ethical rules		
• Reputation risk from environmental and social causes (deals, customer or supplier), heightened by the business model built on a service assembly ◦ Selection of maintenance services providers ◦ Purchases/sourcing of raw materials for tyres, spare parts	• Responsible purchasing : “Know Your Supplier” (KYS)	• 5.4.3
• Reputational risk related to electrified products (raw materials/battery products) • Choice of customers/suppliers: corruption, money laundering, embargoes/sanctions (incl. new EV players) • Risk of customers/suppliers presenting E&S risks in the portfolio of companies following acquisitions (including LeasePlan) • Issues related to the emergence of Electric Vehicles (cobalt, *etc.*)	• EV programme • Consulting and education • Culture and conduct ◦ Environmental and social policies ◦ “Know Your Customer” (KYC) ◦ “Know Your Supplier” (KYS) • Due diligence carried out prior to the acquisition of LeasePlan • Exclusion list verified on all customers • Integration in E&S process in progress • Progress in ongoing customer remediation	• 5.4.3 & 5.2.1.2 • 5.4.2 • 5.4.2.3 • 5.4.3

Some of these risk factors involve major risks for the Group (especially residual value risk) and are dealt with in Chapter 4 “Risk factors” of this Universal Registration Document.

ESG risk factors are dealt with in the Declaration of Extra-Financial Performance, which focuses on the four sustainability themes. In each of the paragraphs below, the salient intrinsic non-financial risk factors are listed, as well as the policies implemented to limit their occurrence and mitigate their impact. Lastly, key performance indicators supplement the implementation of these measures.

The table above states which chapters contain details about the mitigation measures established for each risk identified.

Given the nature of the activities, Ayvens considers that the following topics do not pose a major climate, environmental or social risk and do not warrant being expanded upon in this management report:

- food waste;
- the fight against food insecurity;
- respect for animal welfare;
- responsible, equitable and sustainable food;
- actions to promote the Nation-army relationship and support the engagement within reserve troops.

The circular economy was historically less material than the other priorities developed in this Chapter due to the nature of the Company’s business model, with the core business of Ayvens consisting of leasing new vehicles for an average period of between three and four years.

The sustainable development ambitions announced in the PowerUp26 strategic plan give greater importance to the circular economy, which can be a source of positive impact both during the life of Full Service Leasing contracts, and at the “normal” end of contract.

During the life of the contract, **vehicle maintenance and repair** are sources of opportunities related to the circular economy: for example, wear and tear management and recycling of tyres, repairing windshields instead of replacing them, or using spare parts made from recycled materials. These opportunities are gradually taken into account in the supplier referencing policies (see Section 5.4.3). More generally, the Company has set itself the objective of introducing a circular approach to 100% of the categories representing the world of repair, maintenance and tyres over the period of the Plan. This desire, clearly stated in the strategic ambitions, must now be translated into concrete opportunities and best practices. It is in this spirit that local tests are launched, such as at ALD Turkey and ALD France. Ayvens ensures that the vehicles are maintained to a high standard, and at the end of the lease, they are resold on the second-hand market, giving them a second life and thus significantly extending the initial ownership period. As a reminder, the average duration of full-service leases is 45 months, and the average age of the vehicle Fleet is well above 10 years in Europe. This general feature of the Full Service Leasing model is of particular interest when it comes to electric vehicles (EVs): Ayvens will play a role in **increasing the adoption of EVs** by supplying the used vehicle market with a recent, well-maintained Fleet that is more affordable than new EVs. These vehicles will be available for purchase or Full Service Leasing. Over time, as large volumes of such cars will come off lease, the business will generate a substantial benefit to society.

The PowerUp26 plan introduces the possibility of extending the duration of asset ownership by alternating different usage modes (Full Service Leasing, car-sharing or used car lease, *etc.*). A target of 125,000 Full Service leases of used vehicles had been set for 2025 in the ALD Move 2025 Plan. At the end of 2023, ALD had already marketed 61,500 contracts of this type (and 89,000 including the LeasePlan activity). The quantitative ambitions for this so-called “multi-cycle” approach will be set in 2024 for Ayvens.

With regard to **tax evasion**, Ayvens believes that such risk is limited due to its very low likeliness of occurring (see methodology described above). It includes two sub-risks:

- the risk of tax evasion by Ayvens (holding company or local entities), deemed low. Indeed, the international structure of Ayvens Group relies on local activities operated through subsidiaries with workforces and physical infrastructure in the 42 countries where it is present. The very diverse geographical locations are reflected in the amount and nature of taxes and duties that the Group pays in each of these countries, such as corporate tax, local taxes, customs duties, registration duties and social security contributions. The Group ensures that the various local entities comply with all international laws, regulations and treaties in the place where they operate. This involves filing the necessary tax returns, and the timely payment of taxes due. The Ayvens Group makes sure that it complies with all applicable regulations through tax monitoring and use of external consultants;
- the risk of tax evasion by customers using Ayvens services. Such risk is deemed low due to the local nature of operations. The only business that could be exposed to tax risk is used vehicle exports, the volumes of which allow precise control. In this respect, Ayvens makes sure it obtains all the necessary supporting documents for the value added tax exemption from the professional buyer.

Tax risks are dealt with in Chapter 4 of this Universal Registration Document; Ayvens complies with Societe Generale's Tax Code of Conduct: https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/tax_code_of_conduct_of_societe_generale_group_uk.pdf

5.2 Sustainable mobility at the heart of the business

Significant risks identified:

- implementation of traffic restriction policies in urban centres;
- rapid change and tightening of automotive regulations (*e.g.* CO_2 standards/PHEV emissions calculation), impacting the profile of assets (diesel, electric), risk related a potential "EU corporate EV Fleet mandate";
- change and fragmentation in regulations and taxation on Company cars (*e.g.* "*bonus malus*");
- reputation risk from the impact of the managed fleet on climate change (CO_2) and public health (NOx);
- increase in automotive costs for BtoB and BtoC customers (*e.g.* rising oil prices, taxes, reduction in subsidies for electric vehicles, shortage of raw materials/semiconductors): potential negative impact on demand;
- reduced appetite for cars due to changes in attitudes (mature markets): potential impact on demand for new and used vehicles;
- insufficient consideration of the transition to new uses (pooling, mobility on demand): decrease and change in demand;
- customer and operational dissatisfaction risk associated with electric vehicles (problems installing charging stations).

Contribution to United Nations Sustainable Development Goals (SDGs)

For a player such as Ayvens, the commitment to sustainable mobility is multifaceted and related primarily to the following issues:

- the profile of the fleet in terms of powertrains, with the transition from fossil fuels to electrification as a fundamental challenge;
- new types of usage, in line with societal trends regarding the sharing economy, on-demand and bespoke offerings;
- driver safety, *via* means of raising awareness, preventive training and accident management services.

5.2.1 The energy transition and low-emission vehicles

The ESG challenges of automotive leasing are closely linked to those of the automotive sector as a whole. The first issue in terms of materiality is **climate change**. Road transport has a special status when it comes to reducing greenhouse gas emissions to reach "net zero emissions" by 2050. Right now, it is responsible for 20% of emissions in the European Union, the vast majority (16%) of which is tied to passenger vehicles and light commercial vehicles (source: International Energy Agency – IEA, Tracking Transport 2019).

The second major impact of transport is on **pollution** from nitrogen oxide (NOx) emissions and fine particulates during the vehicle use phase, especially for diesel engines. Transport is responsible for about half of nitrogen oxide emissions (source: IEA, see above), and therefore entails major public health issues.

To reduce all emissions (greenhouse gases and pollutants), electrification is the best technical solution for individual mobility in the short and medium term: during the use phase, Battery Electric Vehicles (BEVs) produce zero CO_2 and NOx emissions, and pollutant emissions are limited to brake and tyre wear.

Historically, the vast majority of vehicles in corporate Fleets have been powered by internal combustion engines, with diesel engines dominating in Europe. This dominance is explained by the intensive use of certain categories of Company vehicles (high mileage) but it has also been artificially amplified by tax breaks.

For Ayvens, the energy transition consequently covers two interconnected corporate projects:

- **rebalancing the Group's fleet, away from diesel;**
- **facilitating the emergence of electrified vehicles.**

5.2.1.1 Rebalancing and diversifying the portfolio

The change in the vehicle mix across different types of powertrains (diesel, petrol, conventional hybrid, plug-in hybrid, battery electric) is monitored closely by the Group's operational governance bodies (Executive Committee, Board of Directors).

The mission of Ayvens is to guide customers towards the optimal technology from an economic and environmental point of view, taking into account the real use of the vehicles. This involves a profiling work that considers customers' business models, types of users and the real use of vehicles. The aim is to identify **the right vehicle for the right usage**, making sure that diesel engines (and combustion engines in general) are used **only** in cases where it still makes sense, primarily for high mileage and in certain categories of vehicles where the alternative proposals are still underdeveloped (light commercial vehicles, for example).

While the market share of diesel is structurally declining due to various external factors (public policy, image, technical price increases), ALD has implemented **proactive internal policies** since 2017 to support and drive this movement by acting on different levers:

- the pricing of the Full Service Leasing offer, by improving the attractiveness of alternative solutions to diesel, specifically through a policy of adjusting residual values;
- providing customers with commercial support: implementation of a comprehensive consultancy approach, reshaping of vehicle listing policies;
- developing certain distribution channels including with private customers (who are less inclined towards diesel) or some of the white label partnerships;
- launching new products and services, in particular to promote the emergence of electric vehicles (see below);
- communication initiatives, for example customer events dedicated to alternative energies (*e.g.* product presentations, vehicle tests).

Results and ambitions

This holistic approach is producing tangible results, with the share of diesel engines in new contracts down by 54 percentage points between Q4 2017 and Q4 2023 on the ALD scope. For 2023 as a whole, ALD's share of **diesel** in deliveries of passenger vehicles was **17%** (-7 percentage points *vs.* 2022), and 21% on the Ayvens scope. Low-emission electric powertrains continued to gain market share from internal combustion engines.

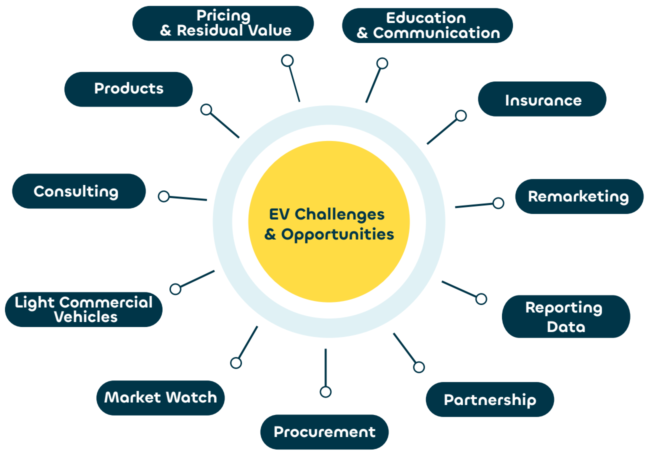
In the running fleet, the share of diesel is falling rapidly and now stands at 30% for Passenger Cars (PCs), and 41% when including Light Commercial Vehicles (LCVs). Reducing the share of conventional internal combustion vehicles is impactful only if they are replaced by Electric Vehicles, and specifically Battery Electric Vehicles – BEVs.

5.2.1.2 Electrification

Electrification is particularly relevant to Ayvens's B2B customers, who require advice in this matter, since the automotive fleet often represents a significant share of their CO_2 emissions. There is an increasing expectation around support in the transition to low-carbon mobility solutions and this is key to both securing the loyalty of existing customers and winning over new customers. In addition, decision-making mechanisms, which have long focused on the overall cost of use rather than the initial vehicle price, are likely to make corporate fleets a market segment "ahead of the curve" on the path to electrification.

Based on the sector's early development stage and the significant national differences in terms of Electric Vehicle adoption, the Group had decided to launch an **"EV Programme"** (Electric Vehicle Programme) in 2018. This programme aimed to systematically address the main components of the leasing value chain in order to seize all the opportunities related to Electric Vehicles and manage the related risks. Today, as EVs have become central to all of the Group's functions, a specific governance is no longer necessary.

The impact of electric vehicles across Ayvens' value chain



- **Pricing**, *via* a systematic review of the methodologies used to determine **residual values** and **maintenance** prices that reflect both the intrinsic benefits of electricity and the speed of changes in technological standards, future demand trends and regulatory changes. With this in mind, a specific EV pricing task force was set up at ALD in 2020, combining central and local expertise. The composition and deliverables of this task force were redefined in 2023 with the integration of LeasePlan experts, which was organised in a comparable way with a "Technical EV Costing Council (TEECO)". A new body called "EV Expert Forum – RV & Maintenance" was created with local experts from two entities, representing nine countries, as well as the central functions (Pricing, Retail, Consulting, Purchasing). The residual value risk management approach is described in Section 4.1.2.1 of this Universal Registration Document.
- The implementation of **consulting services for customers in the energy transition**. Ayvens is committed to providing advisory and support mechanisms to help its customers in their transition to electrification and low-emission mobility solutions. Thanks to the integration of LeasePlan, Ayvens now benefits from a wide range of high-quality consulting tools to support its clients in their transition. This enhanced collaboration allows the Group to offer strategic advice and tailor-made solutions, combining the expertise of two industry leaders. Ayvens is determined to use these synergies to effectively support our customers on their journey towards more sustainable mobility solutions.
- In practice, the consultancy team applies a five-step methodology: **1)** a diagnosis of the situation of our customers, by comparing with their peers in the same business sector on indicators such as total cost of ownership (TCO), CO_2, and car policy structure by sharing best practices; this makes it possible to calculate the TCO and CO_2 emissions and to determine future objectives; **2)** modelling and projections according to several scenarios to achieve the objectives set; **3)** selection of the best mobility solution, by optimising energy costs, the selection of vehicles and manufacturers or other partners. During this phase, the most appropriate alternative mobility and recharging solutions is suggested; **4)** building a strong business case and engaging stakeholders and customers' employees *via* training materials to support change management; and finally **5)** the last step is to implement, measure the performance indicators and

optimise the project. This is done by updating the car/mobility policy, coordinating the implementation of charging solutions, and setting up reporting capabilities to monitor TCO and CO_2 targets as well as employee satisfaction.

- Among the tools developed:
  - a **tool to help build a carbon trajectory** ("Net Zero Programme"). By integrating data such as electric conversion rates, vehicle renewal cycles and electric maturity score by country, this tool helps design tailor-made carbon emission reduction strategies, aligned with the customers' targets;
  - a sustainable mobility guide by country, known as the "Mobility Guide", developed by Ayvens, now covering 46 countries. It includes a rating system for the "electrical maturity" of markets, serving as a guide for our customers to understand and plan the pace of their electrification according to the geographical distribution of the markets. This guide helps to focus the Company's decisions in the area of electrification, thus maximising the benefits of their sustainable initiatives;
  - identification mechanisms to assess employee readiness for the transition to electric vehicles or alternative mobility solutions. Using customised surveys and/or analysis of in-vehicle telematics data, they identify users eligible for the adoption of electric vehicles based on their actual travel habits. Total Cost of Ownership tools incorporate all relevant aspects, including the cost of recharging, as well as the tax and usage benefits associated with electric vehicles, for both the client company and the driver. These tools make it possible to assess the costs of the client's fleet per powertrain with comparative TCOs and to project the costs of the Fleet transition. This tool has been particularly crucial in the context of rising and volatile energy costs in Europe;
  - thanks to the **"Car Qualifier" tool**, Ayvens can provide **a detailed overview of the most popular cars by country, market segment and fuel type**. It helps customers select the best electric vehicles for their use and needs through an EV catalogue, an EV Selector and by supporting them in choosing the best OEM partners for their needs. In addition to this, the Group provides customers with a benchmark to compare their mobility approach with their industry peers (models/brands/powertrain mix, level of investment, CO_2 emissions in the running Fleet and orders). To help customers have an initial understanding of the charging infrastructure requirements needed to enable drivers to charge in the office and at home, the Group has developed a tool called the "Energy Calculator" that presents the best charging solutions by needs and usage, and also by CAPEX/OPEX initial requirements in terms of infrastructure;
  - thanks to the **"Mobility Policy designer" tool**, Ayvens can draw up, together with the customer, an updated mobility and vehicle policy that takes into account all new topics related to electric vehicles, such as the procedure for installing home charging stations, reimbursement processes, *etc.*;
  - with a view to improving driver safety, Ayvens uses the SafePlan zero platform to offer driver guidance and support, as well as practical tools to address the most challenging safety risks;
- From 2024, we will be developing a **CO_2 emissions reporting tool for customers**. This tool will be particularly relevant in the context of EU regulations linked to the Corporate Sustainability Reporting Directive (**CSRD**). Some customers will be required to communicate the environmental impact of their fleet in accordance with these regulations. The CO_2 emissions reporting tool will enable our customers to collect, analyze and present their fleet emissions data efficiently and in compliance with legal requirements, thereby reinforcing their transparency and commitment to sustainability.
- The development of **specific products and services**. Ayvens is adapting its existing services, going well beyond offering Full Service Leasing on EVs. This involves facilitating the customer experience by incorporating access to charging infrastructures at home, at work and in public places in the leasing offers as much as possible ("end-to-end" offer), formerly under the **"ALD Electric"** banner. This approach is facilitated by strategic partnerships with groups in the electricity ecosystem that can supply both the charging stations (hardware) and the associated software and data flows (software). While continuing its association with its preferred partners ChargePoint and Shell, two world leaders in charging solutions, with a view to offering the best quality of service to our customers and partners, Ayvens has strengthened its collaboration with local charging partners, leaders in their market. The ALD Electric offering includes the financing of the vehicle itself, plus the option of providing an advisory service (see above), access to charging solutions at home, in the workplace and in public places. The objective is both to guarantee access to charging solutions for each user and to simplify the customer and end-user experience as much as possible. The Group offers, *via* reporting solutions, better visibility for fleet managers to optimise their expenses related to the charging of electric vehicles in their fleet. In a highly fragmented market that has yet to mature, installing charging stations can be technically complex, some information on charging prices may not be fully transparent, and networks remain loosely interconnected. Without assistance, customers may face difficulties, and the Group is working to overcome these. From 2024, Ayvens wants to develop an **eMSP (Electric Mobility Service Provider) solution** for our customers. By optimising the charging experience and providing visibility on electricity costs. The transparency of charging costs enables fleet managers to make informed decisions and optimise their operations for maximum efficiency.
- Beyond the adaptation of the traditional product offering, Electric Vehicles also generate opportunities for **creation of new services**. For example, the ALD Switch offering, already available in eight countries (Belgium, the Netherlands, Luxembourg, France, Austria, Switzerland, Finland, and the Czech Republic) provides an electric vehicle and includes the supply of a combustion engine/hybrid vehicle when the customer needs it (for up to 60 days per year). This type of service removes the psychological barriers linked to range anxiety of battery electric vehicles. The new short- and medium-term "Flex offers", which meet more specific customer needs (projects, construction sites, peaks of activity) and are adapted to the uncertain economic environment, will also allow EVs to reach new types of customers. More generally, EVs are suitable for second-life offers (leasing, car-sharing) and Ayvens intends to develop "Multicycle" leasing offerings, in particular for EVs, as part of the PowerUp 2026 Strategic Plan
- The development of **commercial partnerships**, specifically with car manufacturers (OEMs). Distribution partnerships with "white label" car manufacturers are a major growth area for Ayvens in general and on EVs in particular. This obviously involves supporting long-standing partners (Ford, Volvo, Kia, Hyundai) in their own electrification strategy (product presentations, customer paths, specific residual values). However, new entrants to the automotive market, with a "pure electric" product approach and often without a physical distribution network, also need financial partners to access the market. Since 2020, ALD has been successively chosen by Tesla, Polestar, Lynk & Co. and Smart as preferred partner in Europe to market the Full Service Leasing offer. For example, ALD was chosen as the exclusive full service leasing partner by Smart in 11 European countries. This manufacturer's individual and business customers benefit from a fully digital rental offer, from the configuration of the vehicle to the signing of the contract. In 2023, BYD, the world leader in electrified mobility, chose ALD as its full service leasing partner in France and the Netherlands to support its roll out across Europe.

- The adaptation of **vehicle purchasing policies**. For electric vehicles, the context was once again marked by strong pressure on the supply and availability of vehicles. Attention was therefore focused on both commercial conditions and delivery times. Ayvens is also actively monitoring the environmental and social impact of the supply chain, particularly the production of batteries (for example, the social conditions under which cobalt is extracted, or the environmental impact of the exploitation of lithium in emerging countries), as much work remains to be done to ensure ethics from an environmental and social point of view. In 2024, Ayvens will assess ways to achieve greater supply chain traceability and will launch an ESG assessment of automotive manufacturers, including supply chains.
- The adaptation of processes and techniques for **reselling Electric Vehicles at the end of the contract** ("remarketing"). Obviously, the first point of vigilance for a leasing company is the monitoring of the real re-sale values of electrified vehicles in relation to the residual value assumptions on which the initial vehicle rents were built. The year 2023 was marked by a downturn in the used vehicle market, with a fairly marked deterioration in the re-sale values of battery electric vehicles, particularly in the last quarter of the year. Buyers of used Electric Vehicles will require, in addition to information on the re-sale value of vehicles, new technical information (range, battery "health certificate") which will have to be provided on resale platforms. In particular, Ayvens actively participated in the work of international body CARA, the Car Remarketing Association, to identify partners likely to set up a certificate attesting to the remaining battery capacity or SOH ("State of Health"). In 2024, Ayvens wants to launch a Proof of Concept (POC) in two countries in order to test the SOH process and provide its customers with a certificate for the vehicles tested. This test phase is expected to last six months, at the end of which the impact of the SOH on the behaviour of traders will be analysed.
- Review of the **reporting tools** and information management systems, mainly to deal with the increased complexity of the vehicle offering (increasing hybridisation levels), and also to ensure that customers have a complete overview of their costs, including charging costs. Starting in 2024, the Group will develop a CO_2 emissions reporting tool for customers, offering granularity.
  This tool will be particularly relevant in the context of the EU regulation related to the Corporate Sustainability Reporting Directive (CSRD), that wil apply to many of Ayvens' customers. In particular, they will have to communicate the environmental impact of their fleet in accordance with these regulations. The CO_2 emissions reporting tool will enable customers to collect, analyse and present their fleet emissions data in an efficient manner and in accordance with legal requirements, thus increasing their transparency and commitment to sustainability.
- Building expertise in **insurance**, whether in the setting of premium levels in relation to specific risks related to electric vehicles, or the creation of specific offerings for Electric Vehicles and the charging ecosystem. This work is discussed between ALD Re, ALD's reinsurance entity, and the subsidiaries and insurance companies used locally. ALD Re and LeasePlan Insurance are expecetd to merge and thus be able to pool their approach to EVs.
- **Market watch** is essential because the new emerging electric ecosystem is developing very quickly from both a technological and an ownership point of view. The objective is to acquire tools to monitor the market, to identify the movements of car manufacturers (historical or new entrants), as well as changes in the charging and energy sector that may impact Ayvens's business model in the short or medium term. This market watch is accompanied by a regulatory watch, which is especially important at a time when the mobility sector is being heavily regulated. This regulation issued by multiple layers of public authorities (local, regional, state, and European Union) affects vehicle use in urban areas (low emission zones), tax rules applicable to businesses as well as users, CO_2 emissions standards applicable to manufacturers, and accessible charging infrastructures in public or private places. This monitoring is carried out directly by the CSR, Consulting and Regulatory Affairs Departments of Ayvens or through professional organisations (Leaseurope or ChargeUp Europe – see below).
- An **internal and external educational and communication programme**, both with Ayvens employees, who must be the first ambassadors of the energy transition, and customers. In addition, Ayvens enhanced its communication along with the launch of the new Ayvens brand. An example is the "Better with every move" campaign on social media. In-depth articles were published on the Mobility Blog of the ayvens.com website, several of them addressing topics related to sustainability and environmental responsibility. Ayvens also took part in several events, both virtual and face to face, related to sustainable mobility (Fleet Europe, Financial Times Future of the car, MOVE London, International Fleet Manager Institute). Multiple events were also held for customers around the world, regardless of the EV market's maturity. These communication plans are supplemented by a commitment to a market initiative: Ayvens is the only leasing company belonging to the **ChargeUp Europe** association as an "ecosystem member". This association brings together the main companies involved in charging infrastructure and aims to facilitate access to charging through dialogue with public decision-makers, particularly at the EU level. In-house, it is essential to educate the teams about electric vehicles, their ecosystem, and the impacts on Ayvens's value chain. To this end, a major training programme known as **"BIC Academy"** has been deployed globally. With seven core modules, it is primarily designed for business and consulting groups.
- Lastly, in addition to the different components of the offering, electrification also has an impact on the **financing strategy of Ayvens** (described in Chapter 2 of this Universal Registration Document), and generates new funding opportunities. In order to raise the capital needed for the development of electric vehicle financing, ALD and LeasePlan have issued **"Green" Bonds**. In June 2022, ALD updated its framework linked to green, positive impact bond issues (https://www.ayvens.com/en-cp/investors/publications-and-documents/debt-documents/). This upgraded version brought ALD issues into line with the best market standards. For example, it focuses eligible assets on 100% electric vehicles (BEVs), in anticipation of developments affecting the European Financial Taxonomy in 2025. On this basis, on 28 June 2022, ALD successfully issued a EUR 500 million, 5-year green and positive impact bond (maturity July 2027). The oversubscription confirmed investors' interest in ALD's sustainability strategy. LeasePlan's "Green Bond framework" is very similar to that of ALD in terms of eligible vehicles. In total, the two companies have a current green bond portfolio of EUR 3.5 billion.

Results and ambitions

The **share of Electric Vehicles** (EVs – battery-powered electric vehicles and plug-in hybrids) in new Passenger Cars (PCs) deliveries, after a stabilisation in 2022, rose again in 2023 (**35%** in Europe for the Ayvens scope and 34% for the ALD entities), thus exceeding ALD's Move 2025 plan target set at 30%. The choice of the basis for calculating this indicator (PCs in Europe) corresponds to the scope on which Ayvens can fully act, because the product offering and public policies are the most developed here. This is representative since it covers 76% of all Ayvens deliveries worldwide.

It should be noted that the share of battery-powered Electric Vehicles progressed substantially in 2023 (21% for Ayvens of which 20% for ALD, compared to 12% in 2022 for ALD).

In 2023, the disruptions in the vehicle supply chain linked to the semiconductor crisis, the successive lockdowns in China and the war in Ukraine gradually eased, allowing a return to normal. Tax-wise, some countries which had introduced strong incentives as part of the recovery plans (Germany, France, the United Kingdom) reduced or even cancelled the subsidies allocated to Electric Vehicles, making them less financially attractive. Even amid this disruption, the proportion of Electric Vehicles in all orders, which is a reliable indicator of business momentum, rose to above 35% in Europe.

Overall, thanks to its positioning as a trend-setter, the efforts made to build a competitive commercial offering, and increasingly strong customer demand, Ayvens' level of electrification remains significantly **ahead of the market** overall (23% of registrations in Europe - source ACEA). These cumulative annual deliveries had a mechanical impact on the portfolio of financed vehicles (running fleet). At the end of 2023, Ayvens financed more than 500,000 electric or plug-in hybrid vehicles (523,000 units, representing nearly 20% of the total financed fleet).

As part of the PowerUp 2026 strategic plan, Ayvens targets to increase the share of electric vehicles in Passenger Car deliveries to 50% of deliveries in Europe (40% battery-electric vehicles and 10% plug-in hybrids).

5.2.1.3 Carbon footprint: emissions and prevented emissions

Vehicle CO_2 emissions can be considered from different angles:

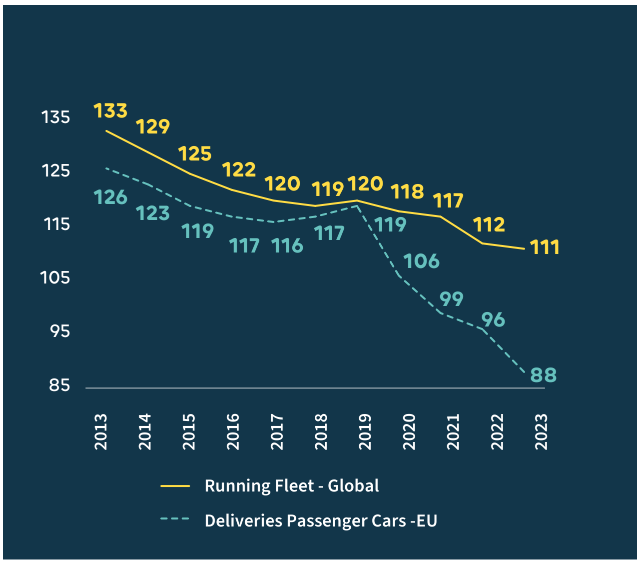
- emissions related to the use phase ("Tank to Wheel");
- emissions including the entire life cycle of vehicles ("Well to Wheel").

At present, vehicle approval and regulatory and tax measures relate exclusively to the use phase and are based on theoretical data provided by manufacturers during the technical approval of vehicles. Since 2019, the New European Driving Cycle ("NEDC") standard has been replaced by the Worldwide Harmonised Light Vehicle Test Procedure ("WLTP"). The latter introduced a new laboratory test protocol aimed at bringing measured emissions closer to actual emissions, by using longer test times, increased speed, and more varied driving cycles. Despite this introduction in the technical approval protocols in 2019, WLTP has been implemented very gradually in the data officially posted in each of the European countries, in line with considerations related to local taxation. When introduced, the new standard therefore has an automatically higher impact compared to the NEDC data, about 20% for passenger vehicles and 30% for light commercial vehicles. However, these theoretical emissions remain underestimated compared to actual emissions, which Ayvens is not in a position to assess because it would require knowing the actual fuel consumption of each vehicle on the road.

Due to its business model characterised by regular fleet turnover, the running fleet managed by Ayvens is **much more recent than the average vehicle fleet** (around 2 years old *vs.* 12 years on average in Europe) and meets the latest certification standards. As a result, its emissions are much lower than the average fleet in a given country.

New vehicles put on the road are also subject to in-depth analysis by Ayvens and its customers in any given year. Carbon efficiency is virtually an automatic criterion for selection in car policies. Emissions from ALD deliveries are historically lower than the market (96g *vs.* 108g at EU market level in 2022 (source ACEA).

Average CO_2 emissions *(in g/km)* **– ALD (until 2022) and Ayvens (2023)**



Results and ambitions

The emissions of the ALD Fleet had increased in 2019 under the combined effect of the trend towards Sport Utility Vehicles (SUVs), the massive transfer of diesel volumes to petrol, and the entry into force of the WLTP certification standard.

Since 2020, average emissions have fallen again. This trend continued in 2023: for passenger cars in Europe [(1)], the **average for deliveries was 88 grams of CO_2 per km** (intensity indicator) on the Ayvens scope, down by 8 grams compared to 2022 (ALD).

The significant decrease in emissions since 2020 is due to the **ramp-up of deliveries of electric vehicles**, as well as the increased efficiency of combustion engines. There are two important methodological points worth noting:

- the average is not immediately comparable to the standard of 95 grams which is the EU-wide target. Ayvens data do not take into account "super credits" granted to OEMs for the sale of zero-emission vehicles, bonuses granted for eco-innovations, or the average vehicle weight that tends to increase the real target assigned to car manufacturers. In Ayvens' case, it is a mathematical average across all vehicles delivered;
- while almost all data on 2019 deliveries are expressed per NEDC standards, 2023 data are in the WLTP standard, increasing by approximately 20% compared to NEDC data. As part of its 2025 strategic plan, ALD had set itself the target of reducing emissions from deliveries of passenger cars in Europe [(1)] by 40% by 2025 compared to 2019, *i.e.*, 70 grams in NEDC correlated terms. The 2023 gross result (of 88g) in WLTP would be corrected to about 73g, a 37% drop compared to 2019.

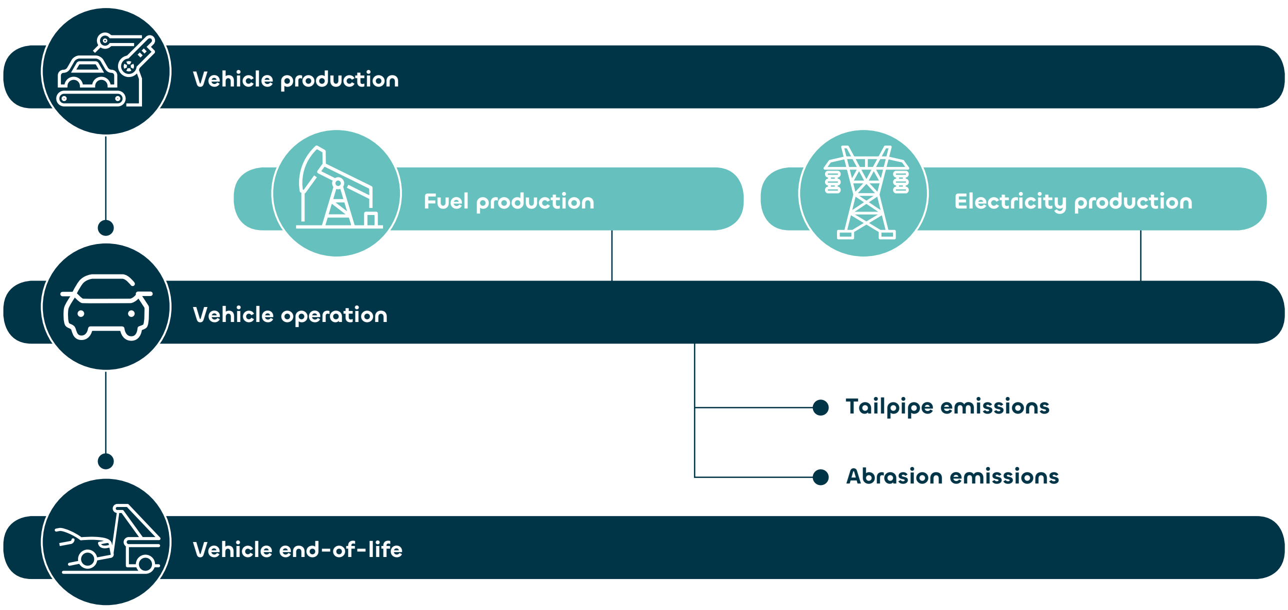
The gradual electrification of deliveries ("flow") has a mechanical impact on the average intensity of Ayvens' running financed fleet ("stock"), all countries and all vehicle types combined. **The average for the entire fleet is down to 111 grams of CO_2 per kilometre** on the Ayvens scope, since the new vehicles automatically replaced product generations launched in 2018-2019, which produced higher emissions. These fleet data still contain a methodological bias since some are expressed in the NEDC standard and others in WLTP. As the standardisation protocols at ALD and LeasePlan are different, the share of vehicles still labelled using NEDC amounts to 60% at LeasePlan and only 16% at ALD.

Extrapolated to the Ayvens-funded Fleet (2,653,547 vehicles) and the average annual mileage travelled (slightly below 27,000 km), **the estimated volume of emissions is 7.6 million tonnes**, a 3% decline. These data are integrated into the carbon footprint of Scope 3 (downstream leased assets under the GHG Protocol) presented in section 5.5.3.

- As part of the PowerUp26 Strategic Plan, Ayvens has set itself the target of bringing the average emission intensity of the funded Fleet to 90g according to the WLTP standard.

ALD has also developed, with the support of independent experts, a **life cycle analysis** (LCA) tool as part of its positive impact bond issues. This tool, updated in 2023, assesses not only CO_2 emitted by the Fleet but also CO_2 emissions prevented thanks to its Fleet of electrified vehicles at all stages of the life cycle (vehicle production, battery production, energy production during the use phase, end-of-life), in more than 20 countries. It uses independent data from the International Energy Agency (IEA), ADEME and the International Council on Clean Transportation (ICCT). As part of the allocation and impact report of its green bond issue, ALD was able to assess the emissions prevented by a representative portfolio of 13,605 battery-powered electric vehicles, spread over 11 European countries and five years of manufacture. This analysis leads to the following conclusions: over the duration of the contract and despite a higher carbon footprint for the manufacture of Electric Vehicles, the emissions prevented in use mean that the electric vehicle can post a net reduction in CO_2 emissions of around 15%. In other words, electric vehicles have already repaid their initial "carbon debt" during the lease term. Over the entire life of the vehicle, prevented emissions are much higher, with an overall gain of 47% given the current energy mix in Europe. The gains in CO_2 emissions during the usage phase (and in particular the vehicle's emissions from the exhaust) far exceed the additional emissions associated with the production phase (vehicle and batteries). The impact report of ALD's green bond issue is a public document available on the Ayvens website.

Sources of emissions considered in life-cycle analysis



(1) *Europe: European Union + UK + Switzerland + Norway.*

Summary of actions related to Section 5.2.1

CSR issue (description)	Policies Implemented (description)	Indicator (indicator type/box)	Quantitative/qualitative objective (indicator type/box)	Outcome (indicator type/box)			
				2023 (Ayvens)	2022	2021	2020
Energy transition	Reduction in the share of diesel	Share of diesel in private vehicle deliveries (world)	< 2022	21%	24%	27%	40%
Energy transition	Increase in the share of low-emission vehicles	Share of green vehicles in passenger car deliveries [(1)]	> 2022	35%	27%	27%	18%
Energy transition	Implementation of an end-to-end service offer: ALD Electric	Number of countries deployed	34	34 (ALD)	34	22	12
Greenhouse gas emissions	CO_2 emissions of vehicles leased to customers (use phase)	Average emissions of passenger car (PC) deliveries in Europe [(2)]	< 2022	88	96	99	106

Highlights for 2023	Priorities for 2024
• Increase in the proportion of EVs in total deliveries, and orders • Reduction of share of fossil fuels both in deliveries and running fleet • Launch of new strategic partnerships focused on EVs (*e.g.*, Smart) • Multiple thought leadership papers launched • Strengthening of the consulting offering	• Consolidation of the Ayvens Electric product offer • Pursuit of decrease in CO_2 emissions • Incorporate EVs into the Group's new offerings (Move, Flex, used vehicle leasing) • Enhanced advisory support for international and local customers in electrifying the Fleets

PowerUp 2026: Sustainability

Shaping the future of sustainable mobility, with a full suite of client solutions

40%
new car deliveries to be BEV[(1)]
(*vs.* ~14% in **2022**)

<90g CO_2
/km emissions (running fleet)[(2)]
(*vs.* 112g in **2022**)

200K
active users of MaaS platform[(3)]

(1) Battery Electric Vehicles, Passenger Cars, EU+ (EU, UK, NO, CH)
(2) WLTP
(3) Currently Move App

5.2.2 New uses and new mobilities

Ayvens's strategic goal is to invest in new mobility solutions that address changing expectations and new types of usage. To define its innovation strategy, Ayvens analysed the mega-trends that might impact its business model, which is based essentially on "traditional" use of cars. Analysis of new uses, connectivity, environmental constraints, mobility policies at the city or regional level, and the rapid growth of mobility platforms led us to identify five main areas to consider when refining the business model for the next few years to 2025: digital technology and connected vehicles, flexibility, **new mobility solutions**, payment and electrification.

When allocating resources, Ayvens has structured its governance around the innovation process, from creative thinking to industrialisation and then scale-up of new products and business models. The process is managed by a dedicated team overseen by an "Innovation & Product Board" and an "Innovation committee" of managers and managing directors in key countries.

Convinced that the best ideas come from experts on the ground, Ayvens has introduced systems that allow Ayvens employees to submit a new idea (the "ideation campaign") and created an international community of local innovation contacts, who can report up new trends and initiatives at the subsidiaries. In 2022, a massive ideation campaign was launched, the **"Sustainable Mobility Challenge"**. It was open to everyone at ALD and sought to bring through ideas on new service offerings with positive environmental or social impacts. This campaign was a great success: 58 projects submitted, 34 projects passing all the required development stages, and in the end two projects awarded prizes. On both projects, the subject of **Green insurance** was investigated, a source of learning, and refining the positioning of the Group's offering (in particular on the use of spare parts intended to reduce the CO_2 footprint during vehicle repairs).

Ayvens continues to actively develop its open innovation strategy by relying on an external ecosystem of partners in the mobility-related innovations sector: Ayvens capitalises on its proximity to the Societe Generale innovation system – *via* the SG venture unit –, continues its partnership with DRIVE TLV (a platform specialising in the ecosystem of mobility startups based in Israel) and also launched, for the first year, a partnership with the **European Startup Prize** (thus giving access to a "dealflow" of more than 700 European startups in the field of mobility. This was also an opportunity for Ayvens to award a prize in the female entrepreneurship category to the Nudge startup, thus show-casing the positioning of Ayvens on issues of diversity and the promotion of women. This "dealflow" will give Ayvens access to a potential pool of innovation in 2024). Lastly, Ayvens is improving the way it listens to customers and partners to better tailor services to their needs, notably through the Customer Advisory Board (see Section 5.4.1 of this Universal Registration Document).

Beyond the generation of new good ideas, an ability to scale these new products is key. To make sure this industrialisation phase succeeds, Ayvens calls in teams from any subsidiary where they have developed expertise in the relevant field. These teams act as “champions”, consulting on product development for products the Group sees as strategic, and helping roll them out at other subsidiaries.

ALD United Kingdom, historically ahead of the curve in the management of connected fleets and digitalisation of acquisition processes, has created the Digital Factory, which helps deploy these solutions in other parts of the Group.

ALD Netherlands, an expert in multi-modal mobility solutions thanks to its **Move offering** (previously ALD Move), is leading the development of this product and playing a key role in advancing Ayvens’s Mobility-as-a-Service (MaaS) strategy. ALD Move allows customers and their employees to access different types of transport while meeting the employer’s various objectives (mobility budget, reduction of CO_2 emissions, *etc*.). It was co-created with our customers and led to the acquisition of a stake in Skipr, a start-up specialising in B2B MaaS and a vital technological component for any large-scale deployment. This was the first time ALD had invested in a start-up focused on sustainable mobility. The Move offer incorporating Skipr was launched in France and Belgium in 2022. ALD Move – renamed Move since the acquisition of LeasePlan – is now successfully launched with major customer accounts of Ayvens such as Ecolab, SAP, Axis, Campari, Pernod Ricard, Sogemcom, Santé CIE, Lacroix and others. This offering also increased Ayvens visibility regarding its positioning as a leader in sustainable mobility during international events in 2023: in particular with the sponsorship of a day entirely dedicated to MaaS during the Move London event in June 2023, and also with the participation in the Gartner Re-imagine HR event in London in September 2023 (thus making it possible to send a new contact for the mobility offering to our customers through Human Ressources), and also thanks to its media coverage through awards such as that for the best sustainable mobility solution during the 2023 Motor Finance in Vienna.

The Move offering continues to innovate and build solid partnerships: this year with the launch of a partnership with SNCF in France, allowing our customers to extend their mobility experience and their ability to integrate sustainable transport resources.

Some of the subsidiaries have also developed service offerings focused on other forms of “soft” mobility: including bicycles (electric or conventional) and electric mopeds or scooters, mainly in Belgium and more recently in France.

The Flex offer provides companies with a mobility solution on a medium-term contract, with a shorter commitment than for a traditional full service leasing product. The vehicles are available immediately and in different price ranges. The Flex offer is ideal for Ayvens customers who have occasional mobility needs. **ALD Flex and FlexiPlan** are the main Ayvens offerings on the market, providing flexible leasing to B2B customers from one to 24 months and for an indefinite period (without early termination fees) and a flexible leasing derivative (subscription) is available in the Netherlands, Spain and Italy, mainly focused on consumers. These are trial contracts and the extension of a subscription offer is being evaluated.

LeasePlan’s Flex offer is present in 18 countries and ALD’s in 33 countries, covering a total of 36 countries worldwide. At the end of 2023, the Flex fleet consisted of *circa* 126,000 vehicles.

To better address the specific needs of retail customers, ALD acquired Fleetpool in Germany, a pioneer in B2C and B2B car subscription services. Since 2022, Fleetpool’s offers and services are being rolled out internationally to the first ALD subsidiaries and a “go live” for retail customers took place in 2023.

The upward trend in demand in the subscription and flexible leasing market will continue, both for used and new cars, but targeting different customer segments. We anticipate slight growth in 2024, with many delivery needs for which there is lower demand, replaced by autonomous flexible rental needs (e.g. needs per project, seasonality, peak overruns, new projects, *etc.*) contributing to sustainable growth of the flexible fleet.

Summary of actions related to Section 5.2.2

CSR issue (description)	Policies Implemented (description)	Indicator (indicator type/box)	Quantitative/qualitative objective (indicator type/box)	Outcome (indicator type/box)			
				2023	2022	2021	2020
New uses/sharing economy (car or ride sharing)	Move	Number of countries deployed	Geographical extension of Move with Skipr	Stabilisation in the three countries rolled out in Europe: France, Belgium, the Netherlands	Deployment of the offering in France and Belgium *via* the Skipr platform	Co-creation with a Dutch customer and acquisition of stake in Skipr	Minimum viable product (MVP)
New uses/sharing economy	Flexibility	Number of countries deployed	Integration and launch of Fleetpool’s internationalisation plan	Flex offer in 36 countries (ALD + LP) Derivative of the Flex offer (subscription) available in the Netherlands, Spain and Italy	ALD Flex in 32 countries Integration of Fleetpool in Germany	ALD Flex: 32 countries Acquisition of Fleetpool	

Highlights for 2023	Priorities for 2024
• Move London 2023: sponsorship of a MaaS training day in June 2023 • Development of the strategy of open innovation to support the acceleration of innovation, thanks to contacts with a network of mobility start-ups, and thanks to different partners. Ayvens has started a partnership with the **European Startup Prize** (thus giving access to a dealflow of more than 700 European startups in the field of mobility. Participation in Gartner Reimagine HR for Move in September 2023 • Won the prize for **best sustainable mobility solution** during the 2023 **Motor Finance** in Vienna • Integration of LeasePlan's Flexiplan into the Ayvens Flex offer	• Move: Sustain and improve the operational performance of the solution. Achieve business targets and prepare for commercial scale-up in 2025, 2026 • Continue to expand innovation at Ayvens and meet the Group's needs thanks to the external capacity generated by the start-up universe and the external innovation eco-system in the mobility sector • Deployment of an innovation platform for the Ayvens Group

5.2.3 Safety

Road safety is a major source of operational and human risk, posing risks of image damage and financial, social and environmental costs.

5.2.3.1 Give customers the highest standards on the market

Ayvens works with the manufacturers and its customers to offer catalogues of models incorporating the latest technological innovations, particularly in terms of active and passive safety, that meet the highest standards (notably the increasingly demanding Euro NCAP – New Car Assessment Program – standards).

The main recent breakthroughs in this area are related to Advanced Driver-Assistance Systems (ADAS), which have improved vehicles' range and pedestrian safety.

Since vehicle maintenance is included in the service contract, Fleet managers know their drivers are safe in well-maintained cars.

5.2.3.2 A specific service offering

ALD road safety offering

The customer care package covering accidents, with a 24/7 hotline, and customer reporting solutions, is always provided under insurance policies taken out as part of a full-service leasing insurance contract.

In contracts where the customer arranges their own direct insurance, 29 of the ALD Group subsidiaries can still provide this Accident Management service on request.

Changing behaviour and change management

A range of training programmes for drivers: on-road or on-track training for local instructors and partners, customised e-learning programmes that run throughout the year. An e-learning solution (ALD Safe Drive) is offered jointly by ALD and its North American partner Wheels Inc. to international large corporate customers in all countries where they operate. The companies that have offered these training courses to their employees have seen a significant fall in their accident rates. The ALD Safe Drive global offer is currently available in 21 countries, and more than 27 Group countries offer physical or online training.

There is a long-standing practice of holding events and providing information for customers on this topic.

In Turkey, for instance, driving tips were emailed out every month (one tip per month) *via* Eloqua. A driving school was invited to the annual e-vehicles event in Turkey to raise awareness of defensive driving and the effects of alcohol using a simulator and special glasses.

In ALD Brazil, business reviews are performed every three months with customers to review number of damages and traffic fines but also to provide safety awareness. In the meantime, driver communication and campaigns are performed in Instagram, campaigns and e-books specialised in safety are sent to customers who asked for and safety lectures are performed by commercial team. ALD Denmark cooperates with FDM Sjællandsringen (trainer specialised in driving courses), to give "good driver" trainings to customers. They also perform damage analysis, which allows them to run a *bonus-malus* system: the damage percentage must be below 70% for the insurance premium to remain unchanged. If not, sales teams are given "road tips" to customers to avoid damages in the future.

ALD France started to publish in 2021 its "ALD Safety" awareness newsletter for corporate customers, an initiative launched during COVID when face-to-face events were impossible.

Lastly, one of the pillars of the Ayvens consulting offering is wholly dedicated to road safety: assistance with accident data analysis, review of Company car policies, advice on choice of vehicles. This comprehensive approach has a single goal: to reduce the human, financial and environmental cost of accidents, as safe driving is also ecological driving.

5.3 Responsible employer

Main risk factors identified

Objectives	Policies implemented	Indicators	2023	2026 objective
Discrimination risk excluding gender equality	- Ayvens "Diversity, equity and inclusion" programme - Whistleblowing procedure	Different nationalities in management bodies (1)	39	
		International members (non-French) in management bodies (1)	84.3%	
		Employees who feel included and accepted at work as they are (2)	78%	
Discrimination risk: gender equality	- Ayvens "Diversity, equity and inclusion" programme - Whistleblowing procedure	Women in management bodies (1) (KPI monitored by the Board and Ayvens ExCo (4))	32%	35%
		Women in Ayvens Group (3)	46%	
		Women hired on permanent contracts (3)	45%	
Risk of harassment	- Mandatory training Whistleblowing procedure - Regular communication to raise employee awareness	Employees who believe they can confidently give their opinion or express new ideas or concerns to their manager or colleagues (2)	89%	
		Employees who would report inappropriate behaviour if they witnessed or experienced it (2)	87%	
Insufficient consideration of well-being at work issues (impact on employee commitment)	- Ayvens ExCo's objective to become a "benchmark employer"	Employee engagement (2)	72%	75%
		Satisfactory work-life balance (2)	76%	
		Well-being at work (2)	6.7/10	
Insufficient support for employees in the transformation of the business model	- Varied training policy adapted to all employees to meet their needs - Comprehensive business training programme - Development programme for top managers TeamUp	Employees present at 31/12 and trained (3)	87%	
Difficulties in recruiting and retaining competent employees	- Talent development programme - Development of the Ayvens employer brand	Employees optimistic about their future within Societe Generale (2)	65%	
		Employees who are clear about what is expected of them at work (2)	88%	
		Employees who adhere to the strategy and guidelines of their entity (2)	76%	

(1) Internal HR source
(2) Source: SG Employee Barometer 2023
(3) Source: Group HRIS
(4) "ExCo" is the abbreviation of "Executive Committee"

Contribution to sustainable development goals

Introduction

The policy elements implemented to manage significant to human resources risks are part of a broader framework. This consists in making the Ayvens employee experience a positive, engaging and learning experience, with the four guiding principles of Ayvens culture as displayed in its Manifesto, set up at the creation of the brand to bring Group employees together around common values:

Collaboration

- We are one team.
- We leverage our collective knowledge and share best practices across the Group.
- We actively listen to everyone's ideas to provide the best service to all our stakeholders.

Authenticity

- We build a respectful and inclusive work environment in which everyone feels safe in bringing their true self at work.
- We are honest and transparent with each other.
- We consider diversity as one of our main forces to tackle our challenges.

Curiosity

- We ask questions and challenge the *status quo* to improve.
- We seek internal and external opportunities to test and learn.
- We are constantly innovating and adapting to provide our customers with the best offering.

Commitment

- We are committed to delivering what is agreed, even in a difficult and challenging context.
- We stay trustworthy to our colleagues, customers, partners and regulators.

Throughout 2023, in order to enable Ayvens to develop, employee support was at the center of the Group's concerns.

Employees were kept regularly informed of **the progress of each stage of Ayvens's creation** in order to give them sufficient visibility, to address any questions they may have had and to answer them. They were invited to several virtual ExCo chats (discussion time between employees and members of Ayvens ExCo) throughout the year. In the same vein, regular "Becoming One" newsletters were sent to employees and the intranet was fed over time to give access to all the necessary and available information.

Locally, the entities have also organized themselves to **support employees during this period**. For example, LeasePlan Spain has set up emotions management workshops for all its employees. ALD Spain and LeasePlan Spain have also organized joint "Becoming One" workshops, consisting of training sessions, to promote the new culture of Ayvens and create a positive atmosphere between the employees of the two entities, who have all been trained.

In addition, **local managers and HR teams were mobilized** to support employees and answer the questions they might naturally have during the integration period. In this context, managers have been trained within the entities on change and transformation management, as well as on supporting the teams in experiencing change in the Company. This is the case, for example, with LeasePlan Poland and ALD Hungary.

Lastly, in March 2023, **Ayvens employees were able to express** their views of this integration period through a survey, which was repeated a few months later (end of August/beginning of September) in order to measure any change of perception. The results of the survey launched during the second half of the year were generally positive and encouraging as regards the way in which the creation of Ayvens is experienced by employees:

79% of Ayvens employees consider that the merger between LeasePlan and ALD is positive for business in their country

79% ALD scope

80% LeasePlan scope

78% of Ayvens employees state that they are well informed of the merger between LeasePlan and ALD and its development in their country

76% ALD scope

81% LeasePlan scope

66% of Ayvens employees feel supported during this integration period

63% ALD scope

69% LeasePlan scope

73% of Ayvens employees are confident that there will be the opportunity to grow and contribute in the new organisation

69% ALD scope

77% LeasePlan scope

Source: Pulse survey - August / September 2023

To support its development and drive its transformation projects, while placing people at the heart of its business, Ayvens supports a responsible approach of employment based on the **four pillars as set out in its HR strategy**:

- **a) growth and performance;**
- **b) experience and engagement;**
- **c) culture and conduct;**
- **d) diversity, equity and inclusion.**

In a volatile labour market, this strategy is established as a differentiating factor to promote the Company's attractiveness for future employees, and foster loyalty of the Company's employees. Developing the employability and agility of employees, especially in a changing environment, is crucial for Ayvens. Indeed, the Group wants its employees, at all levels of the Company, to be empowered and share a **common mindset focused on innovation, diversity and sustainability, in order to better meet the expectations of customers while building the world of mobility of tomorrow**.

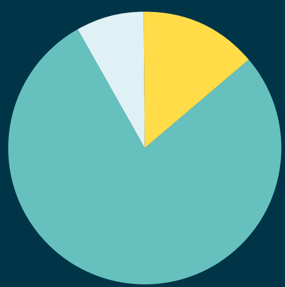
Ayvens encourages a collaborative approach with all entities from ALD and LeasePlan that the Group coordinates. Indeed, all its entities are associated in the definition of the vision and objectives that the Group aims to achieve, enabling local application of Ayvens mindset and values. The Group leaves entities the ability to develop their own action plans in light of their own challenges and the local context.

Population of Ayvens in figures

At the end of 2023:

14,578 Employees

Breakdown of the workforces:



14% France

78% Europe (Outside France)

8% Outside Europe

Source: Group HRIS
See all the quantitative indicators in Section 5.3.5.

5.3.1 Growth and performance

The rapid development of the automotive leasing industry is changing the skills and aptitudes required. The internal development of future leaders is essential in a specialized company. Ayvens supports its employees to help them develop, acquire skills and contribute to the Group's performance.

5.3.1.1 Onboarding

The onboarding of new employees is a milestone within Ayvens. This is why the Group pays particular attention to this onboarding stage, by ensuring that new employees are provided with a complete vision of the Group, its teams and its know-how through a learning process.

Each entity manages its own **onboarding programme** autonomously, according to its local practices through the transmission of common values applied locally.

For example, in 2023, ALD France trained 233 newcomers *via* a 100% digital training course, composed of 10 e-learning modules at the rate of one session per month to support employees over the long term.

Similarly, ALD SA organized an onboarding session in January 2023, spread over two half-days and bringing together 32 newcomers. They attended presentations from each business line and took part in discussions and meetings such as an ice-breaker activity and a lunch with an ExCo member.

Lastly, LeasePlan Spain set up an onboarding programme for its new employees, even before they arrive in the Group, through the implementation of an onboarding plan with the manager and the support of HR. This document summarizes the knowledge to be passed on to the newcomer and the associated stakeholders. It lists all mandatory compliance and regulatory training. This onboarding plan is given to the newcomers on their first day during the welcome meeting organized by the HR department.

5.3.1.2 Continuous training

Ayvens pursues a responsible training policy that meets the needs of the business lines and promotes employee development.

Ayvens

87% of employees present on December 31st, 2023 and trained:

- 14,563 employees trained*
- 238,889 hours of training*
- 2,05 days of training on average*

ALD scope

84% of employees present on December 31st, 2023 and trained:

- 6,916 employees trained*
- 138,637 hours of training*
- 2.51 days of training on average*

LeasePlan scope

91% of employees present on December 31st, 2023 and trained:

- 7,647 employees trained*
- 100,252 hours of training*
- 1,64 days of training on average*

Source: Group HRIS
**these figures include trained employees who left the Group during the year.*

70% of Ayvens employees believe they have had access to training / development opportunities enabling them to strengthen their skills over the last 12 months

66% ALD scope

73% LeasePlan scope

Source: SG Employee Barometer 2023

"Business line" training courses

The training hours provided are often focused on the development of "business line" skills. They aim to meet the challenges of optimizing customer relations and transforming working methods, while seizing the opportunity to use innovative technologies.

Many programmes, whose some examples are presented below, are shared between the entities in order to be deployed and adapted to each of them needs.

Foster customer experience

The "One Ready Smile" programme initiated by ALD Belgium, involves making employees think actively and collaboratively about the customer experience and thus encourage them, based on the feedback expressed by customers, to consider possible ways to improve communication, behaviour and internal processes. This programme is already duplicated in many ALD entities and will be the subject of discussions in 2024 on possible synergies to be established between ALD and LeasePlan.

Promote customer service excellence

ALD UK has developed its Customer Excellence training programme which has been appreciated by its staff working in customer service. The programme is offered to newcomers within two months of their arrival and includes a module to support customers facing financial difficulties. Through a series of courses and coaching, this training enables a thorough development of communication and emotional intelligence skills, aiming to adopt an appropriate stance towards the customer while meeting regulatory requirements.

Develop the digital sales skills of sales representatives

The "Clicks n'Bricks" programme, initially launched by ALD Denmark, aims to complete the process of selling or renting used car to individual customers with a digital offer. It involves changing the on-site profiles of used car sellers to profiles for digital sales on an Internet platform. Their role is becoming more focused on finalizing the transation with the client. Sales representatives manage requests efficiently with the support of a dedicated CRM. The 10 ALD entities in which the programme has been deployed in recent years continue to use it to effectively evolve the retail sales process.

Train on vehicle electrification

Cross-business initiatives have been launched to support the transformation of Ayvens and develop the employability of employees by training them in line with the Group's electrification needs and ambitions. In this context, awareness-raising and training actions, detailed below, are proposed to develop a language and an understanding of the common challenges around electrification and thus support our customers in this transition.

BIC Academy is a training programme that aims to raise awareness and train employees and some specific populations (the Group's EV [1] experts, sales representatives and product managers especially) on the Electric Vehicle and its components such as the impact of climate change, current trends, charging solutions and maintenance. The roll-out continued in 2023 with the availability of new modules. At the end of 2023, bimonthly sessions called "EV [1] Knowledge Sharing" were launched. They aim to encourage employees to share knowledge on Electric Vehicles. Lastly, the Group has started the bimonthly "EV [1] Webinar" jointly with the Procurement & Sales communities of ALD and LeasePlan, thus strengthening collaboration between the entities.

(1) Electric Vehicle

Training on the use of collaborative and digital tools

In a context where asynchronous work is increasingly developing, several initiatives have been launched in different entities to provide support to employees in the use of collaborative and digital tools. Ayvens has strengthened its existing digital training offering by providing access to digital platforms. It aims to develop its tailor-made training solutions for its employees, with the aim of making them more autonomous in their professional development.

For example, ALD Spain provides to all its employees access to an online training platform called Campus ALD. It allows them to train on various topics such as digital transformation and offering, in certain modules, specific courses for employees and managers. Every two months, the entity also organizes digitalisation campaigns, offering online training on Microsoft Office and other digital tools.

Training on behavioural skills development

Training also helps to develop the behavioural skills of Ayvens employees.

For example, the commercial entity of LeasePlan in the Netherlands offers a training course entitled "Leadership curriculum" aimed at both managers and employees wishing to develop their leadership skills.

ALD Morocco launched a team-building and training programme focused on the development of behavioural skills such as change management, emotional intelligence and conflict and crisis management.

Specific training for managers

The support and development of Ayvens managers at all levels is crucial for the Group. To this end, various dedicated development programmes have been set up in the entities. Their main objective is to develop management exemplarity and accompany managers in their role of coaches as ambassadors of the Group's values and culture to their teams.

For example, ALD Spain has developed several specific manager support and development programmes called Conversa, CoachHub and Management Boost.

LeasePlan Poland offers a training path called Managers' Academy, aiming to develop the behavioural skills of managers. ALD Croatia and ALD Slovenia offer their directors and managers individual coaching sessions.

Knowing how to give and receive feedback is an essential skill at Ayvens, with a view to continuous improvement. This is why ALD Algeria trains its managers in active feedback, and ALD Croatia and ALD Slovenia in how to give and receive feedback.

Lastly, ALD Sweden trained its managers in compensation practices, allowing them to better understand the local remuneration process and to learn to interact constructively with their employees on this subject.

Career pathways training

Ayvens supports its employees in defining and guiding their career path within the Group. In this context, entities offer dedicated training and support programmes.

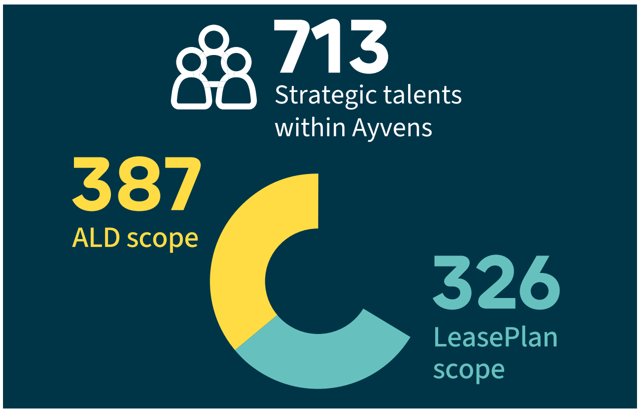
For example, the commercial entity of LeasePlan in the Netherlands launched a development programme in 2023 for its employees, in order to help them better understand the various businesses and the skills they need to hold them, then equip them so that they can train in line with their career development prospects.

In addition, ALD Italy has launched a self-assessment initiative for its employees, with the aim of making them accountable for their individual performance by making them active players in their development and career path within the Group.

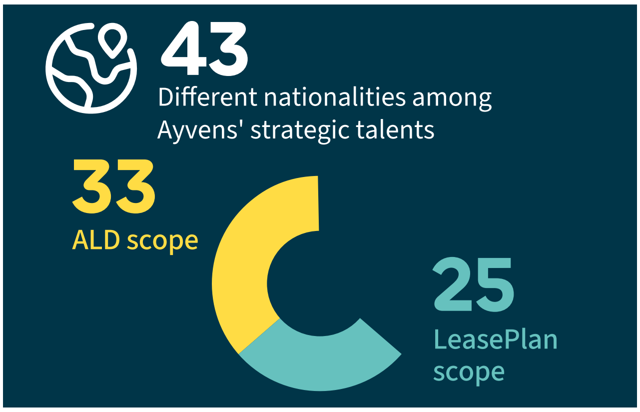
5.3.1.3 Developing talents and leaders

The Strategic Talents approach is a key initiative for the Group and structured around common criteria shared with Societe Generale. It seeks to **detect, develop and retain Ayvens' strategic talents** by giving them a perspective of career development within the Group. It also aims to **prepare the next generation of managers** as part of succession plans.

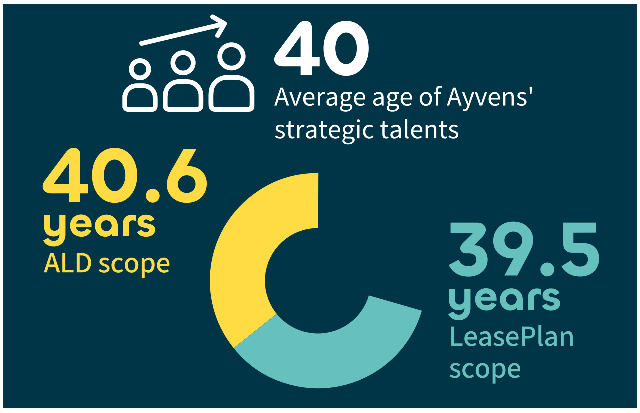
LeasePlan has framed its Strategic Talents approach through a global policy applicable to all its entities. It aims to formalise the overall annual talent management process as well as the roles and responsibilities of the various stakeholders. The aim is to ensure a reliable and consistent talent management cycle within LeasePlan.



Internal HR Source



Internal HR source



Internal HR source

At the end of 2023, the Group launched TeamUp, its international development programme dedicated to top managers. It aims to strengthen their leadership skills and give them the tools to embody the Group's strategy and culture through four development pillars: authenticity, commitment, collaboration and curiosity.

Local initiatives were also launched to support our entities' talents and leaders.

This is notably the case of LeasePlan Portugal through a local programme called Leading the Way. Its aim is to accelerate the development of its talents and help them promote their differenciating skills. Supported by a director, a manager or a mentor, this programme is spread over three years. Participants take part in assessment, coaching and mentoring workshops. It is also an opportunity for them to have more visibility, and participate in external events and meetings.

In addition, ALD Spain offers a programme of cross-mentoring for its top-talented female employees. The initiative involves inter-company mentoring sessions with the aim of accelerating their professional development and developing their leadership skills.

Empowering Women's Talent

"Empowering Women's Talent" award: in 2023, ALD Spain received this award in recognition of its actions to further the development and engagement of its talented employees.

5.3.2 Experience and engagement

Attracting and retaining employees is essential in a growing company. Indeed, a service company needs motivated employees to satisfy its customers. This is why Ayvens takes care of its employees because the employee experience is closely linked to the customer experience and relationships with stakeholders and the environment. Ayvens argues that paying **attention to its employees and ensuring the professional safety of its teams is a factor of overall performance**.

5.3.2.1 Supporting employees in Ukraine

In 2023, as the conflict in Ukraine continues, Ayvens kept supporting its employees at ALD Ukraine based in Kiev, through initiatives and dedicated support as detailed below:

- the entity's premises have been secured and equipped to deal with warnings, bombings and power cuts: strict security rules have been set, a survival kit and a shelter with an internet connection have been made available, a generator and portable electric power stations were purchased to deal with regular power cuts;
- housing continued to be rented in Western Ukraine and Poland and made available to employees in case of need;
- in the event of an intensification of the conflict in Kiev, an emergency mechanism was developed to allow employees to take refuge westwards. Communication was also strengthened *via* Telegram and a list of emergency contacts was drawn up.

Ayvens continues to keep itself regularly informed of individual and collective situations so it can react quickly and provide assistance if necessary.

5.3.2.2 Retaining employees

Compensation policy

There were significant adjustments in 2023, a year marked by the integration of LeasePlan, with a view to harmonising compensation policies and rewarding the key people who contributed to the success of this operation. A **compensation study** was deployed, based on external benchmarks at Group level post-integration, enabling the development of a job classification system and the associated salary review.

Nevertheless, the main lines of the policy remain similar.

The Group has a compensation policy that complies with standards and regulations in force in every country where it operates. The policy seeks to ensure employees are rewarded at competitive market rates by offering an **overall compensation package of monetary compensation and benefits**.

Monetary compensation includes fixed compensation – which rewards the capacity to do the job to a satisfactory standard, making use of the required skills – plus, where applicable, variable compensation. For eligible employes, variable compensation recognises collective and individual performance by rewarding each employee for their contribution to Group performance. It depends on how successfully they met targets set at the start of the year, assessed in light of the context and also whether the methods used complied with the ethical principles and Societe Generale's Code of Conduct.

Some employees from ALD benefit from a long-term incentive plan, which takes the form of grants of free ALD shares mandated by resolutions at the General Shareholders' Meeting. These share grants contributes to build loyalty and motivate certain categories of employees, especially executives and strategic talents. In addition, ALD shares were allocated under the deferred variable compensation plan for so-called "regulated" employees, in accordance with the CRD5 Directive, subject to presence and performance conditions, approved by ALD's Board of Directors.

For some entities, profit-sharing and incentive schemes also exist, in accordance with local legislation.

Employer-employee dialogue

Social dialogue with employee representatives is fundamental to the relationships that Ayvens builds with its employees.

As a subsidiary of Societe Generale, signatory of the global agreement on fundamental rights signed with UNI Global Union, ALD is committed to fundamental human rights and freedom of association. In particular, the Group ensures respect for freedom of association, collective bargaining and the maintenance of a favorable social climate.

81%
of Ayvens employees are represented by employee representatives

83%
ALD scope

79%
LeasePlan scope

Internal HR source

In France, employees are represented by the Social and Economic Committee (CSE). The CSE is particularly involved in the discussions and initiatives put in place, in order to sustain free and fluid dialogue with employees. It is consulted regularly before any decision of its concern was made, in accordance with legislation.

In 2023, ALD SA's works council was involved at **every stage of the LeasePlan integration process**, as required by local legislation. Employee representatives were informed or consulted during the various stages of the project prior to closing. They were also consulted on the impact of this operation on the organization and simplification of the Group's legal structure. Employee representatives of LeasePlan's holding were also involved in this process, in particular about the target operating model of the new organization for the central functions, and in the selection process for certain managerial levels.

In addition, **agreements** are regularly signed with employee representatives. These texts concern, among others, topics relating to compensation, social benefits, working hours, and gender equality. For example, five collective agreements were signed in 2023 with the trade unions of ALD France (method agreement, anticipatory agreement on collective statuses, annual pay agreement, health care agreement, extension of three-year agreements). Moreover, in 2023, the CSE of ALD SA was involved in **every step of the LeasePlan integration process**, in line with the local legislation in force. Employee representatives were informed or consulted during the various stages of the project prior to the closing. They were also consulted on the impact of this operation on the organisation and simplification of the Group's legal structures.

Abroad, each Ayvens entity ensures that social dialogue is maintained with employees according in ways that may differ depending on the size, the structure of local teams and laws in force in the country concerned. This is the case, for example, of LeasePlan Holding (located in the Netherlands) where employee representatives also participated to LeasePlan integration process, by being involved in the target operating model plans of the new organisation for the central functions and in the selection process of certain managerial levels.

5.3.2.3 Fostering engagement

In a changing labour market and significant societal transformations post-health crisis, Ayvens insists on **the importance of placing the employee at the centre of its approach**, making every effort to provide them with a rewarding employee experience.

Develop the Ayvens employer brand (EVP: Employee Value Proposal)

With the deployment of the new Ayvens identity, an employer brand development programme (EVP) was initiated at end 2023. The objective is to better attract, engage and retain employees, with a common offering for all Ayvens entities in order to **increase employees' sense of belonging and engagement**. The project will continue in 2024.

Encourage employee expression

Ayvens encourages the expression of its employees as a source of continuous improvement and innovation. This is why the employees of Ayvens were asked, as part of the **SG annual Employee Barometer**, about their commitment, the perception of their life quality at work and their degree of confidence in the Group's strategy.

In 2023, the SG Employee Barometer took place at the end of October/beginning of November. It concerned all ALD entities (Fleetpool included) and LeasePlan entities (excluding LeasePlan Russia in accordance with the position of Societe Generale).

The participation rate in this Barometer was 76%. Historically high within ALD, it continues to be high for Ayvens despite the transition period experienced by employees within the Group in 2023. This satisfactory figure makes it possible to obtain reliable and representative results and thus implement appropriate action plans in each entity.

Ayvens

- 76% participation rate
- 10,317 respondents
- 87 legal entities surveyed in 41 countries

ALD scope

- 73% participation rate
- 4,928 respondents
- 48 legal entities surveyed

LeasePlan scope

- 79% participation rate
- 5,389 respondents
- 39 legal entities surveyed

Source: SG Employee Barometer 2023

Developing employee engagement

Ayvens employee engagement is a **priority and sustainable way of leveraging performance**. The Group aims at achieving a 75% employee engagement rate by 2026, as part of its HR strategy.

72% Ayvens engagement rate

72% ALD scope

72% LeasePlan scope

Source: SG Employee Barometer 2023

In order to help meet this aspiration, the results of Ayvens in the SG Employee Barometer were analysed by entity. Subsequently, specific action plans will be put in place and communicated to all levels of the organisation (ExCo, staff representatives – where applicable –, employees).

As such, many initiatives described below were implemented or maintained in 2023 in Ayvens entities. Their objective is to make daily working life easier, encourage employee engagement and so continuously adapt our offering as an employer.

Continue the roll-out of home office and its support

The Group wanted to continue its **home office approach beyond the pandemic context** so that it becomes an ordinary working method, accessible in the long term to all employees for whom activities can be carried out remotely. In line with many entities that already offer a regular home office system, ALD Greece, ALD Turkey and the commercial entity of LeasePlan Netherlands have formalised the implementation of home office in line with local regulations. These entities also support employees to better understand this new way of working.

In addition, entities such as ALD France and ALD SA continue to pay a recurring **home office allowance** to help employees with their home office set-up and cover any overheads (electricity, heating, *etc.*) related to home office. This is also the case for the LeasePlan Netherlands commercial entity, which supports its employees in their home office set-up so they can work under good conditions.

Adapt working time, work-life balance and recall the right to disconnect

Ayvens

- 76 % of employees have a good work-life balance
- 75 % of employees manage their workload

ALD scope

- 71% of employees have a good work-life balance
- 70% of employees manage their workload

LeasePlan scope

- 80% of employees have a good work-life balance
- 80% of employees manage their workload

Source: SG Employee Barometer 2023

In a context of transformation linked to the integration of LeasePlan entities, Ayvens pays particular attention to the **workload** of its employees. ALD Finland has redefined the roles and responsibilities of each employee and clarified the processes in the interest of its employees. ALD Peru has undertaken a similar approach to improve and automate local processes in order to reduce the workload. Similarly, in the commercial entity of LeasePlan Netherlands, a project named *veerkracht* (resilience) was initiated to support employees in better managing their work-life balance, notably through training and advice.

Some entities have redesigned the **organisation of working hours** to better meet the needs of employees. This is the case of ALD Italy, which in 2023 continued a cultural transformation process initiated in 2022 to redesign the organisation of work and develop "smart" working methods. The agreement, called Smart Way of Working, promotes parenthood by allowing fathers (until the baby is three months old) and pregnant women (between the seventh and eighth month of pregnancy) to work remotely on all working days. The agreement also strengthens the right to disconnect.

Other entities encourage the introduction of **flexible working hours** (within the limits of the legal and operational local constraints). ALD Morocco has thus adopted a flexible working hour solution. This system was well received internally. For its part, LeasePlan Spain reduced the working hours of its employees in July and August to adapt to business activity.

In 2023, ALD SA rolled out its new framework agreement on working time signed at the end of 2022, allowing, among others, the implementation of a **CET** (time savings account). This system was highly expected by employees and now allows them greater flexibility in the management of their working time, when this is compatible with the constraints of the activity.

Whenever possible, employees can make their own arrangements to suit their own needs, in a situation where everyone is experiencing changes in their personal and professional life.

Rethinking the workspace

The Group continues to encourage the creation of **workspaces promoting exchanges and innovation**, in modular premises, the use of digital tools and collaborative workspaces. Several entities have already adopted this configuration.

This is the case of ALD Morocco, which has begun discussions with Societe Generale's asset management team to consider a potential move, with the aim of guaranteeing a better working environment for its employees. ALD Finland has updated its rules and best practices for work in open plan areas, and installed dedicated silent work areas. Lastly, the commercial entity of LeasePlan Netherlands has set up a committee bringing together employees from LeasePlan and ALD to discuss issues such as the workplace, the working environment and hybrid working.

Encouraging sustainable commuting

Ayvens supports the development of new approaches to how employees travel to their workplace. The Group encourages initiatives to help employees choose an **alternative means of travelling between home and work**.

In the ALD Move programme, eligible employees can claim a monthly allowance if they use greener modes of transport, such as bike, public transport, car-sharing, *etc*. In 2023, ALD France continues to develop the programme. In addition, after a successful pilot in 2022, ALD SA deployed ALD Move more broadly across the entire entity from April 2023 and thus enabled 148 employees to test this sustainable mobility solution and save nearly 22,000kg of CO_2.

ALD Czech Republic and ALD Slovakia offer the "To work by bike programme" which provides their employees with electric bicycle rentals.

ALD Italy continued its home/office Mobility Plan in 2023, with the main objective of encouraging employees to swap their private vehicles for more sustainable alternatives when commuting.

Ensuring the physical and mental well-being of employees at work

6.7/10
Average score Ayvens employees give for their well-being at work

6.3/10
ALD scope

7/10
LeasePlan scope

Source: SG Employee Barometer 2023

Ayvens is committed to developing **a safe and respectful working environment** and safeguarding the **mental** and physical **health** of its employees.

As a subsidiary of Societe Generale, ALD is committed to respecting Societe Generale's policy on health and safety at work. Similarly, LeasePlan reaffirms the principles of health and safety at work through common objectives communicated to its entities.

In 2023, LeasePlan Spain launched a survey to assess physical and social risks, officially recommended as a Risk Prevention measure. 79% of employees expressed themselves on issues such as workload and working hours, autonomy and the definition of roles and responsibilities. The results, which were generally positive, were shared and were the subject of a dedicated action plan, particularly concerning the workload.

ALD SA rolled out its CARE programme in 2023, with the aim of raising awareness and alerting all stakeholders (employees, HR teams, managers) to psychosocial risks. It provides tools to take care of physical and mental health and better manage time and stress. There were monthly online workshops throughout the year, in which around 150 employees did practical exercises, received advice and shared ideas with peers. In addition, nearly 50 employees took part in more in-depth training sessions covering these topics more broadly.

LeasePlan Poland has provided its employees with a **well-being at work** platform with webinars and on-site activities such as massage sessions and access to specialised equipment, or advice on physical exercises that can be easily performed at a workstation.

LeasePlan Portugal launched its programme "Riding to Enjoy", which offers employees monthly training courses, led by specialists and focused on the various aspects of well-being (physical, emotional, mental, spiritual, financial).

At ALD Spain, the ALD Healthy programme includes regular measures to promote **emotional health, physical health and life quality at work** in order to safeguard employees' health, safety and well-being at work.

The Group also offers various local initiatives to promote the **mental health** of its employees. This is notably the case for LeasePlan entities in the Netherlands *via* the OpenUp programme which offers employees rapid access to mental health support. LeasePlan UK is also taking action in this area with a support space being made available so that employees can discuss these issues in confidence. LeasePlan Spain has rolled out numerous initiatives to raise employee awareness of mental health, notably through the promotion of good habits during its health at work week in April 2023. At the end of the year, the entity organised an event to raise employee awareness of psychological violence at work, bringing in an expert on the subject.

Ensure regular sharing of information on the Group's strategy and direction

76%
of Ayvens employees adhere to the strategy and guidelines of Ayvens

73%
ALD scope

79%
LeasePlan scope

Source: SG Employee Barometer 2023

Within the entities, initiatives for sustained and regular communications between management and employees provide opportunities for discussion, communication of the management decisions, and ensure information is disseminated throughout all levels of the organisation.

This is the case of ALD Netherlands, which has set up strategy workshops for all its employees, organised in small groups in which participants can ask questions and contribute to strategic topics. Similarly, ALD Bulgaria has given an employee the opportunity to volunteer to participate in local management committees on a monthly basis, alternating as an observer, contributor or facilitator.

Lastly, LeasePlan Spain has set up an HR forum bringing together the director of the entity, the HR director and the employees representing their department. This discussion group meets every quarter and allows both the entity to share news and key messages and the employee representatives to be the voice of their colleagues by reporting their needs, requests and/or concerns. Management undertakes to study and/or approve employees' proposals. Through this initiative, the entity wants to encourage fluid communication through active listening, in order to improve the well-being and commitment of employees.

Encourage feedback and exchange times

77% of Ayvens employees think their manager gives regular constructive feedback on the quality of their work

72% ALD scope

82% LeasePlan scope

86% of Ayvens employees believe they can count on their manager to help, be available and listen

83% ALD scope

89% LeasePlan scope

89% of Ayvens employees believe they can confidently give their opinion or express new ideas or concerns to their manager or colleagues

85% ALD scope

93% LeasePlan scope

88% of Ayvens employees are clear about what is expected from them at work

85% ALD scope

91% LeasePlan scope

Source: SG Employee Barometer 2023

Such behaviour is encouraged using tools like Friday Pulse, a weekly survey platform for employees that seeks to share best practice and foster discussion *via* regular feedback between employees and managers. Already adopted by several entities, the deployment continued in 2023, particularly within ALD Romania, and its use strengthened within ALD Mexico.

ALD Italy has developed feedback boosts which involve employee surveys to understand the frequency and type of feedback they receive. The results of these surveys and the resulting action plans are then shared in "all staff" meetings. In addition, the entity has developed awareness-raising actions among its managers on the importance of sharing key information with their teams.

Lastly, ALD Bulgaria ensures that, twice a year, each employee can informally discuss, with a director, their current position, their career development wishes, and an easily applicable concrete measure that management could support.

All of these HR initiatives are:

- appreciated and valued by employees:

Ayvens

- 79% of employees consider that their work gives them a sense of personal accomplishment
- 74% of employees feel recognised and valued for their work

ALD scope

- 72% of employees consider that their work gives them a sense of personal accomplishment
- 68% of employees feel recognised and valued for their work

LeasePlan scope

- 86% of employees consider that their work gives them a sense of personal accomplishment
- 79% of employees feel recognised and valued for their work

Source: SG Employee Barometer 2023

- recognised and rewarded by external organisations:

"Great Place To Work": in 2023, several Group entities were valued by the Great Place to Work institute, and were certified "Great Place to Work top companies".

This was notably the case for ALD Luxembourg, ALD Netherlands and LeasePlan Mexico.

« Top Employers » : in 2023, this award was given to ALD Spain and the commercial entity of LeasePlan in the Netherlands.

"Young Capital Certificate": the commercial entity of LeasePlan in the Netherlands received the "best employer for young talent" award in 2023.

5.3.3 Culture and conduct

Good conduct is essential in a regulated environment. Ayvens thus promotes a culture guided by ethical values and responsibility, reflected in the Group's strategy and the customer promise.

As a responsible employer and subsidiary of Societe Generale, ALD is committed to respecting and applying the agreements and charters signed by Societe Generale in all its entities, including the global agreement on fundamental rights signed with UNI Global Union. This text guarantees the highest standards of integrity and behaviour, defending the fundamental human rights set out by the United Nations and freedom of association. This agreement aims to create a work environment conducive to inclusion, to promote the diversity of employees which reflects the one of our customers and of our societies, and to combat all forms of discrimination.

The entities also communicate these principles to their employees. For example, ALD Spain runs awareness-raising campaigns on the importance of the concept of respecting compliance and applying it in everyday life at work.

90%
of Ayvens employees consider that we behave in an ethical and responsible manner in our activities

88%
ALD scope

93%
LeasePlan scope

Source: SG Employee Barometer 2023

5.3.3.1 Prevent and combat inappropriate behaviours and harassment

87%
of Ayvens employees would report an inappropriate behaviour if they witnessed or experienced it

85%
ALD scope

89%
LeasePlan scope

Source: SG Employee Barometer 2023

Ayvens is committed to providing each of its employees with a respectful working environment conducive to their personal development. The Group has therefore undertaken several initiatives to prevent and combat inappropriate behaviour in the workplace, notably mental and sexual harassment.

ALD is signed up to the policy deployed by Societe Generale to prevent and combat any behaviour that breaches the principles in its Code of Conduct. Accordingly, ALD has reinforced this commitment by setting up systems to effectively **prevent, process and quickly resolve issues raised**. This means **empowering** all employees, creating the **conditions for safe and equitable working relationships** and encouraging **speak up**. LeasePlan reaffirms these principles with its entities, which must have a local whistleblowing management procedure including a common set of commitments such as: a written procedure accessible to all employees, confidentiality in the management of reports and the consent the reporting employee (subject to exceptions), the procedures for monitoring and resolving reports and defined roles and responsibilities of the various stakeholders.

The procedure for raising and dealing with inappropriate behaviours reminds Ayvens employees of their options for reporting an inappropriate situation, including the **whistleblowing tools**.

In addition, ALD runs two **mandatory e-learning courses** which aim to raise awareness about expected behaviour within the Group, and about the disciplinary sanctions policy adopted by Societe Generale. The first, on "taking action against inappropriate behaviour", is distributed to all newcomers (except in the UK and Latin American entities), and the second, on "understanding the disciplinary framework", is intended for Human Resources Business Partners (HRBPs) and managers. Similarly, in 2023, LeasePlan developed an e-learning course for all employees of its entities. Its purpose is to remind people of the difference between appropriate and inappropriate behaviours, to describe the various types of inappropriate behaviours, to provide advice on how to manage them and to review the procedure for reporting them.

The **fight against harassment** is a core value of Ayvens, which offers its employees prevention and support measures. The Group also has clear principles of zero tolerance for any harassment in the workplace. For example, LeasePlan requires its entities to apply a set of common measures to combat any form of harassment. These measures include the appointment of at least one Trusted Person within each entity, or, failing that, the possibility for employees to consult the Trusted Person identified at LeasePlan Holding level. In France, within ALD SA, a CSE referent and an employer referent have been appointed to combat sexual harassment and sexist behaviour.

5.3.3.2 Societal commitment

It is important for Ayvens to make a positive contribution through societal commitment and community engagement. Its contribution takes different forms, including supporting citizen initiatives, solidarity and philanthropy. The aim is to involve employees in these actions as much as possible and thus generate pride in belonging to the Group.

Contribution to Sustainable Development Goals

ALD's solidarity initiatives and its civic commitment were developed locally by local entities to best meet the needs of each country or region.

The societal commitment focuses on three main themes:

- **Mobility for all:** this is a principle that feeds into two types of programme:
  - Providing mobility solutions for deprived populations where vehicles are a big factor in social inclusion. For instance, ALD SA renewed its funding for the NGO *Ecoliers du Sénégal* to finance a transport service for children who live a long way from school. ALD UK makes available a free minibus (with 16 seats and wheelchair access) to a pool of schools and charities in the community around its Bristol head office, optionally driven by ALD employee volunteer drivers. In 2023, ALD SA also funded a "mobile clinic" project for the charity *Médecins Sans Frontières* (MSF): mobile clinics enable MSF to promote access to healthcare for isolated tribal populations affected by armed conflict in areas where MSF is often one of the only medical players present;
  - Making vehicles available free of charge to businesses in the social economy. For example, ALD France supports the MaMaMa and ATD Fourth World charities in this way. ALD Spain has donated a people carrier for two years to residents of a retirement home. ALD Belgium also helped the charity *Les Petits-Riens*.
- **Aid for children**, which has historically made up one-third of the initiatives financed within the Group and takes the form of donations (in cash, vehicles or other contributions in kind) to charities, schools, hospitals or orphanages. ALD's specific angle, developed alongside Societe Generale, is to support initiatives that promote social inclusion of disadvantaged children through education. ALD SA continued to support an Indian non-governmental organisation, financing the studies of about 200 disadvantaged children at a Bengaluru school for one year.

  Several of the Group's countries are especially active in this area. This can take the form of financial support, as with ALD Brazil, which funds two projects to promote inclusion of disadvantaged children and teenagers: one through art and culture, through the project *Construindo Cidadania com Arte de l'Instituto Hatus*, and another through sport, with the *Instituto Rugby Para Todos*. Support can also mean free provision of vehicles, such as ALD France's support for the charity Imagine for Margo;
- **Environmental protection,** through reforestation, waste collection, or support for the protection of biodiversity. Many countries took part in reforestation programmes. For example, ALD Luxembourg, in partnership with the NGO *Graine de Vie*, supports several reforestation projects in Africa, ALD France in partnership with the *Office Nationale des Forêts* (ONF), *etc*. Lastly, ALD India in addition to the United for Road Safety project (coordinated by the Regional Police of the three major cities of Mumbai, Delhi and Bengaluru and which aims to train the general public on road safety) has decided to support a three-year urban afforestation project in these three cities.

The year 2023 was particularly marked by natural disasters and wars; the ALD Group's efforts focused on associations supporting the victims of the earthquakes in Turkey and Morocco, as well as the Ukrainian people and refugees. This aid resulted in the following actions:

- **Provision of vehicles:** around ten vehicles were made available free of charge by ALD Morocco to facilitate the delivery of essential goods to people affected by the earthquake;
- **Financial donations:** EUR 117,000 were collected through financial donations to support Turkish people affected by the earthquake; EUR 250,000 were donated by ALD SA to *Fondation de France* to renew its support for the victims of the Ukrainian conflict and contribute to the Lebanon Solidarity Plan following the escalation of the Israeli-Palestinian conflict.

Adding up all of these initiatives, ALD allocated **EUR 1.12 million to charitable initiatives in 2023**.

Including the donations recorded by LeasePlan, Ayvens donated EUR 1.3 million to charitable initiatives in 2023.

Besides the financial contributions, ALD and LeasePlan are keen to involve employees in charitable activities. Several countries (UK, the Netherlands, Poland) as well as ALD SA have set up schemes that encourage their employees to volunteer during their working hours; all LeasePlan employees are entitled to four hours per year for volunteering during their working time. In 2023 Group employees donated **214 days (ALD) and 94 days (LeasePlan)**.

Ayvens is working on the Group's new Philanthropy and Volunteering policy, which aims to standardise the areas of intervention between ALD and LeasePlan, as well as to strengthen the volunteering system.

5.3.4 Diversity, equity and inclusion

Ayvens encourages and develops an organisation based on the diversity of its employees and ideas as one of the drivers of its performance.

The various initiatives and policies introduced to promote diversity, equity and inclusion are appreciated by the Group employees.

Ayvens

- 78% of employees feel included and accepted as they are
- 71% of employees believe that the Group enables everyone to develop and succeed, regardless of their background (age, gender, state of health, disability, origin, sexual orientation, other)
- 91% of employees feel that their colleagues provide them with help and support if needed

ALD scope

- 86% of employees feel included and accepted as they are
- 78% of employees believe that the Group enables everyone to develop and succeed, regardless of their background (age, gender, state of health, disability, origin, sexual orientation, other)
- 89% of employees feel that their colleagues provide them with help and support if needed

LeasePlan scope

- 71% of employees feel included and accepted as they are
- 65% of employees believe that the Group enables everyone to develop and succeed, regardless of their background (age, gender, state of health, disability, origin, sexual orientation, other)
- 94% of employees feel that their colleagues provide them with help and support if needed

Source: SG Employee Barometer 2023

Diversity is a response to performance as well as ethical challenges. Ayvens has made it a priority to continue to promote women and staff with international profiles to positions of responsibility within the Group's management bodies.

In addition to these priorities, Ayvens is committed to improving other areas of diversity by paying particular attention to the intergenerational dimension, to employees with disabilities and the inclusion of LGBT+ persons.

As a subsidiary of Societe Generale, ALD adheres to the Societe Generale's Diversity and Inclusion Policy and is committed to fighting all forms of discrimination. LeasePlan supports these same principles through its Diversity, Equity and Inclusion policy, whose commitments are shared with all its entities and partners. In addition, in 2023 LeasePlan focused on the inclusive nature of its corporate culture by running, in its entities, an awareness-raising campaign on inclusive communication, behaviours and recruitment.

And in 2023, Ayvens defined a **Diversity, Equity and Inclusion roadmap** based on the following three pillars and for which the roll-out will start in 2024.

- Promoting the promotion of women in the Group's management positions.
- Fostering fair and inclusive working methods.
- Increasing awareness and training on diversity, equity and inclusion.

There are also various initiatives put in place in our entities, according to their key issues, needs and local regulations.

This is notably the case of ALD UK which, as part of its Diversity, Equity and Inclusion strategy, monitors several KPIs such as the "diversity profile", grouping components such as gender, ethnic group and disability, that employees are free to provide or not. This data enables the entity to adapt its local practices by, for example, adjusting its recruitment policy or training campaigns. In addition, the entity focused on its ethnic diversity in 2023, including working on its recruitment strategy, establishing links with the local community and encouraging employees from different ethnic backgrounds to share their experiences with the whole company. Lastly, throughout 2023, the entity set up a schedule of events to promote inclusion and raise employee awareness over the long term. It organised events in the context of International Women's Day, Transgender Day, Pride Month, National Inclusion Week and Men's Health Month. Several employees were also involved to share their experiences.

Locally, ALD India continues to organise cultural committees to promote an inclusive and harmonised working environment.

ALD Switzerland has strengthened its communication on the principles of diversity and inclusion, and the measures put in place. The entity also encouraged its employees to give feedback on these topics.

ALD Spain is also involved in the promotion of diversity in several ways: the entity has held several events such as the "diversity month" and an awareness campaign including workshops on "how to work in an intergenerational environment". It also trains its newcomers on issues related to diversity (through its ALD Campus): harassment, stereotypes, equal opportunities, *etc*. Lastly, the entity is part of a network of companies committed to diversity and equality and is a member of the European Diversity Charter.

Diversity Leading Company

"Diversity Leading Company": awarded to ALD Spain in 2023 in recognition of measures to favour diversity.

Marianne

"Marianne" award: this award was awarded to Ayvens Mexico in 2023 in recognition of gender equality initiatives. The entity won in the following two categories: Attraction, Selection and Recruitment, as well as Compensation and Wage Gap.

Equality in business

"Equality in business" label: LeasePlan Spain saw its label renewed in 2023. Awarded by the Ministry of Equality, it recognises the initiatives put in place by the entity to encourage gender equality in the workplace.

5.3.4.1 Diversity of international profiles

Spread over five geographical areas around the world (Europe, Latin America, Africa, Asia and the Middle East), the vast majority of Ayvens employees come from the countries of the entities that employ them. This diversity has been encouraged throughout the Group's development process and now constitutes an asset that is part of the Group's fundamentals.

On December 31st, 2023:

86% of international employees (non-French) at Ayvens

78% ALD scope

94% LeasePlan scope

Source: Group HRIS

MANAGEMENT BODIES*

39 Different nationalities within Ayvens

84.3% of international members (non-French) within Ayvens

Internal HR Source

* *Management bodies of the Ayvens group: ExCo (Executive Committee) of Ayvens + MT (Management Team) Holding and MDs (Managing Directors) of the countries + MT (Management Team) of the countries*

STRATEGIC TALENTS

43 different nationalities within Ayvens

33 ALD scope

25 LeasePlan scope

81.2% of international members (non-French) within Ayvens

72.6% ALD scope

91.4% LeasePlan scope

Internal HR Source

5.3.4.2 Gender diversity

Gender balance

Ayvens

- 46% of women among the workforce
- 45% of women hired on permanent contracts

ALD scope

- 45% of women among the workforce
- 45% of women hired on permanent contracts

LeasePlan scope

- 47% of women among the workforce
- 44% of women hired on permanent contracts

Source: Group HRIS

39.7% of women among Ayvens' strategic talents

41.6% ALD scope

37.4% LeasePlan scope

Internal HR Source

32% of women in Ayvens top management*

Internal HR Source

* *Management bodies of the Ayvens group: ExCo (Executive Committee) of Ayvens + MT (Management Team) Holding and MDs (Managing Directors) of the countries + MT (Management Team) of the countries*

Considered as a performance challenge for the Group, gender diversity is of central importance for Ayvens.

Gender equality initiatives

In 2021, the Chief Executive Officer of Ayvens signed the *#JamaisSansElles* charter, committing him to ensuring that women are well represented at all internal or external meetings in which he is called to participate worldwide. This principle has been shared with the Group's top management teams.

Complementary initiatives to promote gender equality have also been launched in various entities. This is the case of ALD Italy, which has renewed its partnership with the Valore D association of companies committed to promoting diversity and inclusion initiatives. The entity also continued its collaboration with the company Nexus to propose initiatives promoting inclusion through various events between entities (bringing together employees from ALD and LeasePlan).

Several Group entities were involved in the International Women's Day in March 2023. This is the case of ALD France and ALD SA on the topic "#Embrace Equity" chosen by Societe Generale. In addition, ALD Spain enabled its employees to benefit from various events throughout the day and to be made aware of the theme of women representation in male professional sectors.

LeasePlan's commercial entity in the Netherlands joined the programme "Talent to the Top" in 2023 by involving two mentors and two mentees (women and/or employees of bicultural origin) in the cross mentoring initiative over one year. The initiative aims to help mentees with their professional development and mentors to strengthen their leadership skills.

In 2023, ALD SA enabled two female employees, considered emerging talent or high potential, to take part in specific development programmes offered by SG: "Become" and "Accelerate".

In 2023, ALD Spain held an awareness-raising day to remind people of the importance of the role of women in the scientific sector, as well as a day to warn about violence against women (initiative led with LeasePlan Spain).

Gender equality index

Legislation introduced in France in 2019 makes it mandatory for companies with over 50 employees to publish an annual gender equality index. This index allocates points according to pay gaps between women and men by age and comparable job, and according to differences in the rates of individual salary increases. This index also takes into account the number of women in the 10 highest-paid jobs in the Company and the percentage of employees who have had a pay rise in the year in which they returned from maternity leave. For ALD France, the promotion rate is an additional criterion.

The points of this index in France should total at least 75. Below this threshold, an action plan must be put in place by the Company.

At the end of December 2023, ALD SA and ALD France published index values of respectively 84 points and 92 points [(1)] (*versus* respectively 84 points [(1)] and 91 points [(1)] in 2022). These scores are the result of a policy that has been pursued actively by ALD SA and ALD France for several years, in particular under the agreement on gender diversity in force at ALD France and the action plan implemented within ALD SA. Based each year on the provisional index results, ALD SA implements targeted corrective measures, notably the reduction of pay gaps at certain levels of responsibility and for certain age groups.

Since 2020, this calculation has also been rolled out, using the same methodology as in France, in the Group's main European entities, which are ALD Netherlands, UK, Germany, Italy, Spain and Belgium. The index values, based on data as of June 2023, are between 64 points [(1)] and 89 points [(1)] depending on the country.

The same exercise was carried out in 2023 within LeasePlan France, which published a result of 92 points [(1)]. The index was also calculated in LeasePlan Netherlands, UK, Germany, Italy, Spain and Belgium, with a result ranging between 56 points [(1)] and 94 points [(1)].

(1) Internal HR source

Presence of women in top management bodies

As part of its new Diversity, Equity and Inclusion strategy, Ayvens defined an action plan in 2023 to promote the promotion of women in the Group's management positions, the deployment of which is scheduled for 2024. This action plan will focus on the provision of specific development programmes for its employees identified as talents, including training programmes focusing on leadership, coaching, reverse mentoring and expertise.

The actions carried out by ALD and LeasePlan to promote gender equality have already borne fruit, reaching 32% of women in the Group's management bodies at the end of 2023 *(internal HR source)*. Ayvens' objective is to reach 35% by 2026.

More information on the gender diversity policy within the management bodies of Ayvens can be found in Chapter 3.9.

Inclusion of LGBT+ persons

As the French subsidiaries of Societe Generale, which is a signatory of the LGBT+ Commitment Charter of *L'Autre Cercle* (a leading advocacy group for the inclusion of LGBT+ people), ALD France and ALD SA are committed to promoting an inclusive working environment for LGBT+ people.

Internationally, Ayvens Mexico received in 2023 the award of "Best LGBTQ+ Place to Work" for the third consecutive year. This award is a recognition of the commitments that the entity has made to promoting inclusivity and diversity in its work environment.

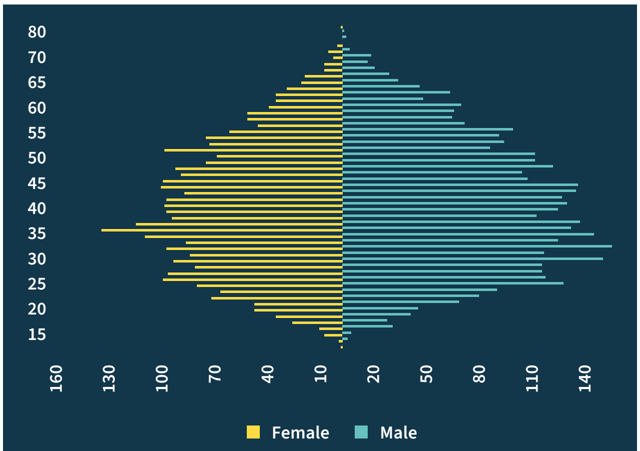
5.3.4.3 Age diversity

Ayvens is a company with an average age of 40 years(1) (39.9 years(1) for women and 40.1 years(1) for men).

The average age is 39.7 years(1) on ALD scope and 40.3 years(1) on LeasePlan scope, as shown by the age pyramids below.

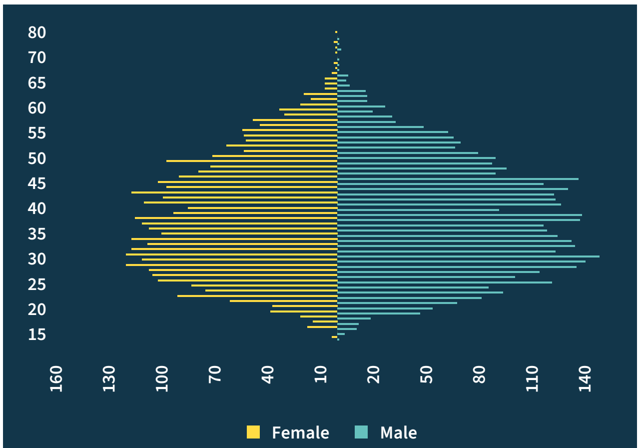
(1) Source: Group HRIS.

ALD's age pyramid:



- *The average age of ALD employees is 39.7*
- *The average age of women is 39.6*
- *The average age of men is 39.8*

LeasePlan's age pyramid:



- *The average age of LeasePlan employees is 40.3*
- *The average age of women is 40.2*
- *The average age of men is 40.3*

The Group applies the principle of no age-based discrimination throughout the organisation. At the same time, additional measures are also in place.

This is the case of ALD France, which is committed to the inclusion of young people in the job market, in particular by welcoming students in apprenticeship. The entity is committed to enabling every young person to learn, progress and find out about ALD France's businesses. In order to facilitate cooperation, apprentices have their own community, ALD Hope, which supports them in making their apprenticeship a success within the entity. The desire to participate in the inclusion of young people is also illustrated by a partnership with the *Ecole de la 2e chance* (Second chance school), which is aimed at young people aged 16 to 25 who drop out of school system without qualifications. ALD France supports this initiative financially, recruits interns and is involved in coaching sessions for recruitment interviews.

In the same manner, ALD Luxembourg continued the operation that the entity has been conducting since 2007, taking on students in apprenticeship so that they can obtain an Administrative and Commercial Professional Diploma (DAP) at the end of a two-year course. To this end, the entity trained new tutors in 2023.

In 2023, on a voluntary basis, ALD SA launched an initiative allowing employees to welcome students in their last year of middle school, some from priority education networks (REPs), for an one-week work placements, enabling students to discover the business world. Some 18 interns, including 12 from REPs, took part in this programme.

5.3.4.4 Inclusive environment for persons with disabilities

At the end of 2023,
1.71%
of Ayvens employees had disabilities

2.06%
ALD scope

1.38%
LeasePlan scope

Source: Group HRIS

As a subsidiary of Societe Generale, ALD adheres to the Global Business and Disability Network Charter of the International Labour Organization (ILO). In addition, some Ayvens entities have launched particular initiatives on the topic.

Ayvens Mexico offered a sign language learning programme for its employees and their families. The aim is to foster a culture of inclusion by enabling interaction with people with hearing disabilities, whose several employees are concerned in the organisation.

ALD France, through its "Handimotive" Disability Mission, implements measures to promote the employment of people with disabilities: support to obtain the recognition of the status of disabled worker, adaptation of workstations on site and at home, regular awareness-raising through training and e-learning and organisation of events, in particular during Disability Employment Week. Partnerships with disability-friendly companies have been set up for paper recycling, telephone reception, mail management, the manufacture of ergonomic equipment, the recycling of ergonomic seats and the provision of goody bags.

The entity organised a "Week for the Employment of People with Disabilities" in November 2023 on the theme "Being a top [disabled] colleague and avoiding the [disabled] flop". Various subjects were discussed, such as the invisible disability, prejudices about disability and workstation adjustments through workshops, breakfasts and the provision of resources on the intranet.

At the end of 2023,
5.9%
of ALD France entity employees had disabilities

Internal HR source

5.3.5 Key HR data

5.3.5.1 Changes in the workforce

5.3.5.1.1 Workforce by geographical zone

The table below shows the changes in the workforce over the past three years. All employees, whether with full-time or part-time work contracts, are counted as one in the workforce. These figures exclude the external workforce such as trainees, service providers and consultants.

	31 December 2021	31 December 2022	31 December 2023		
	ALD	ALD	ALD *	LeasePlan	Ayvens
France	1,491	1,556	1,613	448	2,061
Europe (excluding France)	4,736	4,859	4,735	6,598	11,333
Excluding Europe	823	829	841	343	1,184
TOTAL	**7,050**	**7,244**	**7,189**	**7,389**	**14,578**

Source: Group HRIS
** Integrated in the scope in 2023: Fleetpool / Withdrawn from the scope following disposal in 2023: Merrion Fleet (Ireland), ALD Portugal, ALD Norway and ALD Russia (including Belarus and Kazakhstan)*

5

5.3.5.1.2 Hires on permanent contract

The table below presents the total number of employees hired on permanent contracts over the past three years.

	2021		2022		2023					
	ALD		ALD		ALD		LeasePlan		Ayvens	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
France	87	98	67	82	82	103	1	5	83	108
Europe (excluding France)	366	418	378	402	240	269	377	454	617	723
Excluding Europe	40	102	61	86	52	83	24	33	76	116
TOTAL	**493**	**618**	**506**	**570**	**374**	**455**	**402**	**492**	**776**	**947**

Source: Group HRIS

5.3.5.1.3 Hires on fixed-term contracts

The table below presents the total number of employees hired on fixed-term contracts over the past three years.

	2021		2022		2023					
	ALD		ALD		ALD		LeasePlan		Ayvens	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
France	55	57	68	47	42	39	52	39	94	78
Europe (excluding France)	123	90	172	176	120	139	114	159	234	298
Excluding Europe	18	24	30	33	17	19	0	0	17	19
TOTAL	**196**	**171**	**270**	**256**	**179**	**197**	**166**	**198**	**345**	**395**

Source: Group HRIS

5.3.5.1.4 Total departures

The table below shows the total number of departures (including voluntary and involuntary departures, dismissals for cause and termination by mutual consent) from the Group over the past three years.

	2021	2022	2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
France	210	191	217	134	351
Europe (excluding France)	770	816	693	804	1,497
Excluding Europe	121	163	146	74	220
TOTAL	**1,101**	**1,170**	**1,056**	**1,012**	**2,068**

Source: Group HRIS

5.3.5.1.5 Permanent contract turnover

The table below presents the turnover rate of employees on permanent contracts over the past three years.

	2021	2022	2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
Turnover rate of employees on permanent contracts	13.17%	13.47%	12.3%	11.33%	11.81%

Source: Group HRIS

5.3.5.2 Breakdown of the workforce

5.3.5.2.1 Breakdown by country

As at 31 December 2023, the breakdown of the Group's workforce by country was as follows:

	31 December 2021	31 December 2022	31 December 2023		
	ALD	ALD	ALD *	LeasePlan	Ayvens
Western Europe	4,708	4,868	4,951	5,013	9,964
Of which:					
Belgium	280	288	289	249	538
France	1,491	1,556	1,613	448	2,061
Germany	553	571	767	547	1,314
Italy	587	578	591	535	1,126
Spain	482	494	476	417	893
UK	745	787	799	648	1,447
Northern Europe	465	480	438	457	895
Central and Eastern Europe	1,054	1,067	959	1,576	2,535
South America, Africa and Asia	823	829	841	343	1,184
TOTAL	**7,050**	**7,244**	**7,189**	**7,389**	**14,578**

Source: Group HRIS
** Integrated in the scope in 2023: Fleetpool / Withdrawn from the scope following disposal in 2023: Merrion Fleet (Ireland), ALD Portugal, ALD Norway and ALD Russia (including Belarus and Kazakhstan)*

5.3.5.2.2 Breakdown by type of employment contract

The table below shows the proportion of employees on fixed-term contracts over the past three years.

	2021	2022	2023					
	ALD	ALD	ALD		LeasePlan		Ayvens	
	Fixed-term contracts/ workforce	Fixed-term contracts/ workforce	Fixed-term contracts/ workforce	Share of women	Fixed-term contracts/ workforce	Share of women	Fixed-term contracts/ workforce	Share of women
France	11%	14%	13%	49%	13%	60%	13%	51%
Europe (excluding France)	4%	6%	6%	45%	5%	39%	6%	42%
Excluding Europe	9%	5%	6%	42%	0%	N/A	4%	42%
TOTAL	**6%**	**7%**	**7%**	**46%**	**6%**	**42%**	**6%**	**44%**

Source: Group HRIS

5.3.5.2.3 Breakdown by socio-professional category

The table below shows the proportion of managers in the workforce over the past three years.

	2021	2022	2023					
	ALD	ALD	ALD		LeasePlan		Ayvens	
	Managers/ workforce	Managers/ workforce	Managers/ workforce	Share of women	Managers/ workforce	Share of women	Managers/ workforce	Share of women
France	19%	18%	19%	42%	17%	49%	18%	43%
Europe (excluding France)	19%	19%	21%	38%	16%	36%	18%	37%
Excluding Europe	19%	14%	20%	36%	26%	37%	22%	36%
TOTAL	**19%**	**18%**	**20%**	**39%**	**16%**	**36%**	**18%**	**38%**

Source: Group HRIS

5.3.5.2.4 Breakdown by gender

The table below presents the breakdown of the Group's workforce by gender over the past three years.

	2021		2022		2023					
	ALD		ALD		ALD *		LeasePlan		Ayvens	
	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men
France	714	777	742	814	766	847	237	211	1,003	1,058
Europe (excluding France)	2,220	2,516	2,278	2,581	2,171	2,564	3,104	3,494	5,275	6,058
Excluding Europe	296	527	308	521	318	523	135	208	453	731
TOTAL	**3,230**	**3,820**	**3,328**	**3,916**	**3,255**	**3,934**	**3,476**	**3,913**	**6,731**	**7,847**

Source: Group HRIS
** Integrated in the scope in 2023: Fleetpool / Withdrawn from the scope following disposal in 2023: Merrion Fleet (Ireland), ALD Portugal, ALD Norway and ALD Russia (including Belarus and Kazakhstan)*

5.3.5.2.5 Breakdown by age category

The table below presents the breakdown of the Group's workforce by age bracket over the past three years.

	2021	2022	2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
24 years old and under	58%	6.03%	5.6%	5.3%	5.5%
From 25 to 34 years old	30.7%	29.61%	28.7%	28.6%	28.7%
From 35 to 44 years old	33.9%	32.97%	32.5%	30.3%	31.3%
From 45 to 54 years old	22.6%	23.18%	23.6%	24.7%	24.2%
55 years old and over	7.1%	8.21%	9.5%	11.1%	10.3%
TOTAL	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Group HRIS

5.3.5.3 Absenteeism

The table below presents the rate of absenteeism over the past three years.

	31 December 2021	31 December 2022	31 December 2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
Rate of absenteeism	2.75%	2.98%	2.33%	2.45%	2.39%

Source: Group HRIS

5.3.5.4 Training

The Group invests heavily in training to enable its employees to evolve, acquire new skills in line with the realities of the company and their foreseeable career path, and offer each employee the opportunity to fulfil his or her potential.

Number of employees who attended at least one training session during the year *

	2021	2022	2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
France	1,484	1,544	1,455	556	2,011
Europe (excluding France)	4,746	4,985	4,606	6,638	11,244
Excluding Europe	778	835	855	453	1,308
TOTAL	**7,008**	**7,364**	**6,916**	**7,647**	**14,563**

Source: Group HRIS
** These figures include employees trained who left the Group during the year*

Total number of training hours *

	2021	2022	2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
France	14,735	24,397	20,956	5,948	26,904
Europe (excluding France)	85,648	109,575	99,807	92,726	192,533
Excluding Europe	61,969	52,876	17,874	1,578	19,452
TOTAL	**162,352**	**186,848**	**138,637**	**100,252**	**238,889**

Source: Group HRIS
** These figures include employees trained who left the Group during the year*

5.3.5.5 Workplace accidents

The table below shows the number of workplace accidents over the past three years, excluding commuting (as defined by local regulations).

	31 December 2021	31 December 2022	31 December 2023		
	ALD	ALD	ALD	LeasePlan	Ayvens
Number of workplace accidents	11	12	14	111	125

Source: Group HRIS

For the French scope composed of ALD SA, ALD France and LeasePlan France, the severity rate of work accidents in 2023 is respectively 0, 0.164 and 0.129 (internal HR source).

PowerUp 2026: Sustainability Pillar

Being a supportive and responsible employer

75% employee engagement rate (*vs.* 74% in **2022**[(1)])

35% women in management bodies (*vs.* 33.2% in **2022**[(1)])

25% Internal mobility rate[(2)]

(1) ALD scope only
(2) Number of job requisitions filled with internal candidate/ total amount of job requisitions filled

5.4 Responsible practices

5.4.1 Customer satisfaction culture

Significant risk identified:

- risk of insufficient customer service or customer dissatisfaction, particularly related to the acquisition/integration.

Two mechanisms are implemented at Ayvens:

Net Promoter Score (NPS)

Customer satisfaction is at the heart of Ayvens' strategy. Each year, Ayvens measures the loyalty of its fleet managers and drivers, through its annual NPS campaign on 37 subsidiaries. This year, following the acquisition of LeasePlan in May, two NPS were measured, one ALD NPS and one LeasePlan NPS.

The NPS of ALD (+22 points, down by 5 points) & LeasePlan (+24 points, up by 2 points) are at a satisfactory level, despite the ALD fall, which is explained mainly by its calculation method (weighting of the overall score linked to the size of the running fleet). The main underlying causes of decline in customer satisfaction are still the semiconductor crisis and vehicle downtime during maintenance. Within Ayvens, a dedicated “hypercare” process has been set up centrally and in each of the subsidiaries to guarantee customer satisfaction, particularly during the LeasePlan integration phase.

In 2024, only one NPS for Ayvens will be measured. A common methodology at Group level is currently being implemented, in order to obtain even more accurate and comparable feedback.

Hypercare

With regard to “hypercare”, this process is rolled out centrally and in the subsidiaries to manage customer satisfaction, particularly during the LeasePlan integration phase. It is based on three pillars:

- Customer Pulse survey: this survey is sent each quarter to a sample of Fleet managers to collect their feedback;
- analysis of KPIs impacting customer satisfaction, and review during customer experience committees;
- the review of risks that could impact the customer experience.

These local surveys are complemented by measures at the international level, particularly in the specific customer segment of Large International Accounts. The latest survey of international customers revealed a satisfaction rate of 94% (+2 points *vs.* 2022, ALD customer scope). Corporate Social Responsibility rates among the top ten criteria in terms of importance for these customers, and 81% are satisfied with Ayvens’s action in the area of CSR and sustainable development (+7 points compared with 2022).

Ayvens set up a **Customer Advisory Board** which meets face-to-face twice a year and *via* teleconferencing five times a year. It consults major international customers on strategic decisions, particularly regarding product or commercial development and the main trends in the mobility market. This initiative has also been replicated in 24 countries in which ALD is present (Belgium, France, Germany, Italy, the Netherlands, Spain, the UK, Austria, the Czech Republic, Hungary, Bulgaria, Finland, Turkey, Romania, Greece, Poland, Peru, Brazil, Chile, Colombia, Mexico, Portugal, Algeria and Morocco). Energy transition issues (electric vehicles, charging solutions, energy market and costs) are often covered.

5.4.2 Behaviour/ethical and responsible culture

Significant risks identified:

- choice of customers/suppliers: corruption, money laundering, embargoes/sanctions (incl. new EV players);
- reputational risk related to electrified products (raw materials/products for batteries , *etc.*);
- risk of customers/suppliers presenting E&S risks in the portfolio of companies following acquisitions (including LeasePlan):
  - business relationships with customers/partners in sensitive sectors or sectors which are exposed from a regulatory, environmental and standpoint; environmental and social
- reputational risk (transactions, client or supplier), exacerbated by a business model based on a package of services and in a context of rapid market evolution towards electrification;
  - selection of garages/partners,
  - selection and purchasing process/sourcing of vehicles, raw materials for tyres, spare parts.

Ayvens, as a subsidiary of Societe Generale, conducts its development in accordance with the values and principles set out in various Societe Generale texts and structural commitments:

- the Universal Declaration of Human Rights and its complementary commitments;
- the fundamental conventions of the International Labour Organisation (ILO);
- the UNESCO World Heritage Convention;
- the Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises;
- the United Nations Guiding Principles on Business and Human Rights.

5.4.2.1 Code of Conduct

The **Code of Conduct**, common to Societe Generale both in France and abroad, describes the Group’s commitments to each stakeholder (customers, employees, investors, suppliers, regulators/supervisors, public/civil society) as well as the expected principles of individual and collective behaviour. It forms the basis of Societe Generale and ALD (now Ayvens) professional ethics.

It promotes respect for human rights, the environment, prevention of conflicts of interest and corruption, the fight against money laundering and the financing of terrorism, respect for the integrity of markets, protection of data and conduct with respect to gifts and hospitality and responsible purchasing.

These rules go beyond the strict application of the laws and regulations in force, especially when in some countries the laws and regulations cannot guarantee compliance with the Group’s ethical standards and prevent reputational risks.

It also sets forth the procedures for exercising the right of **whistle-blowing** when a particular situation warrants it and notes that the Group protects whistle-blowers and guarantees their anonymity when local law allows it. In 2019, the Group rolled out a new secure and anonymous whistleblowing tool. In addition to access to this central tool, available at Group level, an additional deployment of a dedicated local tool for subsidiaries with more than 250 employees is also underway, following the entry in force of the Waserman law (implementing decree published in October 2022).

The Code of Conduct can be consulted by all stakeholders and is available on the Ayvens website: https://www.ayvens.com/en-cp / conduct-and-ethical-principals/.

The Culture and Conduct programme

Initiated in 2016, and moved from the project phase to the run phase in 2020, the Culture and Conduct programme aims to build stakeholder confidence in Societe Generale and its business units, including Ayvens, by putting values, the quality of leadership, and behavioural integrity at the core of its business activity to achieve the highest standards of quality of service and integrity.

The programme at Ayvens is co-sponsored by two members of the Group's General Management, the Chief Risk and Compliance Officer and the Human Resources director.

Since the end of 2019, every year all employees have been given an appropriation test, on the **MyLearning** training platform.

In 2021, governance was improved within ALD through the publication of a best practices guide and the creation of a Corporate Secretary function within the entities which report functionally to the holding and, in 2022, of the HR director.

Since 2022, conduct indicators have been reported annually to Societe Generale's management.

The organisation changed following the acquisition of LeasePlan in May 2023, and the new regulated status adopted by the holding company, with the split, within the General Secretariat teams between a Risk & Compliance function on the one hand, providing hierarchical supervision of the corresponding teams of the entities, and on the other hand, a Legal & Corporate Affairs function, organised in line with the entities. The SG Code of Conduct was also part of the Group policies deployed from day one to all employees, including those of LeasePlan entities. This deployment was accompanied by the deployment of the associated training on the Code of Conduct in the MyLearning tool, accessible to all LeasePlan employees since the last quarter of 2023.

The Culture and Conduct programme, so far rolled out within the ALD scope, will gradually extend to the LeasePlan scope, following the merger of the entities at the end of 2025. In parallel, improvement of the risk and compliance culture is one of the priorities of the Risk and Compliance division (CRCO) as part of the work on the integration of the LeasePlan entities in 2024 and 2025.

5.4.2.2 The fight against corruption

Ayvens is an integral part of the Societe Generale's system of anti-corruption obligations (stemming in particular from the French law n° 2016-1691 of 9 December 2016 ("Sapin II") and of those relating to the law on the duty of care, which require the establishment and implementation of a vigilance plan to identify risks and prevent serious violations of human rights, fundamental freedoms, personal health and safety and the environment.

In this regard, all previous commitments made by Societe Generale apply *de facto* to Ayvens. Since 2000, Societe Generale has made commitments under the Wolfsberg Group and, in 2003, the Global Compact. In practice these commitments are reflected in:

- the application of the internal anti-money laundering and anti-terrorist financing scheme, as well as the fight against corruption and influence peddling;
- the application of strict principles that are set out in its Code of Conduct and its Code governing the fight against corruption and influence peddling;
- the updating of the framework standards and the strengthening of mechanisms relating to gifts and events, the management of conflicts of interest, the whistleblowing mechanism within the framework of the transparency law, the fight against corruption and the modernisation of economic life (referred to as Sapin II law).

Since 2019 specifically, Ayvens started the full application of the anti-corruption section of the Societe Generale remediation programme, which gave rise to the following main actions in 2022:

- the update of the Code on the fight against corruption and influence peddling;
- the updating of the normative framework and the strengthening of the anti-corruption system, in particular by setting-up a whistleblowing system within the framework the law on transparency, the fight against corruption and the modernisation of economic life (known as "Sapin II"), supervision of the representation of interests, gifts and events policies, and the prevention and management of conflicts of interest;
- the updating of the policy for managing relationships with third parties, including business introducers, suppliers and partners in the context of sponsorship operations. The processes for identifying compliance risks applicable to these third parties have been considerably strengthened, with the introduction of an "ABC flag" on customers at risk of corruption;
- the implementation of a risk assessment methodology specific to corruption risks, based on business scenarios;
- increased training, including dedicated training for people at risk;
- lastly, the enhancement of controls on the various themes of the fight against corruption.

Legal action against Societe Generale by French and US authorities was dropped at the end of 2021, following the effective implementation over the past three years of a set of remediation measures to effectively combat the risk of corruption.

Note that Ayvens does not have a legal obligation to formalise its own Vigilance Plan but is fully in line with that of Societe Generale, which is presented in Chapter 5.6 of its Universal Registration Document.

Since the acquisition of LeasePlan, the fight against corruption has been one of the top priorities for integration. Hence the Anti-Corruption Code and the policy for preventing and managing conflicts of interest, which were updated the day after the closing, and are being implemented in all LeasePlan entities.

In addition, various anti-corruption policies are being finalised (management of whistleblowing, gifts and events in particular), with a publication planned for the end of February 2024.

5.4.2.3 Environmental and Social (E&S) policies

Sector and cross-group E&S policies

Developed by cross-functional working groups, E&S policies are approved by Societe Generale's General Management and implemented within ALD, and will be rolled out to LeasePlan progressively.

They present the main E&S issues and risks for the sectors covered, identify the international standards of reference, and provide a framework for analysis, which is used in customer evaluations and the resulting transactions. In a continuous improvement process, a sector watch is carried out to evaluate whether existing policies need to be updated.

The 10 E&S policies cover sectors considered potentially sensitive from an E&S or ethics point of view. Energy and extractive sectors are covered by several sector policies, through their potentially significant impacts in terms of emissions (including greenhouse gases) and their effect both on the natural environment and local communities (dams and hydro-electric power, thermal power stations, coal-fired power stations, mines, civil nuclear, oil and gas). Agriculture and forestry are subject to a policy which covers several sectors (agriculture, aquaculture and fishing, palm oil, soybeans and beef in Latin America, forestry, paper pulp and paper). Defence and merchant vessels are also covered. The E&S policies are public and available on the Societe Generale website: https://www.societegenerale.com/en/publications-documents?search=&theme=rse&category=politiques-sectorielles&year=&fiscal=&op=Filter.

These policies are systematically circulated to the ALD local teams responsible for the Know Your Customer (KYC) process.

E&S identification list (or watch list)

To facilitate the management of E&S risks, an identification list is prepared and updated quarterly by Societe Generale experts. This list shows the projects, companies and sectors of activity/countries that are the subject of controversy or public campaigns by civil society for E&S reasons. This internal list aims to alert operational teams ahead of the customer and transaction review process to establish a stronger E&S assessment for the transactions and customers in question.

E&S exclusion list

In addition to the watch list, an exclusion list has been prepared by Societe Generale and is updated on a quarterly basis. It includes companies excluded under the sector defence policy due to their involvement in the production, storage or sale of controversial weapons, including anti-personnel mines or cluster munitions. Societe Generale has undertaken not to knowingly provide banking and financial services to these companies, their parent companies or their subsidiaries. Exclusions are also made on a case-by-case basis, in particular for new account analyses or specific types of activities.

The sector policies described above contain exclusion criteria that are checked systematically.

Before entering into a relationship with a new customer, and during the renewal of dedicated credit lines, the watch and exclusion lists, and the controversies of an E&S nature are systematically examined by the local functions in charge of the KYC processes. Any cases presenting risks related to the watch lists, sector policies and controversies are sent to the Compliance and CSR Department of ALD SA for analysis (103 cases reported in 2023).

This process was made official in 2021 in an instruction published by all Group entities covering the management of E&S risks. This instruction was subject to a specific training programme in all Group countries.

In 2022, Societe Generale launched the "ESG by Design" programme with the aim of:

- strengthening the consideration of ESG issues in internal processes;
- ensuring compliance with the Group's regulatory obligations and voluntary commitments by developing methods, processes and tools relating to these factors, paying particular attention to the integration of climate and environmental risks into the Group's risk management system;
- optimising operational efficiency by scaling up the ESG system and setting up an infrastructure from data acquisition, to reporting, to customer and transaction assessment.

The Programme also strengthens the processes for producing internal management indicators as well as external ESG reports. This work is accompanied by an upgrade of the Group's data collection, reference systems and information systems.

The identification, assessment and management of E&S risks were also subject to specific training for the risk, compliance, purchasing and CSR teams. The completion rate for this module at the end of 2022 was **97% of people targeted**. A new version of the training was distributed in December 2023 with a deadline to complete the training by March 2024; the completion rate is currently 43%. Immediately after the acquisition of LeasePlan, the teams in charge of applying the rules of the Societe Generale Code began the deployment of the process described above. Since September 2023, the LeasePlan teams in charge of KYC have included controls on the E&S exclusion list and E&S controversies. The implementation on the LeasePlan scope of the remaining controls (sectoral policies and watch list) will be completed in 2024.

5.4.3 Responsible purchasing

The Procurement function was an important part of ALD Group's CSR objectives, and even more so for Ayvens going forward. The below contents largely describes the ALD process in place.

Meanwhile, LeasePlan launched an awaress campaign on sustainability matters towards its procurement community. LeasePlan also continued the roll out of the EcoVadis platform to evaluate the ESG risks of its suppliers: more than 9,800 suppliers are currently included and assessed in the EcoVadis IQ platform. For global procurement initiatves, the ESG performance is included in the decision making at tender stage.

ALD has been consistently strengthening its Purchasing function to better coordinate the production (or "direct") purchases of all ALD entities and apply the principles and rules defined at the Societe Generale level, particularly with regard to CSR. "Indirect" purchases made in France (whether by ALD France or ALD SA), such as supplies, travel, mobile telephony or building management, for example, are covered by framework agreements negotiated by the Societe Generale Purchasing Department. For certain categories, ALD France works closely with the Societe Generale Purchasing Department.

The fundamental components of the Ayvens Group's responsible purchasing policy are as follows:

Know your supplier (KYS) analysis

Tier 1 suppliers are assessed against Societe Generale standards and international standards for operational risk management, compliance and reputation (including environmental and social issues). This assessment is systematic and is the subject of an internal Directive. It covers the fundamentals of the Know Your Customer (KYC) process described in Section 5.4.2.3 of this Universal Registration Document.

Risk identification, evaluation and control in the purchasing process

In 2006, Societe Generale defined its first Purchasing-related environmental and social risk mapping, thus allowing each buyer to assess the ESG risks intrinsic to its purchasing categories. A complete review of that risk map was conducted between 2017 and 2018 in consortium with three other French banks and with the support of a specialised consulting firm. The risk map covers almost 100 categories of products or services, every category is analysed according to 13 criteria linked to ethics and fair practice, the environment, human rights and social conditions, and finally ranked according to four levels of risk, from weak to very strong.

The duplication of this approach to approximately 20 ALD-specific "production" purchasing categories using the same methodology was finalised in 2020. It has already been used as a methodological support in international calls for tenders and was widely distributed since 2021 for use in local tenders (see below).

Integration of E&S criteria into tender processes

Based on the risks identified in the new Purchasing-related CSR risk map, CSR criteria specific to each eligible purchasing category are integrated into the main calls for tender and taken into account in their analysis. The level of weighting of these criteria in the supplier's final choice depends on the level of risk identified by the mapping and varies between 5% and 15% depending on the environmental and social risk associated with the purchasing category.

The main international calls for tender launched by ALD SA's Procurement Department since 2019 include this mechanism. Following the acquisition of LeasePlan, the first calls for tenders for the Ayvens Group were launched in the autumn of 2023: tyres, short-term leasing and windshields.

These categories represent EUR 795 million in expenses in 2023; 25% of the "direct" costs of the Ayvens Group (excluding vehicles). The average weighting of CSR criteria in these calls for tender was 12%.

Responsible purchasing charter and CSR clause in contracts

Since April 2017, all suppliers listed by the Procurement function have been sent a copy of the Sustainable Sourcing Charter (https://www.societegenerale.com/sites/default/files/construire-demain/12112018_sustainable_sourcing_charter_vf_eng.pdf).

The commitments set out in the Sustainable Sourcing Charter are mainly based on the fundamental principles of the United Nations Global Compact in terms of human rights, working conditions, the environment and the fight against corruption.

The CSR clause, that was updated in 2018, is now included in 100% of new contract templates. It refers to the Societe Generale Code of Conduct and the Sustainable Sourcing Charter. Its purpose is to involve suppliers in the implementation of due diligences in the fields of human rights, working conditions (health and safety), the environment and the fight against corruption.

Developing positive impact purchases

Developing the circular economy: with the objective to further develop the circular economy within our supply chain, in 2022, the Purchasing and CSR Departments launched discussions with tyre manufacturers aimed at expanding the purchase of reconditioned tyres produced from used tyres. Following the call for tenders for this category, an international contract with Blackstar (producers of tyres made from 100% recycled material) will be signed for the period 2024-2026, with France as its main market.

Action for the climate: the Procurement Department also takes part in Group initiatives in favour of biodiversity and, more specifically, the objective of eliminating from the employee environment single-use plastics made from petroleum derivatives by end-2025. To do so, it works with a network of suppliers to source alternative solutions that can be introduced throughout the Group.

In the fourth quarter of 2023, the Procurement and CSR teams of ALD and LeasePlan began working on the new responsible purchasing policy of the Ayvens Group. This new policy largely incorporates the system described above with three main new features:

- the publication of a **Sustainable Procurement charter** specific to Ayvens : (https://www.ayvens.com/en-cp/sustainability/our-esg-commitments/);
- a strengthened assessment of the ESG maturity of suppliers throughout the life of the contract with systematic monitoring *via* the EcoVadis platform;
- the possibility of checking the compliance of supplier practices with the Ayvens Code of Conduct and our Responsible Procurement Charter *via* the right of audit provided for in our new sustainability clause.

The publication of the new Purchasing policy (which includes responsible procurement) is expected at the end of Q1 2024. It will trigger specific trainings for buyers. While waiting for the new Ayvens policy, in 2023, all Ayvens buyers (260 people) received generic training on responsible purchasing.

5.4.4 Data protection

This new year of implementation of the GDPR has once again consolidated the place of personal data protection as a cardinal value of the ALD Group, by adjusting the compliance system in the light of accumulated experience and Societe Generale's recommendations.

The 2023 financial year was also marked by the preparatory work and the first stages of the merger with the LeasePlan Group. As the latter retains its integrity and governance within Ayvens, a tripartite framework agreement between ALD, LeasePlan and the parent company Societe Generale has been put in place to regulate the sharing of data related to the merger.

The work also made it possible to validate the main data flows resulting from the activity, to determine the Target Operating Model of the Data Privacy function (integrated into the Compliance system), as well as the convergence road map (both centrally and at the entities level), with a clear focus on the separation of the various lines of defence.

Among the priority projects for 2024 are continuation of the action plan resulting from the latest internal assessment exercises, as well as the finalisation of the "Schrems II" programme supervised by Societe Generale.

The provision of training modules in the form of short videos should also help raise awareness of all operational teams on Data Privacy issues.

5.4.5 Responsible digital technology

Societe Generale has been a founding member of the *Institut du numérique responsable* since December 2018 and has signed the Responsible Digital charter. In particular, it undertakes to:

- optimise digital tools to limit their environmental impact and consumption;
- develop inclusive and sustainable services that are accessible to all;
- promote ethical and responsible digital practices.

ALD (and now Ayvens) is a stakeholder in Societe Generale's work within the "Green IS" programme. In 2021, it also reworked this programme around the most significant issues for ALD:

- IT purchases, with the specific objectives of integrating CSR standards into purchases (see section 5.4.3), digitising purchasing processes (DocuSign system), introducing recycling and second life contracts for IT equipment and installing a video conferencing solution to reduce business travel;
- "CSR by Design", a set of principles which puts frugality and environmental efficiency at the heart of development, in terms of IT architecture, hosting strategy, project management, scheduling, efficient coding, and data management;
- the introduction of specific tools for IT project managers to raise their awareness and integrate the CSR dimension into the design and management of their business or technological projects;
- digital accessibility of sites and applications offered by ALD to disabled populations;
- development of training and awareness-raising initiatives for ALD employees.

This programme is sponsored by the Executive Committee (Deputy Chief Executive Officer) and managed by the team of the Chief Digital Information Officer of the Ayvens Group in conjunction with multiple contributors including the CSR Department.

Regarding the "CSR by Design" pillar, in 2023 a training course dedicated to IT project managers was deployed, with a training rate of over 80%.

With regards to the accessibility objective, ALD France audited all of its sites and has started to implement remediation plans. Ayvens Group has set up a new compliant institutional site, awaiting audit.

The acquisition of LeasePlan in 2023 also offers the opportunity for increased CSR maturity in certain areas of IT such as the cloud, platform decommissioning and green coding. The combined entities of LeasePlan and ALD, under the Ayvens brand, will be fully integrated into a Green IS strategy. The main challenges are the consolidation of IT solutions, data, and hosting to achieve synergies. These synergies are vital from an operational standpoint and virtuous from an environmental standpoint and in terms of reducing the Group's carbon footprint.

Summary of actions related to Section 5.4

CSR issue (description)	Policies Implemented (description)	Indicator (indicator type/box)	Quantitative/qualitative objective (indicator type/box)	Outcome (indicator type/box) 2023	2022	2021	2020
Customer service	One Ready Smile Programme	NPS	Improvement of the NPS	ALD: 22 LP: 24	27	31	33
Selection of suppliers	E&S Verification, and systematic ABC in the KYS process	Number of Ayvens entities that have adopted the GR63.3 describing the launch of KYS	100%	44	43	43	42
Selection of suppliers	Consideration of E&S aspects in purchasing decisions	Integration of CSR Clause into all international tenders	100%	100%	100%	100%	100%
Supply chain E&S risks	Responsible purchasing policy	Number of buyers trained in responsible purchasing policy	100%	100%			
Culture & Conduct	Appropriation test [1]	% of target population trained	100%	ALD: 98.7% LP:0.93% [1]	89%	93%	89%

(1) Late distribution of training to LeasePlan employees (deployment of MyLearning only in Q4).

Highlights for 2023

- 2 NPS presented in 2023 (ALD & LP). ALD & LeasePlan NPSs are at a satisfactory level, despite a decrease for ALD.
- Defining the hypercare process, to monitor the customer experience during the integration phase.
- Publication of Ayvens D1 policies: SG Code of Conduct, conflict of interest management policy, update of LP KYS standards.
- Deployment of Culture and Conduct training at LP entities.
- Deployment of the CREW tool for the management of KYS in interphase with our Call for tender management tool (Sourcing Hub).
- First three calls for tender for Ayvens (tyres, short-term leasing, windshield) covering 25% of direct purchasing costs.

Priorities for 2024

- Manage & Monitor the hypercare process and the associated action plan.
- Harmonise ALD – LP methodologies for Customer Voice Collection, in order to collect common insights.
- Deployment of all Ayvens policies relating to the fight against corruption: gifts and events, management of reports, sponsorship and patronage, KYS.
- Introduction of LOD1 ABC governance at the Ayvens level and deployment of the ABC flag.
- Publication and deployment of the new Ayvens responsible purchasing policy.
- Participation in the "ESG by Design" project.

PowerUp 2026: Sustainability Pillar

Behaving responsibly, internally and with external stakeholders

25 pts	100%	100%
NPS (*vs.* 24pts in **2022**)	clients and suppliers under KYC/KYS	employees trained on ESG

5.5 Responsible conduct of the Group's operations

Ayvens' carbon reduction programme is twofold:

- an **internal carbon reduction plan linked to the direct operations of the Group**, covering Scopes 1, 2, and a fraction of Scope 3 that can be directly linked to day-to-day operations (*e.g.*, waste, business travel): Sections 5.5.1 and 5.5.2 of this Universal Registration Document;
- the **carbon footprint reduction including** the largest part of Scope 3 emissions, **linked to the use of vehicles leased to customers, procurement of goods and services and the upstream and downstream transport of vehicles**: Section 5.5.3 and 5.5.4 of this Universal Registration Document.

5.5.1 2019-2026 internal carbon reduction programme

As part of the PowerUp 2026 strategic plan, Ayvens is committed to reducing the greenhouse gas (GHG) emissions of its own operations by 35% compared with 2019 (as 2020 was an atypical year, it seemed more appropriate to use 2019 as the reference year). For 2030, the objective is a 60% reduction compared to 2019. The main levers activated to reach these objectives are: electrifying the internal fleet of vehicles, continually improving the energy performance of its buildings and increasing the share of renewable electricity to 80% of kWh purchased in 2026.

This proactive programme is accompanied by an "internal carbon tax" system that has been in place for nine years at Societe Generale. This programme has been enriched over the years and is based on a double incentive mechanism. Each year, a carbon tax is applied to Societe Generale entities based on their greenhouse gas emissions (EUR 25/t CO_2 eq), and the amount collected is redistributed to reward the best internal environmental efficiency initiatives as part of the Environmental & Energy Efficiency Award. The 2023 edition saw 9 ALD subsidiaries Italy (2), Luxembourg, France, Holding, Belgium, Greece, Austria and Germany) rewarded for their initiatives, including one (ALD Belgium) in the top 5 of the jury in the category "Water", for a **total of 732 tonnes of CO_2 equivalent avoided emissions**.

ALD SA has supplemented this internal emissions reduction programme by contributing to **CO_2 sequestration projects** through the **purchase of certified carbon credits**. ALD SA financed 1,000 tonnes of CO_2 equivalent (1,000 CAR (Climate Action Reserve) certified carbon credits with the "Ursulo Galvan Mangroves" project, which aims to restore and protect the mangrove forest in the State of Tabasco in Mexico. Led by local communities, the project was launched in 2019 and aims to restore an area of 930 hectares. It has been recognised by the United Nations Development Program (UNDP) as a model to follow for "Nature" projects managed by local communities. LeasePlan duplicated the same initiative, for a total of 2,000 metric tonnes of CO_2 equivalent financed by Ayvens Group.

ALD France, in partnership with WeNow, contributed *via* the purchase of 198 tonnes of Low Carbon Label credits to a project in the La Valla en Gier municipal forest, located in the Pilat Regional Natural Park, which aims to reforest an area destroyed by fire in September 2020. ALD France also contributed (UN-certified carbon credits) to an avoided emissions project for the construction of a metro in Delhi set to replace a certain amount of CO_2-emitting journeys (taxis, bus, motorbikes, cars, *etc.*).

5.5.2 Group internal carbon footprint

Ayvens measures greenhouse gas emissions across its entire value chain (Scopes 1, 2 and 3) based on the international GHG Protocol. This year, the calculation was made for ALD and LeasePlan and a consolidation for the Ayvens Group is also presented (see section 5.7 "methodological note").

For the 41 ALD entities that took part in the collection campaign this year (same scope as in previous years plus ALD Malaysia, less the four countries sold in 2023: Ireland, Norway, Portugal and Russia) and the 25 LeasePlan countries, the greenhouse gas emissions (GHG) defined as "internal" are estimated at **20,103 tonnes of market-based CO_2 equivalent** (8,633 tCO_2 for ALD and 11,470 tCO_2 for LeasePlan) or **1.31 tonnes of CO_2 equivalent per occupant** (1.13 tCO_2 for ALD and 1.49 tCO_2 for LeasePlan), *i.e.* **-35% compared to the 2019 baseline** (-32% for ALD and -37% for LeasePlan). The measured scope includes direct and indirect emissions related to energy, business travel, total paper consumption and waste (but excludes emissions linked to customer fleet usage, goods and services procurement and upstream and downstream transport of vehicles detailed in section 5.5.3 and 5.5.4 of this Universal Registration Document).

**Scope 3 limited to business travel, paper consumption and waste generated.*

In order to value the purchase of renewable electricity by our entities, Ayvens has decided to adopt the "**market-based" methodology** recommended by the GHG Protocol, which takes into account the actual emission factors of the conventional energy consumed and the renewable energy purchased (instead of the average emission factors of the energy mix per country, as in the "**location-based" methodology** used previously). As a result, CO_2 emissions linked to electricity consumption have been recalculated for previous years (see Section 5.7.3.2.2 of the "Methodological note") and Scope 2 emissions are now presented not only according to the "location-based" methodology but also according to the "market-based" methodology as recommended by the GHG Protocol.

Data calculated using the **market-based** CO_2 emissions calculation method (see section 5.7 "Methodological note"):

	2019	2020	2021	2022	2023	Var 2023 *vs.* 2019
Scope 1	**14,101**	**9,988**	**10,232**	**9,667**	**10,899**	**-23%**
of which ALD	*7,439*	*3,825*	*4,612*	*5,050*	*4,709*	*-37%*
of which LeasePlan	*6,663*	*6,163*	*5,620*	*4,617*	*6,190*	*-7%*
Scope 2	**12,064**	**11,102**	**5,282**	**3,949**	**4,155**	**-66%**
of which ALD	*2,686*	*2,689*	*2,108*	*1,703*	*1,964*	*-27%*
of which LeasePlan	*9,378*	*8,413*	*3,175*	*2,246*	*2,192*	*-77%*
Scope 3	**4,717**	**2,236**	**1,632**	**3,613**	**5,049**	**7%**
of which ALD	*2,584*	*1,506*	*739*	*1,502*	*1,960*	*-24%*
of which LeasePlan	*2,133*	*730*	*894*	*2,112*	*3,089*	*45%*
TOTAL	**30,883**	**23,325**	**17,147**	**17,229**	**20,103**	**-35%**
of which ALD	*12,709*	*8,020*	*7,458*	*8,255*	*8,633*	*-32%*
of which LeasePlan	*18,174*	*15,306*	*9,689*	*8,975*	*11,470*	*-37%*

Data calculated using Ithe **location-based** CO_2 emissions calculation method (see section 5.7 "Methodological note"):

	2019	2020	2021	2022	2023	Var 202 *vs.* 2019
Scope 1	**14,101**	**9,988**	**10,232**	**9,667**	**10,899**	**-23%**
of which ALD	*7,439*	*3,825*	*4,612*	*5,050*	*4,709*	*-37%*
of which LeasePlan	*6,663*	*6,163*	*5,620*	*4,617*	*6,190*	*-7%*
Scope 2	**8,854**	**10,698**	**10,269**	**10,787**	**7,197**	**-19%**
of which ALD	*3,116*	*2,825*	*2,808*	*2,944*	*2,956*	*-5%*
of which LeasePlan	*5,738*	*7,873*	*7,460*	*7,844*	*4,241*	*-26%*
Scope 3	**4,717**	**2,236**	**1,632**	**3,613**	**5,049**	**7%**
of which ALD	*2,584*	*1,506*	*739*	*1,502*	*1,960*	*-24%*
of which LeasePlan	*2,133*	*730*	*894*	*2,112*	*3,089*	*45%*
TOTAL	**27,673**	**22,922**	**22,133**	**24,067**	**23,144**	**-16%**
of which ALD	*13,139*	*8,156*	*8,159*	*9,495*	*9,625*	*-27%*
of which LeasePlan	*14,534*	*14,766*	*13,974*	*14,572*	*13,519*	*-7%*

Scope 1 and 2 greenhouse gas emissions

According to the market-based method

		2019	2020	2021	2022	2023	Var 2023 vs. 2019
Gas	**t CO_2eq**	**1,814**	**1,333**	**2,383**	**2,711**	**3,627**	**100%**
of which ALD		*820*	*1,023*	*1,006*	*892*	*899*	*10%*
of which LeasePlan		*995*	*310*	*1,377*	*1,818*	*2,729*	*174%*
Fuel/other fluids	**t CO_2eq**	**37**	**19**	**144**	**47**	**5**	**-87%**
of which ALD		*34*	*19*	*144*	*47*	*1*	*-96%*
of which LeasePlan		*3*	*0*	*0*	*0*	*3*	*-2%*
Company vehicles	**t CO_2eq**	**12,250**	**8,636**	**7,705**	**6,909**	**7,267**	**-41%**
of which ALD		*6,585*	*2,783*	*3,462*	*4,110*	*3,809*	*-42%*
of which LeasePlan		*5,665*	*5,852*	*4,243*	*2,799*	*3,458*	*-39%*
TOTAL SCOPE 1 EMISSIONS	**T CO_2EQ**	**14,101**	**9,988**	**10,232**	**9,667**	**10,899**	**-23%**
of which ALD		*7,439*	*3,825*	*4,612*	*5,050*	*4,709*	*-37%*
of which LeasePlan		*6,663*	*6,163*	*5,620*	*4,617*	*6,190*	*-7%*
Electricity	**t CO_2eq**	**11,928**	**10,954**	**5,139**	**3,765**	**3,984**	**-67%**
of which ALD		*2,550*	*2,541*	*1,964*	*1,519*	*1,793*	*-30%*
of which LeasePlan		*9,378*	*8,413*	*3,175*	*2,246*	*2,192*	*-77%*
Of which renewable electricity *		***38%***	***22%***	***55%***	***73%***	***66%***	
of which ALD		*22%*	*21%*	*42%*	*74%*	*72%*	
of which LeasePlan		*46%*	*23%*	*62%*	*72%*	*60%*	
Iced/superheated water/steam	**t CO_2eq**	**137**	**148**	**144**	**184**	**171**	**19%**
of which ALD		*137*	*148*	*144*	*184*	*171*	*19%*
of which LeasePlan		*0*	*0*	*0*	*0*	*0*	*0%*
TOTAL SCOPE 2 EMISSIONS	**T CO_2EQ**	**12,064**	**11,102**	**5,282**	**3,949**	**4,155**	**-66%**
of which ALD		*2,686*	*2,689*	*2,108*	*1,703*	*1,964*	*-27%*
of which LeasePlan		*9,378*	*8,413*	*3,175*	*2,246*	*2,192*	*-77%*

** Electricity from renewable sources has been taken into account in emission calculations since 2021 and historical data have been recalculated accordingly*

According to the "location-based" method

		2019	2020	2021	2022	2023	Var 2023 *vs.* 2019
Gas	**t CO_2eq**	**1,814**	**1,333**	**2,383**	**2,711**	**3,627**	**100%**
of which ALD		*820*	*1,023*	*1,006*	*892*	*899*	*10%*
of which LeasePlan		*995*	*310*	*1,377*	*1,818*	*2,729*	*174%*
Fuel/other fluids	**t CO_2eq**	**37**	**19**	**144**	**47**	**5**	**-87%**
of which ALD		*34*	*19*	*144*	*47*	*1*	*-96%*
of which LeasePlan		*3*	*0*	*0*	*0*	*3*	*-2%*
Company vehicles	**t CO_2eq**	**12,250**	**8,636**	**7,705**	**6,909**	**7,267**	**-41%**
of which ALD		*6,585*	*2,783*	*3,462*	*4,110*	*3,809*	*-42%*
of which LeasePlan		*5,665*	*5,852*	*4,243*	*2,799*	*3,458*	*-39%*
TOTAL SCOPE 1 EMISSIONS	**T CO_2EQ**	**14,101**	**9,988**	**10,232**	**9,667**	**10,899**	**-23%**
of which ALD		*7,439*	*3,825*	*4,612*	*5,050*	*4,709*	*-37%*
of which LeasePlan		*6,663*	*6,163*	*5,620*	*4,617*	*6,190*	*-7%*
Electricity	**t CO_2eq**	**8,718**	**10,550**	**10,125**	**10,603**	**7,026**	**-19%**
of which ALD		*2,979*	*2,677*	*2,665*	*2,760*	*2,785*	*-7%*
of which LeasePlan		*5,738*	*7,873*	*7,460*	*7,844*	*4,241*	*-26%*
Of which renewable electricity *		***38%***	***22%***	***55%***	***73%***	***66%***	
of which ALD		*22%*	*21%*	*42%*	*74%*	*72%*	
of which LeasePlan		*46%*	*23%*	*62%*	*72%*	*60%*	
Iced/superheated water/steam	**t CO_2eq**	**137**	**148**	**144**	**184 171**		**19%**
of which ALD		*137*	*148*	*144*	*184*	*171*	*19%*
of which LeasePlan		*0*	*0*	*0*	*0*	*0*	*0%*
TOTAL SCOPE 2 EMISSIONS	**T CO_2EQ**	**8,854**	**10,698**	**10,269**	**10,787**	**7,197**	**-19%**
of which ALD		*3,116*	*2,825*	*2,808*	*2,944*	*2,956*	*-5%*
of which LeasePlan		*5,738*	*7,873*	*7,460*	*7,844*	*4,241*	*-26%*

** Electricity from renewable sources has been taken into account in emission calculations since 2021 and historical data have been recalculated accordingly*

The energy efficiency of buildings is a major focus of Societe Generale's environmental policy. The **total energy consumption of buildings** occupied by Ayvens in 2023 was **52 GWh** (20 GWh for ALD, 32 GWh for LeasePlan), *i.e.* 3,381 kWh per occupant (2,591 kWh for ALD, 4,160 kWh for LeasePlan), -10% *vs.* 2019 (-6% for ALD, -11% for LeasePlan).

Gas consumption was 19 GWh during the reporting period (4 GWh pour ALD, 15 GWh pour LeasePlan), which represents a 117% increase in gas-related emissions *vs.* 2019 (12% for ALD, 184% for LeasePlan). The consumption of fuel oil remained negligible and decreased markedly in 2023 by 96% for ALD: 4,610 kWh *vs.* 103,652 kWh in 2019, with the decrease due to reporting errors in previous years, corrected in 2022. In 2023 the fall was 91% for LeasePlan: 1,316 kWh *vs.* 14,347 kWh en 2019.

The 11% increase in scope 1 and scope 2 emissions compared to 2022 is mainly due to a sharp increase in gas consumption at LeasePlan in the Netherlands, Belgium and Ireland, which should be solved by the energy efficiency of buildings, that will be implemented during the various planned relocations to bring together the LeasePlan and ALD entities in the countries. The increase in the mileage travelled by non-electric company vehicles also contributes to this increase in a minor way.

Ayvens employees travelled a total of **88.3 million km this year** (36.5 for ALD and 51.8 for LeasePlan) **for their business travel by car** (+2% vs. 2019), but the CO_2 emissions generated by these trips decreased by 41% (7,267 tonnes of CO_2 of which 3,809 for ALD and 3,458 for LeasePlan).

This reduction is explained by the proactive policy adopted by Ayvens on the electrification of its internal fleet. For example, to date **18 entities** (ALD SA, Austria, Belgium, Croatia, Germany, Denmark, Ireland, Finland, France, UK, Hungary, Mexico, Chile, Netherlands, Sweden, Norway, Portugal and Turkey) **have a new car policy: employees can only choose between BEV or PHEV vehicles.** And to facilitate the transition to these new types of vehicles, 19 countries have carried out the **installation of charging stations in their premises** (Austria, Germany, France, Ireland, Italy, Belgium, Netherlands, Spain, Romania, Turkey, Germany, Croatia, Czech Republic, Sweden, Norway, Denmark, Poland, Portugal and Luxembourg).

Thanks to all these measures, **Ayvens' internal fleet comprises 57% of electric vehicles (including 41% BEV)**, compared to only 30% EVs in 2022 (and 13% BEVs).

Since 2019, targeted actions have been deployed to promote **alternative solutions to the individual use of vehicles**. The main entities located in France (headquarters of ALD SA and ALD France), Austria and Belgium have formalised a mobility plan, resulting in the implementation of new solutions for commuting travel, which may come in replacement of or in addition to a company car (possibility of renting a smaller car + an electric bicycle or access to other ways of soft mobility *via* "Move App" for example). At the headquarters of ALD France, Belgium, Norway and Luxembourg, a car-sharing service is in place. In certain subsidiaries (such as the Benelux hub, Germany or ALD France establishments based in Nanterre, Strasbourg and Lyon), employees are provided with electrically assisted bicycles. Lastly, at ALD SA and ALD Belgium, a partnership has been set up with carpooling applications (Klaxit, Carpool or Mobicalendar) to enable employees to carpool for free with their colleagues during their commuting travel.

In 2023, **electricity consumption was 31 GWh** for the whole Ayvens Group (14 GWh for ALD and 17 GWh for LeasePlan), down 22% compared with 2019 (40 GWh). **Purchases of certified renewable electricity** accounted for **66%** of the total electricity bought this year (*vs.* only 38% in 2019) and 40% of the total energy consumed (*vs.* 31% in 2019). The consumption of superheated water fell slightly in 2023, to 1.5 GWh (+43% *vs.* 2019).

Scope 2 "market-based" CO_2 emissions fell by 66% compared with 2019, mainly due to the inclusion of emission factors for renewable energy in the calculation (see methodological note).

Scope 3 greenhouse gas emissions (linked to internal emissions, excluding emissions from other Scope 3 categories detailed in sections 5.5.3 and 5.5.4 of this document)

Ayvens measures Scope 3 indirect emissions mainly relating to business travel, paper consumption, datacenters, transport of goods and waste :

		2019	2020	2021	2022	2023	Var 2023 *vs.* 2019
CAT 6 – Business travel by plane	**t CO_2eq**	**3,953**	**1,623**	**1,199**	**3,135**	**4,227**	**7%**
of which ALD		*1,878*	*893*	*319*	*1,046*	*1,497*	*-20%*
of which LeasePlan		*2,075*	*730*	*879*	*2,089*	*2,730*	*32%*
CAT 6 – Business travel by train	**t CO_2eq**	**148**	**68**	**21**	**64**	**109**	**-27%**
of which ALD		*148*	*68*	*21*	*64*	*109*	*-27%*
of which LeasePlan		*0*	*0*	*0*	*0*	*0*	*0%*
CAT 1 – Paper consumption	**t CO_2eq**	**297**	**180**	**146**	**87**	**147**	**-113%**
of which ALD		*257*	*180*	*139*	*80*	*70*	*-142%*
of which LeasePlan		*40*	*0*	*7*	*8*	*77*	*94%*
CAT 5 – Waste Management	**t CO_2eq**	**319**	**307**	**189**	**166**	**416**	**30%**
of which ALD		*300*	*307*	*181*	*151*	*134*	*-55%*
of which LeasePlan		*19*	*0*	*7*	*15*	*282*	*1,401%*
Other *	**t CO_2eq**	**0**	**58**	**78**	**162**	**150**	**0%**
of which ALD		*0*	*58*	*78*	*162*	*150*	*0%*
of which LeasePlan		*0*	*0*	*0*	*0*	*0*	*0%*
TOTAL SCOPE 3 EMISSIONS	**T CO_2EQ**	**4,717**	**2,236**	**1,632**	**3,613**	**5,049**	**7%**
of which ALD		*2,584*	*1,506*	*739*	*1,502*	*1,960*	*-24%*
of which LeasePlan		*2,133*	*730*	*894*	*2,112*	*3,089*	*45%*

** CAT 4 – Transport of goods and CAT 3 – electricity of hosted data centres.*

Scope 3 - Category 6: Business Travel by Plane and train

The very high degree of internationalisation of Ayvens means that there is a very high level of air travel. To limit trips, audio or videoconferencing exchanges are strongly encouraged. Ayvens's headquarters as well as the majority of other sites have been fitted out with the equipment needed for audio conferences.

The pandemic and the lockdowns of 2020 and 2021 affected the travel habits of ALD employees and helped reduce the carbon footprint by 82%. This year, with the finalisation of the acquisition of LeasePlan by ALD, employees travelled a total of **20.4 million km by plane and train (9.7 for ALD and 10.7 for LeasePlan)** for business travel, 15% more than in 2022 but **13% less than in 2019**. Despite this, CO_2 emissions generated by these trips amount to **4,336 tonnes, *i.e.* +6% compared with 2019** (-21% for ALD but +32% for LeasePlan).

This rebound in air travel is explained by the finalisation of the acquisition of LeasePlan by ALD in 2023, which generated many trips between the two head offices (Paris and Amsterdam) but also and especially between the 42 countries of the new Ayvens Group.

Ayvens introduced a **new travel policy** during 2022 to avoid an excessive rebound in emissions relating to air/train travel. These provisions were extended to LeasePlan at the end of 2023. Among the main measures of this policy:

- the application of a “train first” policy;
- a significant reduction in “internal” travel;
- travel by train has become mandatory for any journey of less than 3.5 hours by train (one way), compared to 2.5 hours previously (including journeys such as Paris-Marseille, Paris-Geneva, Paris-Amsterdam, Paris-Cologne, Madrid-Barcelona).

Scope 3 - Category 1: Paper consumption

As the leading consumable used by service activities, paper represents a significant economic challenge and a sensitive environmental subject (waste management, combating climate change and pollution).

The total paper consumption of Ayvens amounts to **319 tonnes in 2023** (47t for ALD and 272t for LeasePlan), ***i.e.* a decrease of 37% *vs.* 2019** (-68% for ALD but +211% for LeasePlan). **39% of the paper purchased by the Group is recycled** (compared with just 29% in 2019).

The increase in paper consumption is mainly due to LeasePlan. Since 2019, ALD, for its part, has implemented various actions to reduce its paper consumption, such as the proper use of printers, the switch from paper to digital media and the use of recycled paper.

ALD Greece won the 2022 Energy Efficiency & Environment Award for its **project to switch from paper to digital media** across all departments, saving 61kg of paper.

Pool printing solutions (centralised badge printing) widely deployed within the Group limit the number of printers, reduce the use of paper and ink and thus contribute to the reduction of greenhouse gas emissions and to waste reduction (cartridges, maintenance kit, paper). LeasePlan's high paper consumption will be reviewed in 2024 and the restriction measures led by ALD will be rolled out throughout the Ayvens Group.

Scope 3 - Category 5: Waste management

Due to the nature of its activities, which involve the predominantly administrative tertiary sector, Ayvens generates very little specialised waste.

With regard to ordinary waste (non-hazardous industrial waste – NHIW), its handling and processing are part of sectors over which Ayvens entities often have little control, particularly when their teams are located in buildings shared with other companies.

However, paper and cardboard are collected separately. Waste electrical and electronic equipment (WEEE) as well as the furniture replaced during office moves.

They represent low and non-recurrent volumes. With regard to computer waste in particular, the Group has an increasing number of partnerships with associations/companies that deal with the recovery/reuse/recycling of such equipment (such as the partnership between ALD SA and Recyclea or between ALD Belgium and "OUT OF USE").

Estimated **waste production in 2023 was 800 tonnes** (303 tonnes for ALD and 497 tonnes for LeasePlan), a decrease of 46% compared to 2019.

As part of the Societe Generale, Ayvens subscribes to the Group's commitment to eliminate single-use plastics (made from petroleum derivatives) from employees' work environment. Some examples of initiatives adopted in several countries: installation of water coolers, removal of cups, disposable cutlery, plastic plates and their replacement by alternative products, removal of snack dispensers with plastic packaging and replacement of all plastic bottles with aluminium cans, enabling higher recycling rates at ALD France and ALD SA.

The catalogue of office supplies and promotional gifts has also been gradually adapted.

Water consumption

In 2023, Ayvens recorded water consumption of 102 thousand m^3 with an average consumption per occupant of 6.7m^3, **down 20%** compared with the ALD average in 2019 (no water consumption information available for LeasePlan before 2023 because this data was not collected).

Summary of objectives and results related to section 5.5

CSR issue (description)	Policies Implemented (description)	Indicator (indicator type/box)	Quantitative/qualitative objective (indicator type/box)	Outcome (indicator type/box) 2023	2022	2021	2020
Carbon footprint of internal emissions	Reduction of GHG emissions *	GHG emissions *	-35% in 2026 *vs.* 2019	-35%	-44%	-44%	-25%

** Greenhouse gas.*

PowerUp 2026: Sustainability pillar

Acting across our value chain to benefit the environment and the community

-35% internal CO_2 emissions[1] **(vs 2019)**

-20% CO_2 emissions on scope 3, including customer fleet **(vs 2019)**

(1) Scope 1, Scope 2 and Scope 3 limited to business travel, paper and waste

5.5.3 Carbon footprint including Scope 3 - Category 13: Downstream leased assets

Ayvens's most significant impact, in terms of CO_2 emissions, is that of the managed Fleet (Scope 3.13 "Downstream leased assets" in the sense of the GHG Protocol). The strategy to reduce those emissions is extensively described in Chapter 5.2 of this document. These emissions amounted to **7.6 million tonnes of CO_2** in 2023, of which 3.9 million for ALD and 3.7 million for LeasePlan (section 5.2.1.3). As part of the PowerUp 2026 new Strategic Plan, Ayvens has committed to reducing these emissions through an intensity indicator (< 90g/km on the emissions of our global running Fleet (Passenger Cars + Light Commercial Vehicles, *vs.* 112g in 2022).

When emissions from the customer Fleet are added to the Scope 3, Ayvens's Scope 3 amounts to **7.6 million tonnes of CO_2** and represents **99.8%** of Ayvens's total carbon footprint.

Ayvens' recalculated carbon footprint taking into account emissions from the customer Fleet in Scope 3

(in thousands of tonnes)	2019	2020	2021	2022	2023
Scope 1	**14.1**	**10.0**	**10.2**	**9.7**	**10.9**
of which ALD	*7.4*	*3.8*	*4.6*	*5.0*	*4.7*
of which LeasePlan	*6.7*	*6.2*	*5.6*	*4.6*	*6.2*
Scope 2	**12.1**	**11.1**	**5.3**	**3.9**	**4.2**
of which ALD	*2.7*	*2.7*	*2.1*	*1.7*	*2.0*
of which LeasePlan	*9.4*	*8.4*	*3.2*	*2.2*	*2.2*
Scope 3 (linked with internal operations)	**4.7**	**2.2**	**1.6**	**3.6**	**5.0**
of which ALD	*2.6*	*1.5*	*0.7*	*1.5*	*2.0*
of which LeasePlan	*2.1*	*0.7*	*0.9*	*2.1*	*3.1*
TOTAL "INTERNAL" EMISSIONS	**30.9**	**23.3**	**17.1**	**17.2**	**20.1**
of which ALD	*12.7*	*8.0*	*7.5*	*8.3*	*8.6*
of which LeasePlan	*18.2*	*15.3*	*9.7*	*9.0*	*11.5*
Scope 3 (including vehicle Fleet leased to customers)	**8,539**	**9,201**	**8,307**	**7,854**	**7,601**
of which ALD	*4,406*	*4,195*	*4,148*	*4,006*	*3,946*
of which LeasePlan	*4,133*	*5,006*	*4,159*	*3,848*	*3,655*
GRAND TOTAL CO_2 EMISSIONS	**8,565**	**9,222**	**8,322**	**7,867**	**7,616**
of which ALD	*4,416*	*4,201*	*4,155*	*4,013*	*3,953*
of which LeasePlan	*4,149*	*5,021*	*4,167*	*3,855*	*3,664*

As described in the 2022 ALD Universal Registration Document, the objectives in terms of electrification (and consequently Scope 3 emissions) were reviewed in 2023 when LeasePlan was integrated and are a fundamental focus of the new entity's strategy, **PowerUp 2026**. These new targets factor in the latest market developments, in terms of product offering and regulatory environment (EU target of 55% reduction in CO_2 emissions on sales of new vehicles in Europe in 2030). They are also built to support the ambition of a CO_2 emissions trajectory that aligns with the Net Zero 2050 scenario.

5.5.4 Other Scope 3 categories

In order to anticipate the submission of the NetZero 2050 trajectory in connection with SBTi, Ayvens has taken the initiative to start integrating more emission categories into its Scope 3, and in particular emissions directly related to its commercial activity.

This paragraph therefore presents the calculations carried out for the entire Ayvens Group and for 2023 only.

Scope 3 - Category 1: Purchases of goods and services

To date, only paper purchases are recorded in this category and reported in section 5.5.3 of this document.

The level of granularity of information needed to calculate emissions related to this category is not available in Ayvens's central systems and requires manual collection from the entities. Based on the calculations made by LeasePlan as part of their SBTi validation, this category accounted for 1.4% of the LeasePlan Group's total emissions. The low materiality compared with the effort required to collect the data led us to prioritise other categories. Category 1 will be calculated when Ayvens' SBTi file is submitted in 2024.

Scope 3 - Category 2: Capital goods

Applied to Ayvens, this category corresponds to the emissions related to its direct procurement and vehicle procurement.

For direct procurement, emissions calculation was done related to purchases of **tyres, maintenance and windshields**.

With regard to the emissions of vehicles purchased in 2023, 100% of the footprint related to the production of vehicles as well as the transport of vehicles from the manufacturers' production sites to the dealerships were taken into account. This calculation complies with what is currently provided for in the GHG protocol, although the latter does not provides for the specific case of a leasing company (purchase on behalf of customers and ownership of the asset limited to the term of the contract).

(in thousands of tonnes)	Ayvens
Emissions related to the purchase of tyres, maintenance and windshields	649
Emissions from vehicle purchases	7,959
TOTAL CATEGORY 2 – PURCHASE OF CAPITAL GOODS	**8,608**

Scope 3 - Category 3: Fuel and energy activities (not included in Scope 1 or 2 emissions calculations)

To date, only datacentre electricity is included in this category and reported in section 5.5.3 of this document.

Based on the calculations made by LeasePlan as part of their SBTi validation, this category accounted for 0.015% of the LeasePlan Group's total emissions. The low materiality compared with the effort required to collect the data led us to prioritise other categories.

Category 3 will be calculated when Ayvens' SBTi file is submitted in 2024.

Scope 3 - Category 4: Upstream transport and distribution

For our business, this category corresponds to the transport of vehicles to the customer who leased them at the beginning of the leasing period, and to the transport of the customer's same vehicles to its storage site, waiting for its sale or a new lease, at the end of the leasing period.

To calculate these emissions, the following assumptions were made (based on surveys conducted among our operating entities in the countries):

- to transport the vehicle from our buildings to the customer:
  - truck transport: 10% (6 vehicles per truck),
  - customer recovery of the vehicle: 90%,
  - average distance travelled: 30km;
- for the transport of the vehicle at the end of the lease:
  - truck transport: 67% (6 vehicles per truck),
  - return of the vehicle by the customer: 33%,
  - average distance travelled: 149.33km.

(in thousands of tonnes)	Ayvens
Emissions related to the transport of the vehicle at the beginning of the lease	4.5
Emissions related to the transport of the vehicle at the end of the lease	14.2
TOTAL CATEGORY 4 – UPSTREAM TRANSPORT AND DISTRIBUTION	**18.7**

Scope 3 - Category 5: Waste generated by operations

Already calculated in section 5.5.2 of this Universal Registration Document, and included in the internal or "own account" emissions indicators.

Scope 3 - Category 6: Business travel

Already calculated in section 5.5.2 of this Universal Registration Document, and included in the internal or "own account " emissions indicators.

Scope 3 - Category 7: Commuting

A study was carried out in 2023 on the ALD SA scope, on the basis of data collected through a survey, namely distance between the place of residence and the office, number of days of homeworking per week, region of residence/employee's work, If applicable, the amount of energy used for homeworking (*e.g.* kWh of gas, electricity consumed). This study showed that commuting only represented 8% of ALD SA's total internal emissions. Internal emissions account for considerably less than 1% of Scope 3, and extrapolated to the whole Group, this category would represent less than 0.1% of total Scope 3 emissions.

Scope 3 - Category 8: Upstream leased assets

Not relevant to Ayvens business.

Scope 3 - Category 9: Downstream transport and distribution

For our business, this category corresponds to the transportation of vehicles to the customer who purchased the vehicle at the end of the leasing period.

To calculate these emissions, the following assumptions were made (based on surveys conducted among our operating entities in the countries):

- 89% of sales are made in France;
- 11% of sales are made outside France;
- 100% of vehicles sold internationally are transported by truck;
- transport of vehicles to customers by truck throughout the national territory: 67% (6 vehicles per truck);
- Collection of the vehicle made by the customer throughout the national territory: 33%;
- average distance travelled in the event of a sale in France: 107.23km;
- average distance for sales outside France: 540.23km.

(in thousands of tonnes)	Ayvens
Emissions related to vehicle transport by truck	11.1
Emissions related to vehicle transport by the customer	3.3
TOTAL CATEGORY 9 – DOWNSTREAM TRANSPORT AND DISTRIBUTION	**14.4**

Scope 3 - Category 10: Processing of sold products

Not relevant to our business.

Scope 3 - Category 11: Use of products sold

Not calculated. Applied to the activity of Ayvens, this category can correspond to the carbon footprint of the vehicles (initially acquired on behalf of customers) once they are resold on the second-hand market, until the end of their life (*i.e.* more than 15 years of additional use). However, the GHG Protocol does not precisely define this point, and to our knowledge, no car leasing company has yet included this component. Discussions are underway within Leaseurope to clarify this point at industry level.

Scope 3 - Category 12: End-of-life treatment of products sold

Not calculated. Point similar to the previous point, for used vehicles at the end of their useful lives (*i.e.* more than 15 years after their removal from the Ayvens balance sheet).

Scope 3 - Category 13: Downstream leased assets

Already calculated in section 5.5.3 of this Universal Registration Document.

Scope 3 - Category 14: Franchises

Not relevant to our business.

Scope 3 - Category 15: Investments

Not relevant to our business.

5.6 Extra-financial ratings

2023 was marked by very intense activity in terms of non-financial assessments.

For many years, ALD and LeasePlan have been subjects to a CSR assessment conducted by EcoVadis at the Group and (for ALD only) subsidiary level. At end 2023, 32 Group entities had received an **EcoVadis assessmen**t: six **have Platinum** status (Luxembourg, Poland, Spain, the UK, Slovenia and Italy), **14 Gold** (ALD SA [Group], Germany, Austria, Belgium, Croatia, the Czech Republic, Finland, France, Switzerland, Romania, the Netherlands, Serbia, Turkey and Greece), **12 Silver** (Brazil, Hungary, Mexico, Ukraine, Peru, Slovakia, Latvia, Bulgaria, Colombia, Chile, Morocco and Denmark). We aim to continue to extend the scope of this assessment in 2024. With a score of 76, the ALD Group has risen to the top 2% of companies assessed. It was decided that LeasePlan wouldno longer complete the EcoVadis questionnaire in 2023 so it was not assessed this year.

The table below provides an overview of the ratings and non-financial assessments received by ALD and LeasePlan.

Between 2021 and 2022, the Gaïa EthiFinance rating framework was substantially revised to take into account controversies and to better understand emerging environmental and social issues as well as new regulatory requirements. The rating history has therefore been revised in order to assess the changes in the rating over three years at iso reference frame.

In addition, ALD France obtained the "Engagé RSE" label following the **AFAQ 26 000** audit carried out by AFNOR, and ALD Luxembourg obtained the **ESR label** (Responsable Company) issued by the INDR (*Institut national pour le développement durable et la RSE*). Six ALD entities (Spain, Italy, the Netherlands, Romania, Sweden and United Kingdom) and 7 LeasePlan entities (Italy, UK, Netherlands, Norway, Romania, Slovakia and Emirates) have **ISO 14001 certification**. In addition, 6 ALD entities (Algeria, Belgium, Brazil, France, Hungary and United Kingdom) and 12 LeasePlan entities (Emirates, the Czech Republic, Spain, Finland, the Netherlands, Portugal, Romania, UK, France, Switzerland, Slovakia and Italy) are **certified ISO 9001**.

Agencies	2019	2020	2021	2022	2023	Position vs. Peers
ecovadis	Gold: 68/100	Gold: 70/100	Gold: 70/100	Gold 74/100 (ALD) Silver 62/100 (LP)	Gold 76/100 (ALD)	Top 2% of companies in our sector
CDP	D	B	B	B (ALD + LP)	B (ALD) C (LP)	Better than European and Rental & leasing sector average: C
MSCI ESG RATINGS	A	A	A	A	A	Top 30% within Trading Companies & Distributors
Moody's ESG Solutions	n/a	67/100				Category 'Advanced' ranking #1 in Business Support Services sector £ panel worldwide and Top 1% Global Universe
SUSTAINALYTICS	n/a	15.3	16.2	16 (ALD) 13.8 (LP)	10.9 (ALD) 14.4 (LP)	Low Risk Top 3% (LP) & 1% (ALD) Rank: 3rd/399 (ALD) in Transportation
EthiFinance	76/100	79/100	83/100	74/100	70/100	ALD in leading category Top 15% within the Services sector
FTSE4Good	FTSE Russell ESG Rating: 3.3	FTSE Russell ESG Rating: 3.5	FTSE Russell ESG Rating: 3.3			Percentile rank: 67 Included in the FTSE4Good Index Series
ISS ESG				C		Rated "Prime" on sustainability performance Top 20% in the sector

5.7 Methodological note

The purpose of this notice is to explain the reporting methodology used by Ay vens to draw up the indicators contained in this Universal Registration Document (specifically, section 5.2 “Sustainable mobility at the heart of the business”; section 5.3 “Responsible Employer”; section 5.4 “Responsible practices” and section 5.5 “Responsible conduct of the Group’s own operations”).

5.7.1 Scope of the report

For environmental data related to its own business activities, as well as the data related to sustainable mobility, in compliance with Societe Generale’s scope criteria whereby Reporting is mandatory for all fully-consolidated entities within Societe Generale plus all companies in which Societe Generale holds at least a 50% stake, ALD has integrated all of its entities (41 subsidiaries [1]) and all the 25 LeasePlan countries since 2023. Regarding the social data campaign providing data for the human resources indicators, Ayvens has also integrated the 41 ALD entities and the 25 LeasePlan except for LeasePlan Russia.

5.7.2 Reporting protocol used

Most of the information in this report is based on data provided in accordance with Societe Generale’s CSR Reporting protocol. The majority of this data is collected using the Planethic Reporting tool which is used by all Societe Generale entities. Data collection and consolidation is carried out under the supervision of Societe Generale’s Sustainable Development Department. It is coordinated at Ayvens’s level by the Central Sustainability Department. Societe Generale reviews and optimises this process of collecting information and CSR indicators each year.

Efforts to raise awareness are regularly made among contributors to strengthen engagement with Reporting and the tool used and thus contribute to the reliability of the data.

Reporting protocols are regularly updated. New protocols were established in 2023 with indicators that make it possible to assess more precisely all of the non-financial risk factors identified as the most significant for the Group.

5.7.3 Indicators

5.7.3.1 Details of employment (social) indicators

Most entities in the reporting scope input data related to the employment (social) indicators. However, for certain indicators, such as average compensation, where comparisons cannot really be drawn between one country and another, the analysis is limited to the French scope. In this case the scope is explicitly indicated.

In addition, when reading certain social indicators, it is important to bear in mind that Leaseplan has not yet systematized or standardized the reporting and control of its social data, due to its recent integration into the Ayvens Group.

Permanent contract (PC) turnover is the ratio between the total number of PC employee departures/total PC workforce.

The absenteeism rate is the ratio between the total number of paid days of absence/the total number of days paid.

The calculation method of the training indicator evolves. As of now it is calculated in proportion to the workforce present at the end of the period and having been trained during the year.

The severity rate of work incidents is the number of lost days/ number of worked hours, then multiplied by 1,000.

5.7.3.2 Details of environmental indicators for the Group’s own data

Environmental data is calculated based on invoices, direct statements, and information received from suppliers or based on estimates. For buildings that are shared with other Societe Generale entities, both the square metre and the workforce indicators are used to ensure the breakdown of collected data.

The following controls and ratios are used to manage the reported data:

- controls of variations compared with the previous year were applied to all environmental indicators. An alert message asks the contributor to check the data entered in the event of a variation of more than 30%;
- data collected relating to energy, office paper and transport is considered in relation to the number of occupants declared by the entity;
- energy consumption (electricity, water vapour, iced water, fuel, gas) is also considered in relation to the surface area (expressed in square metres);
- with a view to ensuring the permanent reliability of data, qualitative questions (expected responses *via* written comments) are used to identify the various scopes of the data, collect best practices and understand year-on-year variations.

Water consumption and waste generation data is still difficult to obtain, due either to the absence of individual meters, or to the small amount of waste generated per site and its processing when collection is carried out by local authorities. More precise data could be collected in all cases where selective sorting and/or recycling systems have been put in place by the entity.

The notion of occupant covers all people who, due to their presence or activity at the site in question, consume energy, water and paper, travel and produce waste. In addition to staff members employed under permanent or fixed-term contracts (including seconded employees, temporary workers, trainees and work-study trainees), this notion includes contractors and subcontractors working on-site as at 30 September on a given year. As such, it is more extensive than the number of employees counted to establish social indicators, it being specified that the notion of occupant concerns the number of persons rather than that of Full Time Equivalents which takes into account the possibility of part-time employees.

(1) ALD Malaysia was added and countries sold in 2023: Ireland, Norway, Portugal and Russia were removed

5.7.3.2.1 Changes in methodology

In 2021, Societe Generale decided to review its methodology for the calculation of carbon footprint associated with car travel. Until 2020, emissions were calculated based on kilometres travelled to which we applied an emissions factor per country based on the manufacturer's data expressed in g/km.

Since 2021, the basis is actual consumption in litres by type of fuel to which a unique emission factor by type of fuel (source ADEME) is applied when this information is available. Failing this, kilometres driven are used, to which an emission factor per country based on the manufacturer's data in g/km plus a realistic mark-up is applied.

In order to value the purchase of renewable electricity by our entities, Ayvens has decided to adopt the "market-based" methodology recommended by the GHG Protocol, which takes into account the actual emission factors of the energy consumed and of the renewable energy purchased (instead of average emission factors of the energy mix by country as in the so-called "location-based" methodology used before). As a result, there was a recalculation of CO_2 emissions related to electricity consumption for previous years (see next section) and Scope 2 emissions are now presented not only according to the "location-based" methodology but also according to the "market-based" methodology as recommended by the GHG Protocol (see section 5.5.3 of this document).

In addition, following the acquisition of LeasePlan by ALD in May 2023, the baseline and subsequent years have been recalculated using the data already reported by LeasePlan since 2019 in its annual reports. The acquisition of LeasePlan required, under European competition law, the sale of six entities of the Ayvens Group (three ALD and three LeasePlan entities) in order to prevent Ayvens from having a monopoly in the countries concerned. Consequently, the six countries concerned were removed from the baseline and from all subsequent years.

Finally, following the sale of ALD Russia in April 2023 due to the invasion of Ukraine by Russia in February 2022, the emissions related to ALD Russia were also removed from the baseline and subsequent years.

5.7.3.2.2 Restatement of historical data

As explained in the previous paragraph concerning the inclusion of the purchase of renewable electricity in the calculation of the carbon footprint, a recalculation of 2019 and subsequent years was carried out using location-based and market-based methodologies follows:

	ALD					LeasePlan					Ayvens				
	2019	**2020**	**2021**	**2022**	**2023**	**2019**	**2020**	**2021**	**2022**	**2023**	**2019**	**2020**	**2021**	**2022**	**2023**
Emissions linked to electricity “market-based”	2,550	2,541	1,964	1,519	1,793	9,378	8,413	3,175	2,246	2,192	11,928	10,954	5,139	3,765	3,984
emissions linked to electricity “location-based”	2,979	2,677	2,665	2,760	2,785	5,738	7,873	7,460	7,844	4,241	8,718	10,550	10,125	10,603	7,026

5.7.4 Reporting period

With certain exceptions, data related to sustainable mobility (section 5.2 of this Universal Registration Document) and social indicators (sections 5.3 and 5.4) are calculated on an annual basis from 1 January to 31 December 2023, with data as at 31 December 2023.

Environmental indicators (for the Group's own data, section 5.5) are generally established over a rolling 12-month period from 1 October 2022 to 30 September 2023 for ALD. As LeasePlan has always reported these indicators on an annual calendar basis, it was decided to continue calculating LeasePlan indicators on an annual basis from 1 January to 31 December 2023, with data as of 31 December 2023.

5.7.5 Data collection

The methods used for data collection and consolidation are as follows:

- **for sustainable mobility indicators:**
  - data relating to the on-road Fleet of "green" vehicles, the proportion of diesel and "green" vehicles used for deliveries, as well as the average CO_2 emissions of the Fleet are extracted from ALD and LeasePlan's data warehouse, and therefore relate to all 41 subsidiaries. Average CO_2 emissions is the officially approved data from manufacturers;
- **almost all other data is collected at the site level using the Planethic Reporting tool (for ALD):**
  - all contributors are officially informed at the launch of each collection campaign. This notification includes the campaign schedule and an updated version of the protocol for the domain in question so that each contributor can easily find the definition and application criteria for each indicator,
  - the Planethic Reporting tool provides several levels of control:
    - data collectors input the data related to their subsidiary,
    - validators check the data input within their entity before validation,
    - central administrators at the Societe Generale level carry out the last controls before the final consolidation;
- **LeasePlan's data (historical and over the current reporting period) were provided by the Finance Department of LeasePlan HQ,** which has been managing the collection and verification of environmental data since 2021. This centralisation at the finance level guarantees that the data can be properly audited and thus ensures reliability.

5.7.6 Calculation of CO_2 emissions for the Group's own account

The calculation of CO_2 emissions by Ayvens is divided into three sections:

- **scope 1,** which includes direct emissions related to energy consumption (mainly gas and fuel oil), as well as fugitive gas emissions related to cooling systems and emissions relating to the internal car Fleet;
- **scope 2,** which includes indirect emissions related to energy consumption (electricity, water vapour and external chilled water);
- **scope 3,** which includes GHG emissions generated by business travel, office paper consumption and waste generation. It also includes emissions from the use of vehicles leased to customers (downstream leased assets within the meaning of the GHG Protocol), services and goods procurement and downstream & upstream transportations of vehicles.

CO_2 emissions are calculated using the GHG Protocol method [(1)].

With regard to emissions generated by air travel, the calculation takes into account not only the distance travelled, but also the class of travel.

(1) The Green House Gas Protocol (GHG Protocol) accounting standard introduced in 1998 by the World Resource Institute and the World Business Council for Sustainable Development is today the most widely recognised method for carbon accounting. Scope 3 corresponds to other indirect emissions caused by the Company's activities, which come from sources other than those related to energy or from sources that the Company uses but does not own.

5.8 European taxonomy

The new status of Financial Holding Company concomitant with the acquisition of LeasePlan in May 2023 does not impact the reporting method of the European Taxonomy. Ayvens remains subject to report the European Taxonomy **as a non-financial company**, as the new FHC status does not meet the definition of a financial company described in Article 1 (8) of the Article 8 delegated act.

In addition, the FAQ published by the European Commission in December 2023 stipulate that the operational leasing activity (or full service leasing), which represents 95% of Ayvens' financial exposures, must be reported in accordance with the rules applicable to non-financial companies.

5.8.1 Ayvens economic activity eligibility analysis

In line with the analysis carried out last year in the 2022 annual reports of ALD and LP, the core vehicle leasing and fleet management activity of Ayvens remains **eligible for the European Taxonomy under the criteria relating to clean transport associated with activity 6.5,** as presented in the Delegated Regulations (EU) 2021/2139 of 4 June 2021 and (EU) 2021/2178 of the European Commission: “Transport by motorcycles, passenger cars and light commercial vehicles”, covering “purchase, financing, leasing, hire and operation of vehicles”.

Since activity 6.5 does not have the “enabling” nature associated with the objective of adapting to climate change, **the vehicle rental and fleet management activity of Ayvens is only eligible under the climate change mitigation objective**. The fundamental purpose of the electrification of company fleets is to fight climate change, not to adapt to it.

Ayvens' used vehicle resale business, classified as ineligible in 2022, **became eligible in 2023 for the European Taxonomy under activity 5.4 “Sale of used goods” relating to the new circular economy objective,** one of the four new objectives published in June 2023 by the European Commission. However, the analysis of the alignment of this new activity, being required only from the year 2025 (on the 2024 financial year), was not carried out.

Presentation of Ayvens’s activities EU taxonomy eligibility assessment

Ayvens’s activities as presented in Chapter 1	Activity covered by the Taxonomy	Description of the Taxonomy activity	Environmental objective
Rental activity: full-service lease Rental activity: Fleet Management	6.5 Transportation by motorcycle, passenger vehicles and light commercial vehicles	*The Purchase, financing, renting, leasing and operation of vehicles designated as category M1, N1 or L*	Climate change mitigation
Used car sales	5.4 Sale of used goods	Sale of second-hand goods that have been used in accordance with their previously intended use by a customer (natural person or legal entity), possibly after repair, refurbishment or remanufacturing.	Circular economy

5.8.2 Principles applied by Ayvens to identify the share of aligned activity

The identification of the share of activity aligned with the taxonomy, and the production of revenue, capital expenditures (CAPEX) and Operational Expenditures (OPEX) indicators has justified the creation of a task force involving the CSR Department, the Finance Department and the Digital Transformation and Operating Systems Department. In terms of governance, the major difference compared to the 2022 reporting year is the extension of the project group to the Finance Department and the IT Department of LeasePlan.

Ayvens’s activity being about the aggregation of products and services provided by a broad ecosystem of business partners, the process has also led to talks with various external stakeholders:

- third party data providers;
- tyre manufacturers and car manufacturers (OEMs);
- and for the first time in 2023, market discussions facilitated by the Leaseurope association, bringing together all leasing players in Europe, faced with the obligation of reporting as a financial or non-financial institution.

The methodological choices adopted during the 2022 reporting were renewed for various reasons:

- no regulatory changes occurred during the 2023 financial year concerning activity 6.5, except for the clarification by the FAQ that the Full Service Leasing activity must be published in accordance with the provisions relating to non-financial institutions;
- no market changes have occurred, either in the ability of players in the automotive chain to provide the requested data or the implementation of external data platforms;
- the methodological choices were not called into question by the profession, the Group's majority shareholder, or the regulator. On the contrary, Societe Generale has taken inspiration from the Ayvens alignment methodology to measure the alignment of its car financing activities in the Green Asset Ratio.

The alignment methodology has therefore been adopted identically by integrating LeasePlan's activities.

As disclosed in Article 3 of Regulation EU 2020/852, an eligible economic activity shall qualify as environmentally sustainable or aligned where that economic activity:

a) **contributes substantially to one or more of the environmental objectives set out in Article 9;**

b) **does not significantly harm (DNSH) any of the environmental objectives set out in Article 9;** and

c) is carried out in compliance with the **minimum safeguards** laid down in Article 18.

To meet this requirement, Ayvens performed a detailed analysis to identify the share of rental activity (eligible under activity 6.5) qualifying as aligned with the EU Taxonomy. The nature of the substantial contribution criteria and DNSH criteria attached to activity 6.5 required assessing the alignment of vehicles at car-by-car level to build an internal database of aligned vehicles. In other words, the whole Fleet has been screened in a "funnel-like" approach, in order to identify the final pool of aligned vehicles.

As a preliminary screening, the selection has been narrowed down to:

- the funded Fleet: vehicles in Fleet Management only (*i.e.* not financed by Ayvens), generate no CapEx investment, and only account for a non-significant share of revenues and operational expenses. Moreover, for Fleets owned by clients, most of the time Ayvens does not hold the necessary vehicle technical data;
- passenger vehicles and light commercial vehicles (categories M1 and N1), bikes and 2-wheels accounting for a non-significant share of CapEx, revenues and operational expenses; and
- the 15 main countries marketing battery-powered electric vehicles, plug-in hybrids and hydrogen vehicles, which represent 97% of the Ayvens road Fleet for these types of engine – the only ones potentially aligned with the Taxonomy. These are Germany, Belgium, Denmark, Spain, Finland, France, Greece, Italy, Luxembourg, Norway, the Netherlands, the UK, Sweden, Austria and Greece.

5.8.2.1 Substantial contribution to climate change mitigation related to activity 6.5

Description as per Commission Delegated Regulation of 4 June 2021

The activity complies with the following criteria:

a) for vehicles of category M1 and N1, both falling under the scope of Regulation (EC) No. 715/2007: until 31 December 2025, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are lower than 50g CO_2/km (low- and zero-emission light-duty-vehicles), (ii) from 1 January 2026, specific emissions of CO_2, as defined in Article 3(1), point (h), of Regulation (EU) 2019/631, are zero;

b) for vehicles of category L, the tailpipe CO_2 emissions equal to 0g CO_2e/km calculated in accordance with the emission test laid down in Regulation (EU) 168/2013.

Note: the gCO_2/km values are expressed under WLTP method. "N1 vehicles" as referred in Article 4(1).b.(i) of Regulation (EU) 2018/58: maximum mass not exceeding 3.5 tons.

Judgement applied and methodology used to assess compliance

The official data provided by OEMs as part of the vehicle homologation process has been used. They mainly come from third-party data providers. They are stored in the operating systems of ALD's local subsidiaries and transmitted daily to ALD's central data warehouse, from where the information is extracted. When WLTP metrics were available, they were used as such. When only NEDC-correlated data was available, a conversion factor published by the European Commission's Joint Research Centre in 2017 (https://publications.jrc.ec.europa.eu/repository/handle/JRC107662) has been used, differentiating passenger vehicles and light commercial vehicles. Only vehicles with CO_2 values ranging from 0 to 49g (in WLTP equivalent) were used.

5.8.2.2 Compliance of activity 6.5 with principle of DNSH

Water and marine resources and biodiversity DNSH do not apply for Activity 6.5 as disclosed in Commission Delegated Regulation of 4 June 2021. The same goes for protection and restoration of biodiversity and natural ecosystems.

5.8.2.2.1 Pollution prevention

Description as per Commission Delegated Regulation of 4 June 2021

a) Vehicles comply with the requirements of the most recent applicable stage of the Euro 6 light-duty emission type-approval set out in accordance with Regulation (EC) No. 715/2007.

b) Vehicles comply with the emission thresholds for clean light-duty vehicles set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council.

c) Vehicles comply with Regulation (EU) No. 540/2014 of the European Parliament and of the Council.

d) For road vehicles of categories M and N, tyres comply with external rolling noise requirements in the highest populated class and with Rolling Resistance Coefficient (influencing the vehicle energy efficiency) in the two highest populated classes as set out in Regulation (EU) 2020/740 and as can be verified from the European Product Registry for Energy Labelling (EPREL).

Judgement applied and methodology used to assess compliance

ALD applied the following judgement:

a) the "most recent applicable stage of type approval for Euro 6 emissions" is the Euro 6d standard, which combines Euro 6d-temp and Euro 6d. The Euro 6d-temp phase was enacted because it introduces the new WLTP test cycle and Real Driving Emissions (RDE). Euro 6d-temp started to be introduced for New Types (new models or engines) in September 2017 and was mandatory for all types (all new vehicles sold) in September 2019. All BEV vehicles are compliant "by design" (classification AX according to Euro standards), because they emit no tailpipe pollutants at all. Regarding PHEVs, compliance depends on their specific homologation and date of production, specific to each model. This compliance was assessed on a case-by-case basis based on the data provided by the car manufacturers (OEMs) at our request. Given the extremely varied answers and adopting a conservative approach, it was decided to only choose PHEVs ordered from September 2019 onwards, therefore manufactured after the entry into force of the Euro 6d-temp "all types" standard;

b) the Regulation (EC) No. 715/2007 and the thresholds set out in Table 2 of the Annex to Directive 2009/33/EC of the European Parliament and of the Council cannot be applied to ALD's Fleet, because it sets CO_2 and pollutant thresholds in reference to a price in euros, for public purchases. The legislation clearly mentions the 2009 regulation and never refers to subsequent amendments to this text. ALD's normative analysis was therefore limited a strict reading of the original 2009 legislation;

c) this criterion related to vehicle noise reflects legislation currently in place. All vehicles currently sold within the EU are by definition compliant. All vehicles comply with Regulation (EU) No. 540/2014 or UN ECE Regulation 51-03 (phase 2), listed as alternative to EU Regulation 540/2014. OEMs have all confirmed its application to vehicles in ALD Fleet in scope;

d) the Delegated Regulation was completed by the FAQ released by the European Commission in December 2022 (https://ec.europa.eu/finance/docs/law/221219-draft-commission-notice-eu-taxonomy-climate.pdf). It is clear from these questions and answers that the scales should not be understood in absolute terms (for example, A only for noise, A+B only for rolling resistance), but in relative terms. It is therefore a matter of comparing the tyres on ALD vehicles with all the tyres available on the market and with the same technical specifications). Alignment with the criteria therefore requires a multi-step approach:

- obtaining the labels for rolling noise resistance and noise, that can be different between front and back tyres, and can be changed during the contract life, sometimes twice a year when winter tyres are fitted,
- obtaining the following technical specifications for tyres (size designation, load capacity index, speed category, season),
- manually run these parameters in the European EPREL database for a correct comparison of the selected tyres,
- generate a table producing a split of the labelling of all tyres with the given specification to establish whether the tyre(s) belong to the highest populated class,
- Ayvens has done its best to assess the compliance of the original tyres fitted at the factory. Ayvens does not monitor the labelling when the tyres are changed during the life of the contract. However, no OEMs were able to provide the required information with enough granularity (lack of centralised data, outright refusal, or aggregated data only).

Because of the quantity of models concerned (more than 240) spread across many production years, the multiplicity of possible tyre combinations, the extreme complexity of the process and general unavailability of data, Ayvens has no choice but to declare this criterion inoperable. This specific point was included in ALD's response to the consultation organised by the European Commission in December 2023.

5.8.2.2.2 Circular economy

Description as per Commission Delegated Regulation of 4 June 2021

a) Vehicles of categories M1 and N1 are both of the following:

- reusable or recyclable to a minimum of 85% by weight;
- reusable or recoverable to a minimum of 95% by weight.

b) Measures are in place to manage waste both in the use phase (maintenance) and the end-of-life of the Fleet, including through reuse and recycling of batteries and electronics (in particular critical raw materials therein), in accordance with the waste hierarchy.

Judgement applied and methodology used to assess compliance

c) Ayvens's business model is to purchase new Fleets and lease the Fleets for an average of 3.5 years before reselling them to the market. Ayvens therefore does not directly deal with the end-of-life of the Fleets. However, car manufacturers have a legal responsibility to ensure recyclability and reusability. The reusability and recyclability criteria are aligned with Directive 2000/53/EC of 18 September 2020. Under this Directive, vehicles type-approved should be re-usable and/or recyclable to a minimum of 85% by weight per vehicle and re-usable and/or recoverable to a minimum of 95% by weight per vehicle. Under the same Directive, manufacturers must provide systems to collect End of Life Vehicles (ELV) and when feasible, used parts. They must also meet all (or a significant part) of the costs involved in the delivery of an ELV to a waste treatment facility. Moreover, EU Directive 2000/53/EC was transposed by UK-wide legislation to "The End-of-Life Vehicles (Producer Responsibility) Regulations 2005". Similar legislations are in place in Norway and Switzerland. The criteria therefore reflect legislation in force. OEMs have confirmed its application to vehicles in ALD Fleet in scope.

d) Ayvens is responsible only for the use phase of the criteria and has charters in place with car manufacturers (OEMs), covering their garage networks, to ensure they address waste management appropriately. Waste management, both in the use phase and during maintenance at the dealerships, is governed by the manufacturer's specific standards. These are requirements prior to the sale of vehicles by the dealer network. These standards require compliance with local waste management regulations and are subject to routine inspection by national distributors. Independent garages are not subject to these charters. ALD makes its best effort to select "premium" garages, during the initial contracting phase, that are part of national and international networks, and whose environmental and social practices are positive and public. Regarding critical materials (used in vehicle batteries in particular), there is currently no such regulatory framework to track and testify that CRMs (Critical Raw Materials) are recycled, and no OEM interrogated provided quantified information. The situation is set to change with the future implementation of the new Regulation (EU) 2023/1542 of the European Parliament and of the Council of 12 July 2023 on batteries and battery waste, the provisions of which will come into force gradually as of 2025.

5.8.2.2.3 Climate change adaptation (general criterion applicable to all activities)

Description as per Commission Delegated Regulation of 4 June 2021, Appendix A

The physical climate risks that are material to the activity have been identified by performing a robust climate risk and vulnerability assessment with the following steps:

a) screening of the activity to identify which physical climate risks may affect the performance of the economic activity during its expected lifetime;

b) where the activity is assessed to be at risk from one or more of the physical climate risks, a climate risk and vulnerability assessment to assess the materiality of the physical climate risks for the economic activity;

c) an assessment of adaptation solutions that can reduce the identified physical climate risk.

The climate risk and vulnerability assessment is proportionate to the scale of the activity and its expected lifespan, such that:

a) for activities with an expected lifespan of less than 10 years, the assessment is performed, at least by using climate projections at the smallest appropriate scale;

b) for all other activities, the assessment is performed using the highest available resolution, state-of-the-art climate projections across the existing range of future scenarios consistent with the expected lifetime of the activity, including, at least, 10-to-30-year climate projections scenarios for major investments.

Judgement applied

Definition of Physical and transition risks

- **Physical risk** refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation, such as air, water and land pollution, water stress, biodiversity loss and deforestation. Physical risk is therefore categorised as “acute” when it arises from extreme events, such as droughts, floods and storms, and “chronic” when it arises from progressive shifts, such as increasing temperatures, sea-level rises, water stress, biodiversity loss, land use change, habitat destruction and resource scarcity. This can directly result in, for example, damage to property or reduced productivity, or indirectly lead to subsequent events, such as the disruption of supply chains.
- **Transition risk** refers to an institution’s financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This could be triggered, for example, by a relatively abrupt adoption of climate and environmental policies, technological progress or changes in market sentiment and preferences.

For the business model of Ayvens, the most material transition risks are linked to the vehicle Fleet and its emissions. Their mitigation is described in detail in this Document, under **residual value risk management** and energy transition in sustainable mobility offering.

This section will therefore **focus on physical risks**.

To calculate the physical risk on its assets, Ayvens worked in a close cooperation with Societe Generale, which has chosen to focus on developing internal tools for identifying physical climate risks. R&D work on the impacts of physical risks on its portfolios began with the portfolio of real estate loans to individuals in France, for which the exact location of the assets financed is known.

In 2022, Societe Generale developed its physical risk assessment tool. The geographical scope of the study has been extended to include France and Europe. Emphasis was placed on acute risks, in particular drought, floods and forest fires. New models have been developed to estimate future drought, flood, and forest fire risks under the Intergovernmental Panel on Climate Change (“IPCC”) PCR scenarios (PCR 4.5 Reference Case and PCR 8.5 Worst Case) and at different time horizons. In addition, these projection mappings have been combined with the location of the assets of the Group’s counterparties in France to provide an overview of the type and level of physical risks to which an enterprise is exposed.

Due to its activity of car leasing company, the most sensitive assets identified that can be impacted by extreme events in the Ayvens portfolio are:

- the vehicles Fleet financed and leased to its customers;
- the ALD and LeasePlan premises.

Methodology used

1. Physical risks on vehicles

Defining physical climate risks on an automobile Fleet involves assessing potential weather-related hazards such as extreme temperatures, storms, flooding, and other natural disasters that can damage or disable vehicles. This can be done by:

- identifying the geographical locations where the Fleet operates, and the potential risks associated with each location;
- assessing the current infrastructure, maintenance and storage facilities of the Fleet to determine their resilience to extreme weather events;
- analysing historical weather data to determine the frequency and severity of weather events in each location;
- evaluating the design and construction of the vehicles to determine their ability to withstand extreme weather conditions;
- developing contingency plans to ensure the Fleet can continue operating during and after a weather event;
- regularly reviewing and updating the risk assessment to ensure it remains relevant and effective in identifying and mitigating physical climate risks.

To comply with DNSH criteria and as explained before, Ayvens decided to f**ocus specifically on electric vehicles** (battery-powered electric vehicles and plug-in hybrids) in defining the physical risks of its vehicle Fleet because only those two technologies can meet the substantial contribution criteria.

A vehicle is by design a moving asset. It is therefore not relevant to consider the corporate address of the customer as location data. Ayvens chose to analyse the risk at the granularity of the country, considering that:

a) the vehicles are predominantly used in their country of registration and

b) geographical usage of vehicles generally matches economic activity of the given country in terms of regional split.

To be able to estimate a risk on our car fleet, an average risk by country was needed on the different type of events (heat stress, flooding and sea level rise, wildfire and water stress). The selected data source was **Moody’s**, that can provide a Sovereign Risk Based on Spatial Exposure based on the following solutions:

- granular socioeconomic data mapped to granular climate risk data;
- 1 Sovereign Climate Risk Score for each of the 200 sovereigns in their dataset;
- 6 Hazard Climate Risk Scores for each sovereign;
- 42 metrics for each sovereign (percent and total GDP, population and agriculture exposed to each hazard).

2. Physical risks for ALD and LeasePlan buildings

For its own buildings, Ayvens analysed all ALD and LeasePlan premises with a focus on the used car remarketing centres where ALD and LeasePlan store vehicles before they are resold on the used car market.

Contrary to that of the mobile Fleet, risk was assessed based on the exact address of each building. The data source chosen is **Munich Re**, which is the data provider selected by Societe Generale.

Summary of assumptions for the physical risks analysis of Ayvens assets:

- focus on 15 European countries representing 97% of the total running Fleets of EVs in 2023 and 86% of the total Ayvens Fleet;
- as Ayvens owns those vehicles for a short period (between three and six years), it is not mandatory, nor meaningful, to analyse the risk on different climate scenarios. The choice made is to concentrate on the Moody's scenario **SSP5-8.5**, the **worst scenario defined by the IPCC experts** (temperature rising above 4° in 2050);
- as vehicles are by design mobile, it was decided to make the analysis on the country granularity with specific data given by Moody's on percent and total GDP and population exposed to each hazard;
- on the other hand, for Ayvens's buildings, the risk calculation was carried out taking into account the exact address of each location and based on data from Munich Re, Societe Generale's data provider.

Results

Following the data provided by Physical risk data providers, 2 main risks appear to be treated by Ayvens:

- **physical risks on Ayvens's own operations**, including the buildings of ALD and LeasePlan, and vehicles in their possession (used cars to be resold mainly);
- **physical risks on value chain**, which includes the vehicles "on the road" with customers and the Repair, Maintenance & Tires Partners (RMT).

1. Physical risks on Ayvens's own operations

Thanks to the data provided by **Munich Re** for each ALD and LeasePlan location in the 15 countries studied, the risk index is the following:

Risk Description	TCFD Category	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Luxem-Bourg	Nether-Lands	Norway	Portugal	Spain	Sweden	United Kingdom
Flash Flood	Acute	2	2	2	2	3	2	3	4	2	2	3	3	3	2	2
Flood		57	2	5	4	9	9	19	28	2	85	3	3	3	2	2
Wildfire		3	3	2	2	3	2	8	4	3	2	2	6	7	2	2
Tornado		2	3	2	2	2	3	2	2	3	3	2	2	2	2	3
Storm		5	6	8	5	6	6	3	7	6	8	3	5	3	4	6
Hail	Chronic	4	2	2	2	3	2	2	4	3	2	2	2	2	1	3
Precipitations		3	2	2	2	3	2	4	6	3	2	3	3	3	3	2
Drought		3	3	2	2	3	2	8	4	3	2	2	6	7	2	2
Heat Stress		5	3	2	1	4	3	7	6	3	3	1	6	7	1	2

Low Medium High Extreme

Those risks have been **weighted by surfaces of each ALD and LeasePlan location** within a given country.

2. Physical Risks on Ayvens's value chain

Thanks to the data provided by **Moody's** for the 15 countries in scope, the risk index is the following:

Risk Description	TCFD Category	Austria	Belgium	Denmark	Finland	France	Germany	Greece	Italy	Luxem-Bourg	Nether-Lands	Norway	Portugal	Spain	Sweden	United Kingdom
Flooding	Acute	39%	23%	10%	15%	27%	27%	25%	35%	7%	71%	8%	11%	13%	13%	20%
Wildfires		0%	0%	0%	0%	2%	0%	49%	10%	0%	0%	0%	45%	30%	0%	0%
Hurricanes		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Water Stress	Chronic	0%	24%	0%	0%	7%	0%	88%	60%	18%	19%	0%	97%	78%	0%	0%
Sea Level Rise		0%	4%	44%	14%	6%	2%	26%	11%	0%	10%	36%	26%	17%	24%	14%
Heat Stress		9%	0%	0%	0%	10%	0%	46%	76%	0%	0%	0%	40%	32%	0%	0%

Low Medium High

Those data represent the share of Gross Domestic Product (GDP) that is considered "high risk" to physical risks, calculated for each country. The GDP-weighted result has been chosen because it is the most representative of our client's profiles in each country.

Physical risk mitigation plans

In addition to the specific mitigation plans detailed below, Ayvens's main mitigation plan is to **avoid the occurrence of extreme events and then to reduce the direct and indirect impact of Ayvens' activities on the climate** by reducing CO_2 emissions. This applies both to emissions linked with Ayvens's own operations and to emissions from the Fleet leased to clients.

a) The ambitions and actions taken in relation to internal operations are described in Section 5.5.2.

b) The ambitions and actions taken in relation to the leased Fleet are covered in Section 5.2.

Ayvens own operations	
Risk description	Severe weather events causing damage to Ayvens's own operations (mainly offices & used-car Remarketing Centres)
Type of risk	**Acute:** flash floods, floods, wildfires, tornado & storms **Chronic:** hail, drought, heat stress, precipitations
Potential impact	**Acute events** could cause damage on Ayvens's own assets. Buildings and vehicles in its possession (used cars waiting to be resold mainly) could be exposed to: • total destruction of the car, leading to an obligation to replace the vehicle or resulting in a non-sale of the car (a loss of profit); • damage on buildings (even total destruction in case of Fire or Tornado and Storms), resulting in high cost of reparation or necessity to move; • risk of human losses; • risk of data loss from datacentres. **Heat stress** impacts are less obvious and limited to electric batteries of vehicles, resulting in a reduction of its autonomy. **Precipitation and hail** may impact the car body or windshield, creating an obligation to repair or replace (maintenance costs). Global effects will result in an increase in catastrophe claims and increasing insurance premiums. In addition, this could lead to an inability for Ayvens to reinsure risk in some countries, further reducing insurance profits.
Likelihood (hypothesis SSP5-8.5 in 2050, scenario of increase of temperature higher than 4°)	**Extreme risks concern only three countries** (Austria, Greece and the Netherlands) due mainly to **floods** (for Austria and the Netherlands) and **drought** for Greece. The Southern European countries (Spain, Greece, Italy and Portugal) and Austria also have a high risk of rising temperatures. All countries present a **low risk of tornadoes but medium risk of storms** (Belgium, Denmark, France, Germany, Italy, Luxembourg, Netherlands and United Kingdom). **Italy, Greece, Portugal and Spain** are the **countries where extreme climate risks** (floods, fires, rains, drought and rising temperatures) **will be the highest** if climate change reaches 4° in 2050.
Mitigation plan	**To protect our activities and continue to service our clients**, Ayvens has implemented the following mitigation plan: • a comprehensive understanding on the activities performed in each location, with list of activities, required IT applications and staff, all with Recovery Time Objectives. This information is recorded in **Business Impact Analysis (BIA)** documents stored in a dedicated Societe Generale tool. There are currently 74 BIAs (+36 compared to 2022) for the entire Ayvens Group; • based on this understanding of the organisation, each entity is writing a **recovery strategy** aiming at quickly responding to events and restoring in a timely manner our activities. The effectiveness of Ayvens's existing risk response to disruptions to its operations was demonstrated during the COVID 19 pandemic and ALD's and LeasePlan's ability to run and grow its business while employees worked from home; • for **crisis management**, Ayvens has a dedicated Crisis Management Team, with core management staff responsible for deciding what action to take when resuming activity. BIAs, Recovery Strategy and Crisis Management Team are reviewed and validated on a yearly basis. In 2024, Ayvens HQ will be helping the main ALD and LeasePlan entities to enhance the quality of this set of documents. In addition, **for buildings and car parks**, Ayvens has procedures to protect its staff and vehicles from damage. For **used cars and pool of cars in Ayvens' possession:** • **Natural Catastrophy cover** ("Nat Cat") for vehicle storage sites: Ayvens purchases insurance against damages to its owned and operated assets. ALD RE and LPINS, ALD and LeasePlan's own reinsurance companies providing insurance solutions to entities within the Ayvens group, also provide insurance for vehicles stored in ALD and LeasePlan sites in 11 countries (9 in Europe and 2 in Latin America). The covered perils are: windstorm, hail, thunderstorm, tornado, earthquake, seaquake, tidal wave, volcanic eruption and floods with a cover limit of EUR 5 million per event. Other markets can subscribe equivalent policies from other insurers. For example, in 2023, **the Italian LeasePlan and ALD entities suffered damages to the operating fleet and the storage fleet**, due to extensive destructions **caused by hail**. In response, a joint committee was set up to analyse the damage and propose methods to mitigate this damage and subsequent losses in the future.

Ayvens value chain	
Risk description	Severe weather disrupting Ayvens's supply chain and critical outsourced services (vehicles "on the road" with customers and the Repairing, Maintenance & Tyres (RMT) Partners)
Type of risk	**Acute:** floods, wildfires, hurricanes & typhoons **Chronic:** heat stress, sea level rises, water stress & precipitations
Potential impact	Severe weather events could negatively impact Ayvens supply chain in two aspects: • Ayvens's core assets – its vehicles – may be damaged by severe weather events (*e.g.*, hail, flood, wildfire and wind), resulting in an increase in natural catastrophe (NAT CAT) claims and reducing insurance profits. In addition, this could lead to an inability for Ayvens to reinsure risk in some countries; • impacting the production, transportation and availability of vehicles or key components, as well as potentially leading to price increases of vehicles or components if capacity in the supply chain falls. We currently assess the potential impact on Ayvens to be low, due to the Company's ability to pass on inflationary costs to its customers. In addition, supply chain issues leading to shortages of vehicles or components would increase used car prices, which would have a beneficial impact on Ayvens's financial performance.
Likelihood (hypothesis SSP5-8.5 in 2050, scenario of increase of temperature higher than 4°)	**Five countries** (Greece, Italy, the Netherlands, Portugal and Spain) **have high risks (>66%)** of having their share of GDP considered "high risk" for physical risks. **Italy, Greece and Portugal**, on their own, present **three high risks** (Increase in temperatures for 76%, 46% and 40% respectively, Water stress for 60%, 88% and 97%, risk of flooding in Italy for 35% and forest fires for 49% in Greece and 45% in Portugal). The **flood** risk is also high in the Netherlands (71%) and Austria (39%). Spain has the highest rate of **water stress** (78%). Norway (36%) and Denmark (44%) present, due to their geographical location, high rates of risk of **sea level rise.**
Mitigation plan	Concerning the **customer Fleet**, this risk is in the first instance a motor-insurance risk because increasing damage to Ayvens vehicles will impact either Ayvens Insurance profitability, as a result of increasing Nat Cat claims, or increase the insurance premiums Ayvens pays to its insurance providers. Because Ayvens requires all of its entities to have insurance against hail, rain and fire, the potential impact of damage to Ayvens vehicles as a result of severe weather events is transferred to its insurers. Damage to Ayvens vehicles does not yet impact Ayvens's Asset Risk category due to the fact that Ayvens has insured its vehicles against damage, whether as a result of severe weather or due to other causes. Three main mitigation plans are in place: **a)** Implement a preventive maintenance programme: as maintenance is managed by ALD or LeasePlan, a regular maintenance checks and repairs is done in order to help to reduce the likelihood of vehicle failures due to extreme weather conditions; **b)** Transfer the risk through insurance and pass on higher insurance costs to customers because severe weather would impact market-wide and not just Ayvens vehicles. **c)** Ayvens offers insurance for clients to cover those risks. ALD RE "Nat Cat" or LPINS "MOD - OD CAT" coverage is included on vehicles for which ALD or LPINS provide damage insurance (OD). LPINS also covers a number of Local Risk Retention Schemes (LRRS) in France, Italy, Germany, the Netherlands, Greece, Luxembourg and Spain (only risks excluded by the government mechanism (Consorcio). These policies were renewed for ALD and LeasePlan. • At ALD, for the fourth consecutive year, in 13 countries and for a scope of 101,000 vehicles. The risks covered and the limit of coverage are the same as for the storage of vehicles (applicable only when the storage vehicles are covered by the ALD Re reinsurance programmes). Belgium, the Netherlands and Luxemburg offer similar setups with other insurance partners. In Spain, Nat Cat events are covered by a government system. • At LeasePlan, for the twentieth consecutive year, in 21 countries and with a portfolio of 644,000 vehicles. The risks covered and the limit of coverage are the same for all territories and the risks covered concern the fleet in operation and the fleets in storage, before and after the lease, according to the needs of the country. In Spain, LPINS also covers risks that are excluded by the government system (Consorcio). Concerning the value chain itself, this risk is an operational risk for Ayvens. The potential impacts of disruption to Ayvens' supply chain and critical outsourced services are mitigated through Service Level Agreements with its suppliers. Despite this, delivery times of both vehicles and spare parts may increase. To mitigate this effect, the main actions that can be taken by Ayvens are **1**/ extension of the current vehicle contract until new car delivery or **2**/ provide a replacement vehicle, sourced from short-term-rental partners or the internal pool fleet. Furthermore, disruption to Ayvens' supply chain would not necessarily have a negative impact on the company. For example, ALD's supply chain has been disrupted by the Ukraine War and COVID, resulting in delays in the delivery of new vehicles in 2022. Although this disruption has increased the cost of providing temporary vehicles to customers, it has also resulted in an increase in the price of used vehicles resulting in a positive impact on Ayvens' Profit and Loss on Used Car Sales and overall net result.

5.8.2.3 Compliance with minimum safeguards (generic criteria)

Description as per Article 18, Regulation (EU) 2020/852

Legislation requires minimum safeguards to be fulfilled for being able to classify activities as "aligned":

a) the minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organization on Fundamental Principles and Rights at Work and the International Bill of Human Rights;

b) when implementing the procedures referred to in paragraph 1 of this Article, undertakings shall adhere to the principle of "do no significant harm" referred to in point (17) of Article 2 of Regulation (EU) 2019/2088.

Judgement and methodology applied

Human and labour rights

Ayvens has implemented the following policies and procedures aimed at protecting human and labour rights in its own operations and its supply chain:

- as a subsidiary of Societe Generale, Ayvens is committed to the UN Global Compact and as such, is committed to supporting the 10 principles pertaining to human and labour rights, environment and anti-corruption;
- Societe Generale also adheres to the Universal Declaration of Human Rights and the International Labour Organization's principles (see Section 5.1 of this Universal Registration Document);
- the Company's Code of Conduct is based on the International Bill of Human Rights. This policy aims to ensure equal employment, a non-discriminatory work environment and an adequate procedure for employees' complaints and grievances, among other provisions. The Company's Code of Conduct outlines its commitment to act with integrity, honesty and trust, as well as to respect the law and human rights;
- Societe Generale's Modern Slavery Statement (https://www.societegenerale.com/sites/default/files/documents /CSR/Modern_Slavery_Act.pdf) is aimed at preventing modern slavery and human trafficking in all aspects of their operations, including their supply chain;
- concerning the supply chain, ALD implements a responsible sourcing policy (see Section 5.4) and applies the principles defined in Societe Generale's Duty of Care plan (https://www.societegenerale.com/sites/default/files/documents /2022-03/Plan-de-Vigilance-2022.pdf). This policy is being modified for Ayvens.

As stated in Section 4.5.2 of this Document, Ayvens has not finally been convicted in court on violating labour law or human rights. Ayvens has not refused to enter in a dialogue or received a final statement on non-compliance from an OECD National Contact Point. Ayvens has not refused to respond to allegations by the Business & Human Rights Resource Centre.

Anti-bribery and corruption

ALD has implemented the following policies and procedures to combat influence peddling and corruption, which are gradually being extended to LeasePlan:

- ALD has established a policy on conflicts of interest, anti-bribery and anti-corruption policy that applies to all employees and third parties acting for or on behalf of the Company. The policy states a zero-tolerance approach towards bribery and corruption, and ensures any suspicion is notified, documented and monitored in an appropriate manner. It also sets out requirements to ensure any potential conflict of interest is identified, assessed, mitigated or prevented adequately;
- concerning the supply chain, ALD implements a responsible sourcing policy (see Chapter 5.4.3) and applies the principles defined in Societe Generale's Duty of Care plan; for example, ALD performs counterparty due diligence on its core suppliers and regularly screens suppliers against sanctions lists as part of its KYS process;
- ALD has developed a whistle-blower mechanism that enables all employees to report infringement. The whistleblowing policy ensures employee safeguards when raising concerns through the confidentiality or anonymity of the process.

As stated in Section 4.5.2, Ayvens and its senior management, including the senior management of its subsidiaries, has not finally been convicted in court for violating anti-corruption laws.

Taxation and fair competition

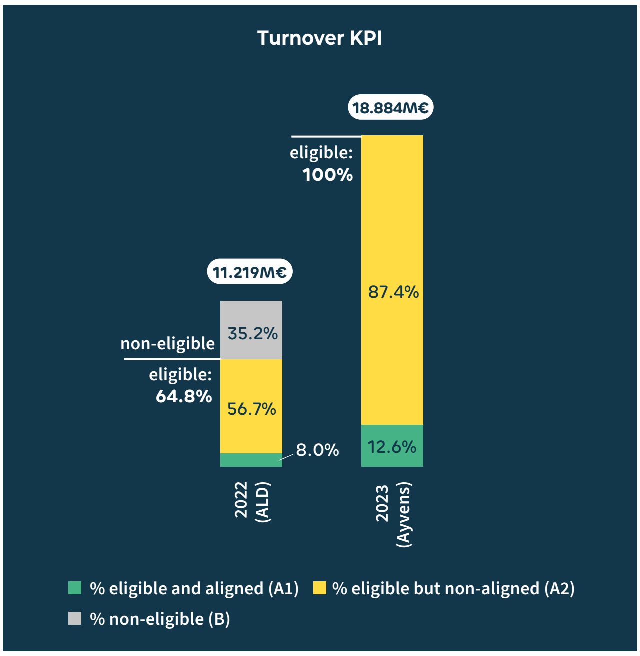
Tax risks are discussed in Chapter 4 of this document. Ayvens is subject to the Societe Generale Taxation Code of Conduct https://www.societegenerale.com/sites/default/files/documents/Code%20de%20conduite/code_de_conduite_fiscale_groupe_societe_generale_fr.pdf.

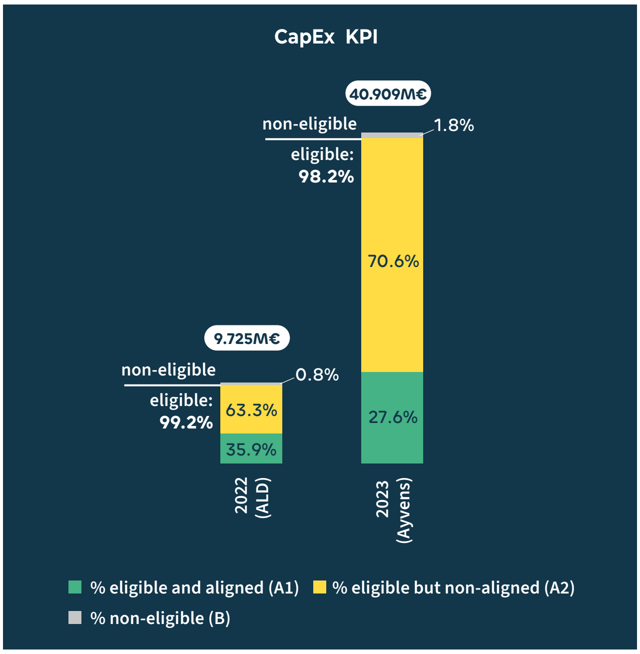
Also, Ayvens carries out its activities in a manner consistent with all applicable competition laws and regulations, considering the competition laws of all jurisdictions in which the activities may have anticompetitive effects. Ayvens refrained from entering into or carrying out anti-competitive agreements among competitors, including agreements to fix prices, make rigged bids (collusive tenders), establish output restrictions or quotas, share or divide markets by allocating customers, suppliers, territories or lines of commerce.

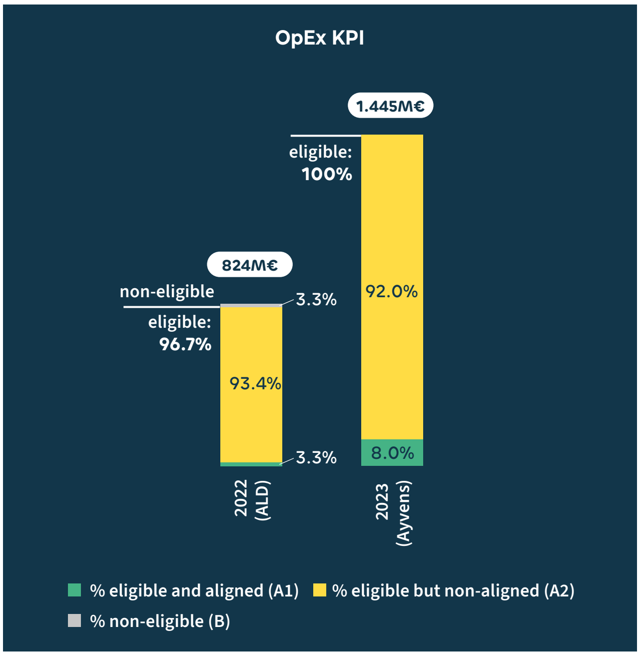
The Company or its subsidiaries have not been finally convicted in court on violating tax laws or competition laws.

5.8.3 2023 European taxonomy results and disclosures

5.8.3.1 Summary of 2023 key performance indicators (KPIs)







Turnover KPI 2022 - 2023 evolution

All of Ayvens' FY23 turnover has now become eligible for the European taxonomy compared to 64.8% in ALD's 2022 financial year. Indeed, the turnover generated by the used vehicle resale activity, classified as non-eligible last year (35.2% of 2022 turnover), now falls within the eligible scope in respect of activity 5.4 "sale of second-hand goods" of the new Circular Economy objective (34% of turnover in 2023). However, as the alignment analysis of this new objective is only required from 2025 on 2024 financial year, the associated turnover is reported by default as eligible and not aligned for the FY23 exercise.

As a result, the aligned turnover only relates to Ayvens' rental activities, eligible under activity 6.5 "Transport by motorcycles, passenger cars and light commercial vehicles". **This share reached 13% in 2023 compared to 8% for the ALD scope last year, illustrating the acceleration of the electrification of the Ayvens fleet in 2023 described in Chapter 5.2.1.2.**

CapEx KPI 2022 - 2023 evolution

The share of Ayvens' CapEx eligible for the European taxonomy remains stable compared to last year (98.2% vs. 99.2% in 2022), mainly driven by activity 6.5, "vehicules acquisition costs".

However, due to the acquisition of LeasePlan, the CapEx KPI for the 2023 financial year not only covers the inflows of assets in the 2023 financial year (mainly the acquisition costs of cars purchased during the year), but also, **and for this year only, the fixed assets in LeasePlan's balance sheet in May 2023, considered as an acquisition by ALD in 2023** (mainly the fair value of the cars in LeasePlan's balance sheet at the time of the repurchase).

The 2023 CapEx KPI thus captures a flow effect and a stock effect, not comparable the 2022 financial year KPI, justifying:

- a significant growth in the denominator from EUR 9.7 billion in 2022 in the ALD scope (flow effect only) to EUR 40.9 billion in 2023.
- a reduction in the alignment ratio from 36% in 2022 to 27.6% in 2023, the level of electrification of LeasePlan's total existing fleet as of May 2023 being lower than that of the fleet acquired in 2023.

OpEx KPI 2022 - 2023 evolution

As for the 2022 reporting, the restrictive nature of the definition of (OpEx) operating expenses provided by the European Commission continues to raise questions about the readability and usefulness of this KPI (1)**.**

In application of the delegated act, all of Ayvens' OpEx become eligible to the European taxonomy following the integration of the maintenance costs of the used vehicle resale activity. As last year, OpEx are mainly generated by maintenance and tyre costs for rental vehicles (activity 6.5).

8% of OpEx are aligned with the taxonomy (vs. 3% in the 2022 financial year), due to the increase in the number of rental vehicles aligned with the taxonomy (electric) in the Ayvens fleet and thus the share of vehicle maintenance costs aligned with the maintenance costs of the Ayvens fleet.

(1) The OpEx definition provided in EU Delegate Regulation 2021/2178 of the Taxonomy is very specific and restrictive: only covering direct non-capitalised that relate to R&D (non-applicable for Ayvens), building renovation measures, short term lease and maintenance and repairs. This definition does not correspond to the definition of OpEx used by ALD in 2022 and by Ayvens in 2023 in their consolidated financial statements disclosed in Chapter 6. The costs included in the EU Taxonomy OpEx KPI denominator are classified in the Group's consolidated income statements as "Operating expenses", but also for their major part as "Cost of service revenue" and "Cost of cars sold".

5.8.3.2 2023 Turnover KPI

5.8.3.2.1 Proportion of turnover from products or services associated with economic activities aligned with the taxonomy - information for the year 2023

	a	b	c	d	e	f	g	h	i	j
1	**2023 financial year**		**2023**		**Substantial contribution criteria**					
2	**Economic activities**	**Code**	**Turnover**	**Proportion of Turnover, year 2023**	**Climate change mitigation (CCM)**	**Climate change adaptation (CCA)**	**Water (WTR)**	**Pollution (PPC)**	**Circular economy (CE)**	**Biodiversity (BIO)**
3			*(in EUR million)*	*(in %)*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
4	**A. TAXONOMY ELIGIBLE ACTIVITIES**									
5	**A.1 Environmentally sustainable activities (Taxonomy-aligned)**									
6	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2,377.4	12.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
7	Turnover of environmentally sustainable activities (Taxonomy aligned) (A.1)		2,337.4	12.6%	12.6%	0%	0%	0%	0%	0%
	Of which enabling		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
	Of which transitional		*100%*	*100%*						
8	**A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)**									
9					*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*
10	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	10,047.5	53.2%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
11	Sale of second-hand goods (*)	CE 5.4	6,458.8	34.2%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
12	Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		16,506.3	87.4%	53.2%	0%	0%	0%	34.2%	0%
13	**A. Turonver of Taxonomy eligible activities (A.1 + A.2)**		**18,883.7**	**100%**	**65.8%**	**0%**	**0%**	**0%**	**34.2%**	**0%**
14	**B. TAXONOMY-NON-ELIGIBLE ACTIVITIES**									
15	**B. Turnover of taxonomy non-eligible activities**		**0**	**0%**						
	TOTAL (A+B)		**18,883.7**	**100%**						

(1) In accordance with Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, the two DNSH criteria of Water & Marine Resources and Biodiversity do not apply to activity 6.5. As a result, they are recorded as "NA" in the table above.

	k	l	m	n	o	p	q	r	s	t
1	Do no significant harm (DNSH) criteria (1)									
2	Climate change mitigation (CCM)	Climate change adaptation (CCA)	Water (WTR)	Pollution (PPC)	Circular economy (CE)	Biodiversity (BIO)	Minimum Safeguards	Proportion of Taxonomy aligned (A.1) or eligible (A.2) turnover, year 2022	Category (enabling activity)	Category (transitional activity)
3	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*(in %)*	*EN*	*T*
4										
5										
6	NA	Y	NA	Y	Y	NA	Y	8.0%	NA	T
	NA	Y	NA	Y	Y	NA	Y	8.0%		
	N	*N*	*N*	*N*	*N*	*N*	*N*		*EN*	
7	*NA*	*Y*	*NA*	*Y*	*Y*	*NA*	*Y*	*8.0%*		*T*
8										
9										
10								56.7%		
11								0.0%		
12								56.7%		
13								**64.8%**		
14										
15										

	Proportion of revenue/total revenue	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	12.6%	65.8%
CCA	0%	0%
WTR	0%	0%
CE	0% (1)	34.2%
PPC	0%	0%
BIO	0%	0%

(1) The analysis of the alignment with the new Circular Economy objective was not carried out because not required for the 2023 financial year.

Additional KPI: Aligned Turnover KPI after sustainable bond adjustment

ALD issued two sustainable bonds in 2018 (matured) and in 2022, for EUR 500 million each. LeasePlan had an active portfolio of green bond issues of EUR 3 billion at the end of 2023. However, Ayvens did not calculate this adjusted KPI due to a lack of clarity on the calculation methodology disclosed in the Commission Delegate Regulation EU 2021/2178 and the FAQ released in December 2022.

5.8.3.2.2 Methodology applied by Ayvens

As required, Ayvens disclosed 4 KPIs in the revenue template:

- **a)** **KPI of revenue from eligible and aligned activities** (A.1), relating to activity 6.5 of the climate change mitigation objective;
- **b)** KPI of revenue from eligible but non-aligned activities (A.2), relating to activity 6.5 of the climate change mitigation objective and activity 5.4 of the new Circular Economy objective;
- **c)** KPI of revenue from eligible activities (A);
- **d)** KPI of revenue from non-eligible activities (B).

Denominator of revenue KPI

Applying the definition disclosed in Commission Delegated Regulation EU 2021/2178, the revenue denominator (A+B) is the net revenue of Ayvens as disclosed in its 2022 financial statements “Total Revenues” in note 8d (EUR 18,883.7 million) in chapter 6.

Note 2023 financial statements/Denominator	**Ayvens' Total revenue** [(1)] *(in EUR million)*	**Economic activity/objectives**
Note 8d: vehicle rental revenues	12,424.9	6.5 CCM
Note 8d: proceeds of cars sold	6,458.8	5.4 CE
NOTE 8D: TOTAL REVENUE = TOTAL DENOMINATOR	**18,883.7**	

Numerator used for “eligible and aligned activity” revenue KPI (A.1)

Ayvens has included the amount of rents received in 2023 from the leasing of vehicles defined as aligned with the taxonomy (activity 6.5) according to the methodology described in Section 5.8.2 of this document, guaranteeing the quality of the data with an accounting reconciliation.

Revenue generated by vehicle rental activities defined as non-aligned with the taxonomy is excluded from numerator A.1 and reported in category A.2.

Following the publication by the European Commission in June 2023 of the four new environmental objectives, Ayvens’s revenue from the sale of used vehicles, classified in 2022 as non-eligible, is now classified in category A (eligible, activity 5.4 of the circular economy objectives). **However, since the analysis of the alignment of the activities of these new objectives is only required from 2025 (on the 2024 financial year)**, the related revenue is reported by default in category A.2 for 2023 and it will be analysed in the 2024 URD.

(1) As reported in the financial statements, turnover for the ex-ALD scope cover the entire year in 2023 and for the ex-LeasePlan scope, the period from 22 May 2023, date of LeasePlan acquisition, to 31 December 2023.

5.8.3.3 2023 CapEx KPIs

5.8.3.3.1 Proportion of CapEx expenditure from products or services associated with economic activities aligned with the taxonomy

	a	b	c	d	e	f	g	h	i	j
1	**2023 financial year**		**2023**		**Substantial contribution criteria**					
2	**Economic activities**	**Code**	**CapEx**	**Proportion of CapEx, 2023**	**Climate change mitigation (CCM)**	**Climate change adaptation (CCA)**	**Water (WTR)**	**Pollution (PPC)**	**Circular economy (CE)**	**Biodiversity (BIO)**
3			*(in EUR million)*	*(in %)*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
4	**A. TAXONOMY ELIGIBLE ACTIVITIES**									
5	**A.1 Environmentally sustainable activities (Taxonomy-aligned)**									
6	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	11,277.4	27.6%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
7	CapEx of environmentally sustainable activities (Taxonomy aligned) (A.1)		11,277.4	27.6%	27.6%	0%	0%	0%	0%	0%
	Of which enabling		*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
	Of which transitional		100%	100%						
8	**A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)**									
9					*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*
10	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	28,697.0	70.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
11	Acquisition and ownership of buildings	CCM 7.7	198.8	0.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
12	CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		28,895.7	70.6%	70.6%	0%	0%	0%	0%	0%
13	**A. CapEx of taxonomy eligible activities (A.1 + A.2)**		**40,173.2**	**98.2%**	**98.2%**	**0%**	**0%**	**0%**	**0%**	**0%**
14	**B. Taxonomy-non-eligible activities**									
15	**B. CapEx of taxonomy-non-eligible activities**		**735.9**	**1.8%**						
	TOTAL (A+B)		**40,909.1**	**100%**						

(1) In accordance with Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, the two DNSH criteria of Water & Marine Resources and Biodiversity do not apply to activity 6.5. As a result, they are recorded as "NA" in the table above.

	k	l	m	n	o	p	q	r	s	t
1	**Do no significant harm (DNSH) criteria [1]**									
2	**Climate change mitigation (CCM)**	**Climate change adaptation (CCA)**	**Water (WTR)**	**Pollution (PPC)**	**Circular economy (CE)**	**Biodiversity (BIO)**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) CapEx, 2022**	**Category (enabling activity)**	**Category (transitional activity)**
3	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*(in %)*	*EN*	*T*
4										
5										
6	NA	Y	NA	Y	Y	NA	Y	35.9%	NA	T
	NA	Y	NA	Y	Y	NA	Y	35.9%		
	N	*N*	*N*	*N*	*N*	*NO*	*N*		*EN*	
7	NA	Y	NA	Y	Y	NA	*Y*	35.9%		T
8										
9										
10								63.0%		
11								0.3%		
12								63.3%		
13								**99.2%**		
14										
15										

	Proportion of CapEx/Total CapEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	27.6%	98.2%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Additional KPI: CapEx KPI after sustainable bond adjustment

As required by the Commission Delegated Regulation EU 2021/2178, non-financial undertakings that issued use of proceeds sustainable bond(s) that finance part or all of their CapEx during the reporting period, should disclose also adjusted CapEx KPIs so that financial undertakings avoid double-counting that CapEx in their other exposures to non-financial undertaking. In the adjusted CapEx, a portion of Taxonomy aligned CapEx incurred during the reporting period, that is paid with the proceeds from the issuance of use of proceeds sustainable bonds should be deducted from the numerator of the adjusted CapEx and/or OpEx KPIs.

ALD issued two Green and Positive Impact Bonds, respectively in 2018 and in 2022. The Bond originated in 2018 was reimbursed in 2021 and therefore did not finance any new aligned vehicle acquisitions in 2022. The Green Bond issued in June 2022 is focusing solely on battery-powered electric vehicles and financed a fraction of taxonomy-aligned vehicles acquired in 2023, and included in the aligned CapEx, for EUR 65 million. LeasePlan's issues of EUR 3 billion were issued before 2023 and relate to 100% aligned vehicles. This amount of EUR 3 billion was therefore deducted from the numerator. As a result:

Main CapEx KPI 2023 = 27.6%

Adjusted CapEx KPI 2023after deducting aligned CapEx financed with sustainable bonds = 20.1%

5.8.3.3.2 Methodology applied by Ayvens

As required, Ayvens disclosed four KPIs in the CapEx template:

a) **CapEx of eligible and aligned activities** (A.1), related to activity 6.5 of the climate change mitigation objective;

b) CapEx of eligible but not aligned activities (A.2), relating to activities 6.5 and 7.7 of the climate change mitigation objective;

c) CapEx of eligible activities Capex (A);

d) Capex of non-eligible activities (B).

Denominator of CapEx KPI

In application of the definition given in Commission Delegated Regulation (EU) 2021/2178 [(1)], the denominator of the 2023 CapEx KPI (A + B) amounts to **EUR 40,909.1 million**, calculated as follows:

- **the sum of asset inflows in 2023** (since 1 January 2023 on the former ALD scope and since May 2023 on the former LeasePlan scope). The asset inflows concerned are recorded in the "Acquisitions" lines of note 13 "Rental fleet", note 14 "Other property, plant and equipment", note 17 "Other intangible assets", note 15 "Right-of-use assets" of Chapter 6.
- **the assets capitalised by LeasePlan at the time of the acquisition by ALD, recognised at their fair value in accordance with IFRS 3, are included for this year only in the denominator in accordance with the concept of business combinations.** The assets concerned are included in the "change in scope" line of note 13 "Rental fleet", note 14 "Other property, plant and equipment", note 17 "Other intangible assets", note 15 "Right-of-use assets" in chapter 6. However, the reconciliation with certain published ratings does not reach 100%, as the line "change in scope" does not only cover the acquisition of LeasePlan.

Goodwill (note 16) acquired as part of a business combination is outside the scope of IFRS 38 and therefore excluded from the CapEx denominator. Investments in associates are not included in the definition of CapEx.

(1) The denominator shall cover additions to tangible and intangible assets during the financial year considered before depreciation, amortisation, and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator shall also cover additions to tangible and intangible assets resulting from business combinations. For non-financial undertakings applying international financial reporting standards (IFRS) as adopted by Regulation (EC) No. 1126/2008, CapEx shall cover costs that are accounted based on: (a) IAS 16 Property, Plant and Equipment, paragraphs 73, (e), point (i) and point (iii), (b) IAS 38 Intangible Assets, paragraph 118, (e), point (i); (c) IAS 40 Investment Property, paragraphs 76, points (a) and (b) (for the fair value model); (d) IAS 40 Investment Property, paragraph 79(d), points (i) and (ii) (for the cost model); (e) IAS 41 Agriculture, paragraph 50, points (b) and (e); (f) IFRS 16 Leases, paragraph 53, point (h).

Note 2023 financial statements/CapEx	Addition of property, plant and equipment and intangible assets in 2023.[1] *(in EUR million)*	LeasePlan assets at the time of the acquisition by ALD, recognised at their fair value *(in EUR million)*	Activity Economic taxonomy
Note 13: Rental fleet	18,426.0	21,412.3	6.5 CCM
Note 14: Other intangible assets (Land, Buildings)	3.6	5.2	7.7 CCM
Note 14: Other intangible assets (Equipment)	73.3	89.1	6.5 CCM (service cars)
Note 17: Other intangible assets	479.3	207.3	NA
Note 15: Right-of-use assets and lease liabilities (vehicles)	18.7	4.3	6.5 CCM
Note 17: Right-of-use assets and lease liabilities (commercial lease contracts)	42.6	147.4	7.7 CM
TOTAL DENOMINATOR CAPEX	**19,043.5**	**21,865.6**	

Numerator used for "eligible and aligned activity" CapEx KPI (A.1)

Applying the definition disclosed in Commission Delegate Regulation EU 2021/2178 [2], the numerator equals to the part of the Capex included in the denominator that is any of the following:

a) CapEx related to assets associated with economic activities aligned with the taxonomy (activity 6.5 with regard to Ayvens);

b) CapEx part of a plan to expand Taxonomy-aligned economic activity "CapEx plan", the CapEx plan explains how the Company aims to upgrade its Taxonomy-eligible economic activities to render them Taxonomy-aligned;

c) CapEx related to the purchase of the production of economic activities aligned with the taxonomy [3] (activity 7.7 for Ayvens).

Ayvens only included in the numerator the CapEx of the rental Fleet (activity 6.5, note 13 "Rental fleet"), aligned with the taxonomy, *i.e.* **additions to the Ayvens rental Fleet and the rental Fleet capitalised by LeasePlan on the acquisition date** defined as aligned according to the methodology described in Section 5.8.2 [4].

The CapEx of the rental Fleet not aligned with the taxonomy is excluded from this KPI and reported in category A2.

Other CapEx relates mainly to real estate (land, property and right-of-use assets (commercial leases), equipment and intangible assets and right-of-use vehicle assets.

- Due to their low materiality, land, property and right-of-use assets (commercial leases) CapEx, eligible to activity 7.7 "Acquisition and ownership of buildings", have not been analysed to determine whether they are aligned or not as part of "CapEx related to the purchase of output from taxonomy-aligned". Thus, these investment expenses are considered as "Eligible as part of activity 7.7 but not aligned" and reported under category A2.
- All other additions are considered as "Not eligible" and reported under category B at the exception of Service Vehicles additions and Right-of-use vehicle assets. Due their low materiality, their alignment has not been analysed, and they are considered as "eligible as part of activity 6.5 but not aligned" and reported under category A2.

Lastly, CapEx which is part of a plan to expand Taxonomy-aligned economic activity (CapEx plan) do not apply to Ayvens.

(1) As reported in the financial statements, the additions to assets for 2023 cover the entire year of 2023 for the former ALD scope and the period starting from the date of acquisition of LeasePlan by ALD until 31 December 2023 for the former LeasePlan scope.

(2) The numerator equals the part of the capital expenditure included in the denominator that is any of the following: (a) related to assets or processes that are associated with Taxonomy-aligned economic activities; (b) part of a plan to expand Taxonomy-aligned economic activities or to allow Taxonomy-eligible economic activities to become Taxonomy-aligned ("CapEx plan") under the conditions specified in the second subparagraph of this point 1.1.2.2; (c) related to the purchase of output from Taxonomy-aligned economic activities and individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions, notably activities listed in points 7.3 to 7.6 of Annex I to the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) and Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

(3) For example, if the Company purchases solar panels for its offices, these capital expenditures will be considered as aligned with respect to activity 7 "construction and real estate activity".

(4) While the denominator includes PPA adjustments, reflecting the fair value of the LeasePlan fleet acquired at the time of the acquisition by ALD (+EUR 430 million on the operating lease), Ayvens did not include this adjustment in the calculated numerator as not material (c. 1% of the denominator) and resulting in data collection complexity.

5.8.3.4 2023 OpEx KPIs

5.8.3.4.1 Proportion of OpEx concerning products or services associated with economic activities aligned with the taxonomy

	a	b	c	d	e	f	g	h	i	j
1	**2023 financial year**		**2023**		**Substantial contribution criteria**					
2	**Economic activities**	**Code**	**OpEx**	**Proportion of OpEx, 2023**	**Climate change mitigation (CCM)**	**Climate change adaptation (CCA)**	**Water (WTR)**	**Pollution (PPC)**	**Circular economy (CE)**	**Biodiversity (BIO)**
3			*(in EUR million)*	*(in %)*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*
4	**A. TAXONOMY ELIGIBLE ACTIVITIES**									
5	**A.1 Environmentally sustainable activities (Taxonomy-aligned)**									
6	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	115.2	8.0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL
7	OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		115.2	8.0%	8.0%	0%	0%	0%	0%	0%
	Of which enabling		0%	0%	0%	0%	0%	0%	0%	0%
	Of which transitional		100%	100%						
8	**A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)**									
9					*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*	*EL, N/EL*
10	Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	1,284.8	88.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
11	Acquisition and ownership of buildings	CCM 7.7	12.7	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL
12	Sale of second-hand goods (*)	CE 5.4	32.5	2.3%	N/EL	N/EL	N/EL	N/EL	EL	N/EL
13	OpEx of Taxonomy-eligible not but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		1,330.0	92.0%	89.8%	0%	0%	0%	2.3%	0%
14	**A. OpEx of Taxonomy-eligible activities (A.1 + A.2)**		**1,445.2**	**100%**	**97.7%**	**0%**	**0%**	**0%**	**2.3%**	**0%**
15	**B. Taxonomy-non-eligible activities**									
16	**B. OpEx of taxonomy-non-eligible activities**		**0**	**0%**						
	TOTAL (A+B)		**1,445.2**	**100%**						

(1) *In accordance with Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, the two DNSH criteria of Water & Marine Resources and Biodiversity do not apply to activity 6.5. As a result, they are recorded as "NA" in the table above.*

	k	l	m	n	o	p	q	r	s	t
1	**Do no significant harm (DNSH) criteria** [1]									
2	**Climate change mitigation (CCM)**	**Climate change adaptation (CCA)**	**Water (WTR)**	**Pollution (PPC)**	**Circular economy (CE)**	**Biodiversity (BIO)**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1) or eligible (A.2) OpEx, 2022**	**Category (enabling activity)**	**Category (transitional activity)**
3	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*Y/N*	*(in %)*	*EN*	*T*
4										
5										
6	NA	Y	NA	Y	Y	NA	Y	3.3%	NA	T
	NA	Y	NA	Y	Y	NA	Y	3.3%		
	N	N	N	N	N	N	N		EN	
7	NA	Y	NA	Y	Y	NA	Y	3.3%		T
8										
9										
10								92.1%		
11								1.3%		
12								0%		
13								93.4%		
14								**96.7%**		
15										
16										

	Proportion of OpEx/Total OpEx	
	Aligned with taxonomy by objective	Eligible for taxonomy by objective
CCM	8.0%	97.7%
CCA	0%	0%
WTR	0%	0%
CE	0% (1)	2.3%
PPC	0%	0%
BIO	0%	0%

(1) The analysis of the alignment with the new Circular Economy objective was not carried out because not required for the 2023 financial year.

Additional KPI: OpEx KPI after sustainable bond adjustment

As allowed by Commission Delegated Regulation EU 2021/2178, Ayvens chose not to calculate this adjusted KPI, considering it non-relevant.

5.8.3.4.2 Methodology applied by Ayvens

As required, Ayvens disclosed 4 KPIs in the CapEx template:

a) **OpEx KPI of eligible and aligned activity** (A.1), related to activity 6.5 climate change mitigation objective;

b) OpEx KPI of eligible but non-aligned activities (A.2), related to activity 6.5; 7.7 of the Climate change mitigation objective and activity 5.4 of the new Circular Economy objective;

c) OpEx of eligible activities OpEx KPIs (A);

d) OpEx non-eligible activity (B).

Denominator of OpEx KPI

Applying the restrictive OpEx definition given in Commission Delegate Regulation EU 2021/2178 [1], Ayvens included the following OpEx in the denominator (A+B):

(1) The denominator includes direct costs not capitalised that relate to research and development, building refurbishment, short-term leases, maintenance and repair, and any other direct expenditure, relating to the ongoing maintenance of tangible assets by the company or by the third party to whom these activities are outsourced, that is necessary to keep these assets in good working order.

OpEx categories	*(in EUR million)*	**Economic activity taxonomy**
Maintenance / repair costs and tyre costs generated by the rental activity	1,399.9	6.5 CCM
Short-term leases and building renovation measures	12.7	7.7 CCM
Vehicle overhaul expenses relating to used car sales	32.5	5.4 CE
TOTAL OPEX DENOMINATOR	**1,445.2**	

Non-capitalised R&D costs do not apply to Ayvens.

Due to the specific definition of OpEx provided by the EU Commission, the KPI denominator cannot reconcile with an existing aggregate published in the URD, since the OpEx definition is different to that used by Ayvens in its financial statements. Thus, as in the 2022 reporting, the costs included in the denominator of the OpEx KPI are classified mainly as service revenue costs in the financial statements of Ayvens.

Numerator used for "eligible and aligned activity" OpEx KPI (A.1)

Applying the definition given in Commission Delegate Regulation EU 2021/2178 [(1)] based on the same logic as CapEx KPI numerator, **Ayvens only included in the numerator the maintenance costs of rental activity vehicles (activity 6.5) defined as aligned based on the methodology described in Section 5.8.2, guaranteeing an accounting reconciliation.** The maintenance costs linked the rental activity vehicles defined as non-aligned to EU taxonomy are excluded from this KPI and reported in Category A2 "Eligible under activity 6.5 but not aligned".

Regarding Tyre costs, the group's policy on tyre management is focused on "Tyre qualities" and does not follow "Tyre labels" as defined by the EU Taxonomy. As a result, Tyre costs are considered "Eligible under activity 6.5 but not aligned" and reported under category A2.

Real estate costs (Short-term lease and building renovation measures) are considered as not material: their potential alignment has not been analysed. Thus, they are considered "Eligible under activity 7.7 but not aligned" and reported under category A2.

Following the publication by the European Commission in June 2023 of the four new environmental objectives, OpEx related to the repair of vehicles before their resale, classified in 2022 as non-eligible, now fall into category A (eligible, activity 5.4 of the circular economy objectives). **However, since the analysis of the alignment of the activities of these new objectives is only required from the 2025 (on the 2024 financial year)**, the associated OpEx are reported by default in category A.2 for 2023. Alignment will be analysed in the 2024 URD.

(1) The numerator equals to the part of the operating expenditure included in the denominator that is any of the following: (a) related to assets or processes associated with Taxonomy-aligned economic activities, including training and other human resources adaptation needs, and direct non-capitalised costs that represent research and development; (b) part of the CapEx plan to expand Taxonomy-aligned economic activities or allow Taxonomy-eligible economic activities to become Taxonomy-aligned within a predefined timeframe as set out in the second paragraph of this point 1.1.3.2 (c) related to the purchase of output from Taxonomy-aligned economic activities and to individual measures enabling the target activities to become low-carbon or to lead to greenhouse gas reductions as well as individual building renovation measures as identified in the delegated acts adopted pursuant to Article 10(3), Article 11(3), Article 12(2), Article 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852 and provided that such measures are implemented and operational within 18 months.

5.9 Independent third party's report on consolidated non-financial statement

To the General Assembly,

In our role as an independent third party, accredited by the COFRAC under the number 3-1681 (scope of accreditation available at www.cofrac.fr), and as a member of the network of one of the statutory auditors of your company (hereafter the "entity"), we conducted our work in order to provide a conclusion expressing a limited level of assurance on the compliance of the consolidated non-financial statement for the financial year ended 31st December 2023 (hereafter referred to as the "Statement") with the provisions of Article R. 225-105 of the French Commercial Code (*Code de commerce*) and on the fairness of historical information (whether observed or extrapolated) provided pursuant to paragraph 3 of sections I and II of Article R. 225-105 of the French Commercial Code (hereafter referred to as the "Information") prepared in accordance with the entity's procedures (hereafter referred to as the "Guidelines"), included in the management report pursuant to the requirements of articles L. 225 102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code (*Code de commerce*).

Conclusion

Based on the procedures performed, as described in "Nature and scope of the work", and on the elements we have collected, we did not identify any material misstatements that would call into question the fact that the consolidated non-financial statement is not presented in accordance with the applicable regulatory requirements and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines, in all material respects.

Comments

Without modifying our conclusion and in accordance with article A. 225-3 of the French Commercial Code, we have the following comments: following its recent integration into the ALD Group, LeasePlan has not yet systematized or standardized its reporting and controls for social data.

Preparation of the non-financial performance statement

The absence of a generally accepted and commonly used framework or established practices on which to base the assessment and measurement of information allows for the use of different, but acceptable, measurement techniques that may affect comparability between entities and over time.

Therefore, the Information should be read and understood with reference to the Guidelines, the significant elements of which are presented in the Statement.

Limitations inherent in the preparation of the Information

The information may be subject to uncertainty inherent in the state of scientific or economic knowledge and the quality of external data used. Certain information is sensitive to the methodological choices, assumptions and/or estimates made in preparing it and presented in the Statement.

The entity's responsibility

It is the responsibility of the Board of Directors to:

- Select or establish appropriate criteria for the preparation of the Information;
- Prepare a Statement in accordance with legal and regulatory requirements, including a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks as well as the results of these policies, including key performance indicators and, in addition, the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- Prepare the Statement in accordance with the Entity's Guidelines as mentioned above; and to
- Implement the internal control procedures it deems necessary to ensure that the Information is free from material misstatement, whether due to fraud or error.

The Statement has been prepared by the Board of Directors.

Responsibility of the independent third party

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- The compliance of the Statement with the requirements of article R. 225-105 of the French Commercial Code;
- The fairness of the information provided in accordance with article R. 225 105 I, 3° and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks.

As it is our responsibility to form an independent conclusion on the Information as prepared by management, we are not permitted to be involved in the preparation of the Information, as this could compromise our independence.

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory requirements, in particular the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy), the French duty of care law and anti-corruption and tax avoidance legislation;
- The fairness of the information required by Article 8 of Regulation (EU) 2020/852 (green taxonomy);
- The compliance of products and services with the applicable regulations.

Regulatory provisions and applicable professional standards

The work described below was performed in accordance with the provisions of articles A. 225-1 et seq. of the French Commercial Code, our own audit program (Audit Program for the Extra-Financial Information, dated July 7, 2023) and the professional guidance of the French Institute of Statutory Auditors (*Compagnie Nationale des Commissaires aux Comptes*) applicable to such engagement, in particular the professional guidance issued by the *Compagnie Nationale des Commissaires aux Comptes, Intervention du commissaire aux comptes – Intervention de l'OTI – déclaration de performance extra-financière,* and with the international standard ISAE 3000 (revised) [(1)].

Independence and quality control

Our independence is defined by the requirements of article L. 821-28 of the French Commercial Code and the French Code of Ethics (*Code de déontologie*) of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with applicable legal and regulatory requirements, the ethical requirements and French professional guidance.

Means and resources

Our verification work mobilized the skills of five people and took place between December 2023 and March 2024 on a total duration of intervention of about eight weeks.

To assist us in our work, we called on our specialists in sustainable development and corporate social responsibility. We conducted eight interviews with the persons responsible for the preparation of the Statement, representing in particular the CSR department, the Human Resources department, the Innovation Center, the Customer Service department and the Consultancy and Electric Solutions team.

Nature and scope of the work

We planned and performed our work taking into account the risks of material misstatement of the Information.

In our opinion, the procedures we have performed in the exercise of our professional judgment enable us to provide a limited level of assurance:

- We obtained an understanding of all the consolidated entities' activities and the description of the main risks;
- We assessed the suitability of the Guidelines with respect to their relevance, comprehensiveness, reliability, neutrality and understandability by taking into consideration, if relevant, the best practices of the industry;
- We verified that the Statement includes each category of information provided in article L. 225-102-1 III of the French commercial Code on social and environmental issues, respect for human rights and the fight against corruption and tax evasion, and includes, where applicable, an explanation for the absence of the information required under article L. 225-102-1 III, paragraph 2 of the French commercial Code;
- We verified that the Statement provides the information required under article R. 225-105 II of the French commercial Code where relevant to the main risks;
- We verified that the Statement presents the business model and a description of the main risks related to the activity of all the entities included in the scope of consolidation; including, if relevant and proportionate, the risks created through its business relationships, products or services, policies, actions and results, of which the key performance indicators associated with the main risks are part;
- We have verified that the Declaration includes a clear and reasoned explanation of the reasons for the absence of a policy concerning one or more of these risks, in accordance with article R. 225-105, paragraph I of the French Commercial Code;

(1) ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information

- We referred to documentary sources and conducted interviews to:
  - assess the process used to identify and confirm the main risks as well as the consistency of the outcomes, including the key performance indicators selected, in accordance with the main risks and the policies presented;
  - corroborate the qualitative information (actions and results) that we considered to be the most important (presented in the annex 1). For certain risks, our work was carried out on the consolidation entity. For the other risks, our work was carried out on the consolidating entity and on a selection of entities listed below: ALD Netherlands and ALD United Kingdom;
- We verified that the Statement covers the consolidated scope, i.e. all the entities included in the scope of consolidation in accordance with article L. 233-16 of the French commercial Code;
- We obtained an understanding of the internal control and risk management procedures implemented by the entity and assessed the data collection process to ensure the completeness and fairness of the Information;
- For the key performance indicators and other quantitative outcomes that we considered to be the most important (presented in the annex 1), we implemented:
  - analytical procedures to verify the correct consolidation of the collected data as well as the consistency of their evolutions;
  - detailed tests based on samples, consisting of checking the correct application of the definitions and procedures and reconciling the data with supporting documents. This work was carried out with the contributing entities listed above and cover between 2,5% and 23% of consolidated data selected for these tests;
- We assessed the overall consistency of the Statement based on our knowledge of the entities included in consolidated scope.

The procedures implemented for a moderate assurance engagement are less extensive than those required for a reasonable assurance engagement performed in accordance with professional doctrine; an assurance of a higher level would have required more extensive verification work.

Paris-La Défense, the 11 April 2024
French original signed by:
Independent third party

EY & Associés
Caroline Delérable
Partner, Sustainable Development

Annex 1: information considered as the most important

Social information

Qualitative Information (Actions or results)	Quantitative information (Key performance indicators and coverage)
• Employee training • Diversity and inclusion • Workplace well-being	• Average number of training hours per employee having attended at least one training course. (18% of workforce). Percentage of permanent positions filled by internal resources (%). (18% of workforce).

Business information (including environmental and social data)

Qualitative Information (Actions or results)	Quantitative information (Key performance indicators and coverage)
• The program to increase the proportion of green vehicles and their deployment. • New mobility strategy and offers and their deployment. • Consulting strategy and deployment of solutions and related offers. • Customer satisfaction.	• Size of ALD S.A.'s green fleet (electric or hybrid vehicles) (21% of the green fleet). • Share of diesel engines in contracts produced in 2023 (%) (2.5% of contracts produced in 2023). • Carbon footprint (23% of GHG emissions) including review of GHG emissions (tCO_2e) scope 1, 2 and 3 (scope 3 including paper consumption, business travel, freight transport, energy consumption of data centers hosted in France and waste production).

5.10 Declaration of Extra-Financial Performance (DEFP) – Cross-reference table

Where can I find the elements of the Declaration of Extra-Financial Performance (DEFP)?

1. Business model		Pages
Business model: key resources, value provided to stakeholders		1.2.1
Organisation: presentation of main activities, workforce, governance		1.2.2, 5.3.5, 3.1, 3.4
Strategy, outlook and objectives		1.4
2. Significant non-financial risk factors for the Group and reminder of key policies		
Environmental impact and climate change	• Energy transition and low-emission vehicles • Electrification • New uses and new mobility (Mobility as a Service, Sharing, *etc.*)	5.2.1
	• Reduction of the internal carbon footprint	5.5.1, 5.5.2
	• Responsible purchasing	5.4.3
	• Management of environmental and social (E&S) risks	5.4.2.3
	• Physical risk assessment	5.8.2.2.3
Customer expectations and market risks	• New uses and new mobility (Mobility as a service, sharing, *etc.*) • Customer satisfaction and experience programme • Consulting services, alternative mobility offers (car sharing, second lease, mobility budget, *etc.*)	5.2.2 5.4.1 5.2.1.2
Human capital and working environment	• Employability and agility of employees • Recruitment, retention and commitment of employees • Societal commitment • Diversity policy, including gender balance • Collective agreements signed with social partners • Health, safety and prevention policy	5.3
Corruption	• Being a responsible employer • Responsible purchasing policy • Culture and Conduct Programme, Code of Conduct • Anti-money laundering policy, sanctions and embargoes policy, KYC • E&S risk management process • Personal data security policy	5.3 5.4
3. Other regulatory issues		
The fight against tax avoidance	• Tax Code of Conduct • Anti-money laundering system	5.1.4 5.4.2
Action in support of human rights	• Being a responsible employer • Responsible purchasing policy • Code of Conduct • E&S risk management process • Personal data security policy	5.3 5.4
EU Taxonomy	• ALD's activities EU Taxonomy eligibility assessment	5.8
Circular economy		5.1.4, 5.4.3, 5.8.2.2.2

As a company providing financial products and services, ALD considers that the following subjects do not constitute key CSR risks and do not warrant detailed consideration in this management report: food waste, fight against food insecurity, respect for the animal welfare, responsible, equitable and sustainable food.

5.11 Declaration of Extra-Financial Performance (DEFP) - GRI Standard Cross-Reference Table

The table below shows the cross-references of the DEFP with the GRI standard.

This report follows the guidelines established by the Global Reporting Initiative (GRI), complying with the principles set out and requirements required by GRI Standard 2021. This standard refers to the principles of stakeholder inclusion through two-way communication, as well as to the sustainability context that the report must reflect in the company's activity and performance, integrating the three main axes of sustainability: economic development, social justice and environmental balance.
The material challenges have been defined on the basis of the mapping of non-financial risks identified by the company. This mapping is carried out each year as part of the preparation of this universal registration document, through meetings with all the different departments involved in the Group's CSR strategy (CSR, Compliance, HR, Commerce, Consultancy, Risks, *etc.*). The various risks are identified by the stakeholders and collectively assessed according to their probability of occurrence and severity to obtain a level of importance (non-significant to major).

Major and significant risks are dealt with in the DEFP and are the subject of mitigation plans described in the associated sections of the DEFP .
From this mapping, we have deduced the following list of relevant themes to the GRI standard:

1) Customer experience - Very Relevant
2) Climate change and carbon footprint - Very Relevant
3) Talent development and working conditions - Very Relevant
4) Transparency and communication - Very relevant
5) Equality and diversity - Very relevant
6) Health and safety - Very Relevant
7) Innovation and digitalization - Relevant
8) Responsible supply chain - Relevant
9) Promotion of sustainable mobility and electrification - Relevant
10) Ethical and responsible business - Relevant
11) Creating value in the community - Relevant
12) Environmental awareness - Relevant
13) Promotion of road safety - Fairly relevant

GRI 1	2021 Foundation	
Requirement	**Title**	**URD section concerned**
7	Publish an index of the content of the GRI standard	5.1.1 Declaration of Extra-Financial Performance (DEFP) - GRI Standard Cross-Reference Table
8	Provide a declaration of use	5.1.1 Declaration of Extra-Financial Performance (DEFP) - GRI Standard Cross-Reference Table

GRI 2	General information 2021	
GRI standard	**Title**	**URD section concerned / response**
General information		
2-1	Organisation name	7.3.1 Company name
	Activities, brands, products and services	1.2 Detailed profile
	Location of headquarters	7.3.4.1 Head office
	Location of operations	1.2.5 Geographical areas
	Ownership and legal form	7.3.4.2 Legal form and applicable legislation
2-2	Entities included in the organisation’s sustainability reporting	5.7.1 Scope of the report
2-3	Reporting period	5.7.4 Reporting period
	Reporting frequency	Annual
	Reporting contact	Stéphane Rénie - Head of Sustainability - stephane.renie@aldautomotive.com
2-4	Reformulations of information	5.7 Methodological note
2-5	External insurance	5.9 Independent third-party report

GRI standard	Title	URD section concerned / response
2-6	Activities, value chain and other business relationships	1.2 Detailed profile 5.4.2 Ethical and responsible behavior/ culture 5.4.3 Responsible purchasing
2-7	Employees	5.3.4.1 Diversity of international profiles 5.3.4.2 Gender diversity 5.3.5 Key HR data 5.7.3.1 Details of employment (social) indicators "5.7.3.1 Details of employment (social) indicators" "5.7.3.1 Details of employment (social) indicators
Governance		
2-9	Governance structure and composition	3. Corporate governance
2-10	Appointment and selection of members of the highest governance body	3.1.1 Board of Directors 3.4.2 Nominating and Compensation Committee (COREM)
2-11	Chair of the highest governance body	3.1.3 Chairman
2-12	Highest governance body in the oversight of impact management	3.1.4 Executive Committee 4.5.3 Climate, environmental and social risks.
2-13	Delegation of responsibility for impact management	5.1.2 CSR governance and key commitments
2-14	Highest governance body in sustainability reporting	5.1.2 CSR governance and main commitments
2-15	Conflicts of interest	3.2 Conflicts of interest
2-16	Communication of major concerns	5.3.2.3 Fostering commitment - Encouraging feedback and time for exchange 5.3.3 Culture and conduct 5.3.3.1 Preventing and combating inappropriate behavior and harassment 3.7.1.1 Principles of compensation policy for 2023 3.4.2 Nominations and compensation committee (COREM)
2-17	Shared knowledge of the highest governance body	3.7 Compensation and benefits
2-18	Measurement of the performance of the highest governance body	3.7.1.1 Principles of compensation policy for 2023" "3.7 Compensation and benefits
2-19	Compensation policies	3.7 Compensation and benefits
2-20	Compensation determination process	3 Corporate governance
2-21	Total annual compensation ratio	3.1.1 Board of Directors 3.4.2 Nominating and Compensation Committee (COREM)

GRI standard	Title	URD section concerned / response
Strategy, policies and practices		
2-22	Sustainable development strategy statement	5.1 Introduction: a CSR ambition integrated into Group strategy
2-23	Political commitments	5.1.2 CSR governance and key commitments
2-24	Integration of political commitments	5.1.2 CSR governance and key commitments
2-25	Adverse impacts remediation process	5.1.2 CSR governance and key commitments
2-26	Mechanisms for seeking advice and raising concerns	5.3.2.3 Fostering commitment - Encouraging feedback and time for exchange
2-27	Compliance with laws and regulations	5.1.2 CSR governance and key commitments 5.1.3 New regulations
2-28	Membership of associations	5.1.2 CSR governance and key commitments
Stakeholder engagement		
2-29	Stakeholder engagement approach	5.1.2 CSR governance and key commitments
2-30	Collective negotiations	5.3.2.2 Building loyalty - Social dialogue
GRI 3	**Relevant topics for 2021**	
3-1	Process for determining relevant topics	5.11 Declaration of Extra-Financial Performance (DEFP) - GRI Standard Cross-Reference Table
3-2	List of relevant topics	5.11 Declaration of Extra-Financial Performance (DEFP) - GRI Standard Cross-Reference Table
3-3	Management of relevant topics	5.1 Introduction: a CSR ambition integrated into Group strategy
GRI 200	**Economical standards** ***Related themes: Ethical and responsible business, Transparency and communication***	
GRI 203	**Indirect economic impacts 2016**	
203-1	Investments in infrastructure and sponsorship	5.3.3.2 Social commitment
203-2	Significant indirect economic impacts	
GRI 205	**The fight against corruption 2016**	5.4.2.2 Fight against corruption
205-2	Communication and training on policies and procedures to fight against corruption	4.5.2 Legal, tax and compliance risks 5.8.2.3 Compliance with minimum guarantee requirements (general criteria).
205-3	Proven cases of corruption and measures taken	5.3.3.2 Social commitment

GRI standard	Title	URD section concerned / response
GRI 300	**Environmental Standards** ***Related relevant topics: Responsible supply chain, Promoting mobility and electrification, Climate change and carbon footprint, Environmental awareness.***	
GRI 302	**Energy 2016**	
302-1	Energy consumption within the organisation	5.5.2 Entities' internal carbon footprint
302-2	Energy consumption outside the organisation	5.5.2 Entities' internal carbon footprint
302-3	Energy intensity	5.5.2 Entities' internal carbon footprint (tCO_2/occupant)
302-4	Reduction of energy consumption	5.5.2 Entities' internal carbon footprint
302-5	Reduction of energy requirements for products and services	5.5.2 Entities' internal carbon footprint
GRI 303	**Water and liquid waste 2018**	
303-5	Water consumption	5.5.2 Water consumption
GRI 305	**Emissions 2016**	
305-1	Direct GHG emissions (Scope 1)	5.5.2 Greenhouse gas emissions for scopes 1 and 2
305-2	Indirect GHG emissions (Scope 2)	5.5.2 Greenhouse gas emissions on scopes 1 and 2
305-3	Other indirect GHG emissions (Scope 3)	5.5.2 Greenhouse gas emissions on scope 3 (related to internal emissions, excluding emissions from other scope 3 categories detailed in sections 5.5.3 and 5.5.4 of this document) 5.5.3 Carbon footprint including scope 3 (Category 13 - Downstream leased assets) 5.5.4 Other scope 3 categories.
305-4	Intensity of GHG emissions	5.5.2 Entities' internal carbon footprint (tCO_2/occupant)
305-5	Reduction of GHG emissions	5.5.2 Entities' internal carbon footprint
GRI 306	**Waste 2020**	
306-3	Waste generated	5.5.2 Category 5 - Waste management
306-4	Waste not intended for disposal	5.5.2 Category 5 - Waste management
306-5	Waste intended for disposal	5.5.2 Category 5 - Waste management
GRI 308	**Environmental assessment of suppliers 2016**	
308-1	New suppliers audited according to environmental criteria	5.4.2.3 Environmental and social policies (E&S)
GRI 400	**Social Standards** ***Relevant related themes: Talent development and working conditions, Health and well-being, Equality and diversity, Ethical and responsible business, Creating value in the community, Innovation and digitalization, Customer experience and Responsible supply chain.***	
GRI 401	**Employment 2016**	
401-1	Recruitment of new employees and staff turnover	5.3.5.1 Changes in the workforce
401-2	Benefits granted to full-time employees and not to temporary or part-time employees	5.3.2.2 Building loyalty
401-3	Parental leave	5.3.2.3 Manage working time, work-life balance and the right to disconnect 5.4.3.2 Gender Equality Index

GRI standard	Title	URD section concerned / response
GRI 403	**Workplace health and safety 2018**	
403-1	Workplace health and safety management system	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-2	Hazard identification, risk assessment and investigation of adverse events	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-3	Workplace health services	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-4	Employee participation and consultation and communication on workplace health and safety	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-5	Worker training on workplace health and safety	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-6	Promoting workers' health	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-7	Prevention and reduction of impacts on health and safety at work directly related to business relationships	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-8	Workers covered by a workplace health and safety management system	5.3.2.3 Safeguarding physical and mental well-being of employees at work
403-9	Workplace accidents	5.3.5.5 Workplace accidents
403-10	Occupational illnesses	5.3.5.5 Workplace accidents
GRI 404	**Training and education 2016**	
404-1	Average number of training hours per year per employee	5.3.1.2 Continuous training
404-2	Employee skills upgrading programmes and programmes for transition assistance	5.3.1.2 Continuous training
404-3	Percentage of employees benefiting from performance and career development reviews	5.3.1.2 Continuous training
GRI 405	**Diversity and equal opportunities 2016**	
405-1	Diversity of governance bodies and employees	5.3.4 Diversity, Equity and Inclusion
405-2	Ratio of basic salary and compensation of women and men	5.3.4.2 Gender Equality Index
GRI 406	**Fight against discrimination 2016**	
406-1	Cases of discrimination and corrective measures taken	5.3.3 Culture and conduct 5.4.2.1 Code of conduct
GRI 407	**Freedom of association and collective bargaining 2016**	
407-1	Freedom of association and collective bargaining 2016	5.3.2.2 Building loyalty
GRI 408	**Child labour 2016**	
408-1	Operations and suppliers presenting a significant risk related to child labour	5.1.2 CSR governance and main commitments ALD steers its development according to the values and principles set forth in the key agreements and international pacts to which Societe Generale adheres, notably the ILO.
GRI 409	**Forced or compulsory labour 2016**	
409-1	Operations and suppliers presenting a significant risk of forced or compulsory labour	5.1.2 CSR governance and main commitments ALD steers its development according to the values and principles set forth in the key agreements and international pacts to which Societe Generale adheres, notably the ILO.

GRI standard	Title	URD section concerned / response
GRI 410	**Safety practices 2016**	
410-1	Training of security personnel on policies and procedures relating to human rights	5.1.2 CSR governance and main commitments
GRI 414	**Social assessment of suppliers 2016**	
414-1	New suppliers analysed using social criteria	5.4.2.3 Environmental and social policies (E&S)
414-2	Negative social impacts on the supply chain and actions taken	5.4.2.3 Environmental and social policies (E&S)
GRI 416	**Consumer Health and Safety 2016**	
416-1	Measurement of the impacts of product and service categories on health and safety	5.2.1 The energy transition and low-emission vehicles
GRI 418	**Customer data confidentiality 2016**	
418-1	Well-founded complaints about breaches of confidentiality of customer data and loss of customer data	1.3 Information technology 4.5.1 IT risks 5.4.4 Data protection

6

Financial information

6.1 Consolidated financial statements

6.1.1 Consolidated income statement and statement of comprehensive income

Consolidated income statement

(In EUR million)	Notes	Year ended 31 December 2023	Restated 2022 [1]
Leasing contract revenues	8a, 8d	8,033.7	4,803.9
Leasing contract costs - depreciation	8a	(5,685.7)	(3,433.1)
Leasing contract costs - financing	8a	(1,044.7)	(244.1)
Unrealised gains/losses on financial instruments and other	8a	(41.4)	54.5
Leasing contract margin		**1,261.9**	**1,181.2**
Services revenues	8b, 8d	4,391.2	2,657.4
Cost of services revenues	8b	(3,037.0)	(1,942.3)
Services margin		**1,354.2**	**715.1**
Proceeds of cars sold	8c, 8d	6,458.8	3,953.6
Cost of cars sold	8c	(6,109.3)	(3,205.9)
Used Car Sales result		**349.5**	**747.6**
GROSS OPERATING INCOME		**2,965.6**	**2,643.9**
Staff expenses	10	(936.1)	(517.8)
General and administrative expenses	10	(519.5)	(298.1)
Depreciation and amortisation	10	(136.0)	(66.7)
Total Operating Expenses		**(1,591.6)**	**(882.7)**
Impairment charges on receivables	9	(70.7)	(46.1)
Other income/(expense)	11	(14.0)	(50.6)
OPERATING RESULT		**1,289.3**	**1,664.5**
Share of profit of associates and jointly controlled entities		6.4	1.7
Profit before tax		**1,295.7**	**1,666.1**
Income tax expense	12	(374.0)	(445.9)
Profit for the period from continuing operations		**921.7**	**1,220.2**
Loss after tax for the period from discontinued operations	7	(77.6)	–
NET INCOME		**844.1**	**1,220.2**
Net income attributable to:			
Equity holders of the parent		816.2	1,215.5
Non-controlling interests		27.9	4.7

Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Parent:		**2023**	**2022**
Basic earnings per share (in EUR)	35	1.19	1.19
Diluted earnings per share (in EUR)	35	1.08	2.69

Earnings per share for Net income attributable to the ordinary equity holders of the parent:		**2023**	**2022**
Basic earnings per share (in EUR)	35	1.17	2.68
Diluted earnings per share (in EUR)	35	1.07	2.68

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries

Consolidated statement of comprehensive income

(in EUR million)	Notes	Year ended 31 December 2023	Restated 2022 [(1)]
NET INCOME		**844.1**	**1,220.2**
Other comprehensive income that will not be reclassified subsequently to the income statement		**(3.1)**	**2.2**
Remeasurement gain/(loss) on post-employment benefit obligations, before tax		(4.1)	2.7
Income tax on these post-employment benefit obligations		1.0	(0.4)
Other comprehensive income that may be reclassified subsequently to the income statement		**0.4**	**73.1**
Changes in cash flow hedges, before tax [(2)]	19	(90.6)	57.4
Income tax on cash flow hedges		25.7	(12.0)
Gain/(loss) on the debt instruments at fair value through other comprehensive income [(3)]		9.6	(17.4)
Income tax on changes in the fair value of the debt instruments		(1.2)	2.2
Currency translation differences [(4)]		56.9	43.0
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		**(2.7)**	**75.3**
Total comprehensive income for the period		**841.4**	**1,295.5**
Total comprehensive income attributable to:			
Equity holders of the parent		813.4	1,291.4
Non-controlling interests		28.0	4.1
Total comprehensive income attributable to owners of the parent arises from:			
Continuing operations		890.9	1,291.4
Discontinued operations	7	(77.6)	–

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries
(2) Level 2 valuation of derivatives obtained from third parties (see note 26 for further details)
(3) Gain/(loss) on debt instruments at fair value through other comprehensive income relates to the corporate bond in Ireland Re DAC subsidiary
(4) Currency translation reserves have been positively impacted by the application of hyperinflation accounting in the Group's subsidiaries in Turkey (EUR +71 million) and disposal of ALD Russia and ALD Norway (EUR +79 million)

6.1.2 Consolidated balance sheet

(in EUR million)	Notes	Year ended 31 December 2023	Restated 2022 [1]
Assets			
Rental fleet	13	49,765.2	23,227.4
Other property and equipment	14	194.2	96.9
Right-of-use assets	15	234.6	132.2
Goodwill	16	1,990.9	618.6
Other intangible assets	17	703.9	126.6
Investments in associates and jointly controlled entities	18	56.7	7.9
Derivative financial instruments	19	226.6	118.9
Deferred tax assets [1]	12	314.5	118.9
Other non-current financial assets	20	244.7	206.0
Non-current assets		**53,731.5**	**24,653.5**
Inventories	21	806.6	395.3
Lease receivables from clients	22	4,545.2	1,849.1
Receivables from credit and other institutions	23	3,103.4	1,256.8
Current income tax receivable [1]		203.3	108.5
Other receivables, prepayments and contract assets [1]	24	2,951.0	1,359.3
Derivative financial instruments	19	156.6	10.0
Other current financial assets	20	766.5	331.6
Cash and cash equivalents	25	3,997.0	253.1
Current assets		**16,529.7**	**5,563.8**
Assets of disposal group classified as held-for-sale	7	–	1,085.0
TOTAL ASSETS		**70,261.1**	**31,302.3**
Equity and liabilities			
Share capital	27	1,225.4	848.6
Share premium	27	3,819.4	1,327.9
Other equity instruments	27	859.9	(16.1)
Retained earnings and other reserves [1]	27	4,105.1	3,499.6
Net income [1]		816.2	1,215.5
Equity attributable to owners of the parent		**10,826.1**	**6,875.5**
Non-controlling interests		525.6	36.8
Total equity		**11,351.7**	**6,912.3**
Borrowings from financial institutions	29	14,623.6	10,613.1
Bonds and notes issued	29	12,777.3	3,573.4
Deposits	29	4,041.5	–
Derivative financial instruments	19	471.7	78.1
Deferred tax liabilities	12	1,294.9	665.9
Lease liabilities	15	191.9	74.9
Retirement benefit obligations and long term benefits	31	34.2	13.9
Provisions	32	340.4	45.5
Non-current liabilities		**33,775.6**	**15,064.9**

(in EUR million)	Notes	Year ended 31 December 2023	Restated 2022 (1)
Borrowings from financial institutions	29	6,864.9	3,958.0
Bonds and notes issued	29	3,360.9	1,729.9
Deposits	29	7,743.2	–
Trade and other payables	33	6,034.7	2,928.6
Lease liabilities	15	60.3	42.3
Derivative financial instruments	19	174.1	10.9
Current income tax liabilities		326.6	172.4
Provisions	32	569.1	255.8
Current liabilities		**25,133.8**	**9,098.0**
Liabilities of disposal group classified as held-for-sale	7	–	227.1
TOTAL LIABILITIES		**58,909.5**	**24,389.9**
TOTAL EQUITY AND LIABILITIES		**70,261.1**	**31,302.3**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 “Insurance Contracts” and IFRS 9 “Financial Instruments” to insurance subsidiaries

6.1.3 Consolidated statement of changes in equity

	Attributable to equity holders of the Company									
(in EUR million)	Share capital	Share premium	Other equity instruments	Translation reserves [1]	Other reserves [1]	Net income	Retained earnings	Equity attributable to the equity holders of the parent	Non-controlling interests [2]	Total equity
Balance as at 1 January 2022	**606.2**	**367.0**	**(13.2)**	**(183.9)**	**3.4**	**873.0**	**3,159.3**	**4,811.8**	**33.8**	**4,845.6**
Adoption of IFRS 17 [3]	–	–	–	–	–	–	6.7	6.7	–	6.7
Balance as at 1 January 2022 (restated)	**606.2**	**367.0**	**(13.2)**	**(183.9)**	**3.4**	**873.0**	**3,166.0**	**4,818.5**	**33.8**	**4,852.3**
Changes in cash flow hedges	–	–	–	–	45.4	–	–	45.4	–	45.4
Changes in fair value of debt instruments	–	–	–	–	(15.2)	–	–	(15.2)	–	(15.2)
Remeasurement of post-employment benefit obligations	–	–	–	–	2.2	–	–	2.2	–	2.2
Currency translation differences	–	–	–	43.6	–	–	–	43.6	(0.6)	43.0
Other comprehensive income	**–**	**–**	**–**	**43.6**	**32.4**	**–**	**–**	**75.9**	**(0.6)**	**75.3**
Net income	–	–	–	–	–	1,215.5	–	1,215.5	4.7	1,220.2
Total comprehensive income for the period	**–**	**–**	**–**	**43.6**	**32.4**	**1,215.5**	**–**	**1,291.4**	**4.1**	**1,295.5**
Proceeds from shares issued	242.5	960.9	–	–	–	–	–	1,203.4	–	1,203.4
Acquisition of treasury shares	–	–	(5.4)	–	–	–	–	(5.4)	–	(5.4)
Share-Based payments	–	–	–	–	2.9	–	–	2.9	–	2.9
Issue of treasury shares to employees	–	–	2.4	–	(2.4)	–	–	–	–	–
Dividends	–	–	–	–	–	–	(435.2)	(435.2)	(9.9)	(445.1)
Scope changes	–	–	–	–	–	–	(0.1)	(0.1)	8.9	8.8
Appropriation of Net income	–	–	–	–	–	(873.0)	873.0	–	–	–
Other [4]	–	–	–	–	0.1	–	(0.1)	–	–	–
Balance as at 31 December 2022 (restated)[3]	**848.6**	**1,327.9**	**(16.1)**	**(140.4)**	**36.4**	**1,215.5**	**3,603.6**	**6,875.5**	**36.8**	**6,912.3**
Changes in cash flow hedges	–	–	–	–	(64.9)	–	–	(64.9)	–	(64.9)
Changes in fair value of debt instruments	–	–	–	–	8.4	–	–	8.4	–	8.4
Remeasurement of post-employment benefit obligations	–	–	–	–	(3.1)	–	–	(3.1)	–	(3.1)
Currency translation differences	–	–	–	56.8	–	–	–	56.8	0.1	56.9
Other comprehensive income	**–**	**–**	**–**	**56.8**	**(59.6)**	**–**	**–**	**(2.9)**	**0.1**	**(2.7)**
Net income	–	–	–	–	–	816.2	–	816.2	27.9	844.1
Total comprehensive income for the period	**–**	**–**	**–**	**56.8**	**(59.6)**	**816.2**	**–**	**813.4**	**28.0**	**841.4**

(in EUR million)	Share capital	Share premium	Other equity instruments	Translation reserves [1]	Other reserves [1]	Net income	Retained earnings	Equity attributable to the equity holders of the parent	Non-controlling interests [2]	Total equity
	Attributable to equity holders of the Company									
Shares issued	376.8	2,491.5	–	–	–	–	–	2,868.3	–	2,868.3
Issue of warrants	–	–	128.1	–	–	–	–	128.1	–	128.1
Acquisition of treasury shares	–	–	(4.9)	–	–	–	–	(4.9)	–	(4.9)
Share-Based payments	–	–	–	–	3.3	–	–	3.3	–	3.3
Issue of treasury shares to employees	–	–	2.8	–	(2.8)	–	–	–	–	–
Dividends	–	–	–	–	–	–	(598.8)	(598.8)	(8.6)	(607.4)
Scope changes	–	–	–	–	–	–	(0.8)	(0.8)	506.2	505.4
Proceeds from AT1 capital	–	–	750.0	–	–	–	–	750.0	–	750.0
Dividend paid on AT1 capital	–	–	–	–	–	–	(7.8)	(7.8)	(36.9)	(44.7)
Appropriation of Net income	–	–	–	–	–	(1,215.5)	1,215.5	–	–	–
Balance as at 31 December 2023	**1,225.4**	**3,819.4**	**859.9**	**(83.6)**	**(22.8)**	**816.2**	**4,211.6**	**10,826.1**	**525.6**	**11,351.7**

(1) See note 27 for further details
(2) Including AT1 interest coupon. See note 27 for further details
(3) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries
(4) Reclassification between equity components

6.1.4 Consolidated statement of cash flows

(in EUR million)	Notes	For the twelve months period ended 2023	Restated 2022 [1]
Cash flows from operating activities			
Profit before tax		**1,295.7**	**1,666.1**
Adjustments for:			
• Depreciation and impairment of rental fleet assets	13	6,038.0	3,573.6
• Depreciation and impairment of other property, equipment and right-of-use assets		104.4	73.5
• Amortisation and impairment of intangible assets		115.6	25.5
• Changes in regulated provisions, contingency and expense provisions		32.7	23.0
• Changes in insurance and reinsurance contract assets/liabilities [1]		115.3	–
• Non-current assets held for sale - impairment		–	50.6
Depreciation and provision		**6,405.9**	**3,746.2**
(Profit)/loss on disposal of property and equipment		37.7	13.3
(Profit)/loss on disposal of intangible assets		17.6	16.0
Profit and losses on disposal of assets		**55.3**	**29.3**
Fair value changes in derivative and other financial instruments		276.6	1.8
Effect of hyperinflation adjustments		(95.7)	(52.4)
Interest Charges	*8a*	*1,052.6*	*244.1*
Interest Income		*(1,877.8)*	*(919.6)*
Net interest income		(825.3)	(675.5)
Other		3.3	1.2
Amounts received for disposal of rental fleet	13	7,253.4	3,916.6
Amounts paid for acquisition of rental fleet	13	(18,257.1)	(9,554.0)
Change in working capital		249.1	(329.9)
Interest Paid		*(1,044.6)*	*(196.2)*
Interest Received		*2,024.3*	*955.7*
Net interest paid		979.8	759.5
Income taxes paid		(375.6)	(195.5)
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES (CONTINUING ACTIVITIES)		**(3,034.6)**	**(686.6)**
Net cash inflow/(outflow) from operating activities (discontinued operations)	7	44.2	–
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		**(2,990.4)**	**(686.6)**
Cash flows from investing activities			
Acquisition of other property and equipment		(76.6)	(40.9)
Acquisition of intangible assets		(200.3)	(68.3)
Acquisition of financial assets (non-consolidated securities)		(3.2)	–
Effect of change in Group structure [2]	2	1,967.8	35.4
Proceeds from the sale of discontinued operations net of cash disposed	7	389.8	–
Long term investment		66.9	79.1
Loans and receivables from related parties		(1,214.4)	(1,017.9)
Other financial investment		(179.8)	28.8
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES (CONTINUING ACTIVITIES)		**750.1**	**(983.8)**

(in EUR million)	Notes	For the twelve months period ended 2023	Restated 2022 [1]
Net cash inflow/(outflow) from investing activities (discontinued operations)	7	4.4	–
NET CASH INFLOW/(OUTFLOW) FROM INVESTING ACTIVITIES		**754.5**	**(983.8)**
Cash flows from financing activities			
Proceeds from borrowings from financial institutions		10,533.7	7,383.9
Repayment of borrowings from financial institutions		(6,665.6)	(6,731.3)
Proceeds from issued bonds		5,507.6	1,990.8
Repayment of issued bonds		(4,141.3)	(1,351.4)
Proceeds from deposits		5,737.1	–
Repayment of deposits		(5,285.3)	–
Proceeds from deeply subordinated notes		750.0	–
Payment of lease liabilities	15	(52.0)	(71.1)
Dividend paid on AT1 capital	27	(7.8)	–
Dividends paid to equity holders of the parent	34	(598.8)	(435.2)
Dividends paid to non-controlling interest	27	(8.6)	(9.9)
Dividend paid on AT1 capital to non-controlling interests	27	(36.9)	–
Increase/decrease in capital	27	(3.1)	1,203.4
Increase/decrease in treasury shares	27	(4.9)	(5.4)
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES (CONTINUING ACTIVITIES)		**5,724.2**	**1,973.8**
Net cash inflow/(outflow) from financing activities (discontinued operations)	7	(9.8)	–
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		**5,714.4**	**1,973.8**
Exchange gains/(losses) on cash and cash equivalents		(13.3)	(11.2)
Net increase/(decrease) in cash and cash equivalents		3,465.2	292.1
Cash & cash equivalents at the beginning of the period	**25**	**216.4**	**(75.7)**
CASH & CASH EQUIVALENTS AT THE END OF THE PERIOD	**25**	**3,681.6**	**216.4**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries

(2) Effects of changes in group structure mainly reflect cash flows associated with the acquisition of LeasePlan for EUR 1,945.6 million of which cash paid EUR 1,827.5 million, contingent consideration paid EUR 38.7 million and cash and cash equivalents inflow EUR 3,811.8 million. See note 2.1 for further details

6.2 Notes to consolidated financial statements

Note 1 General information

Ordinary operations

Ayvens refers to ALD ("the Company") and its subsidiaries (together "the Group"). Ayvens is a service leasing and vehicle Fleet Management group with a fleet of around 3.4 million vehicles. The Group provides financing and management services in 42 countries in the world as at the date of this Universal Registration Document, including the following businesses:

- Full Service Leasing: under a full service lease, the client pays the leasing company a regular monthly lease payment to cover financing, depreciation of the vehicle and the cost of various services provided in relation to the use of the vehicle (such as maintenance, replacement car, tyre management, fuel cards and insurance);
- Fleet Management: Fleet Management services include the provision of outsourcing contracts to clients under which the vehicle is not owned by the Group but is managed by the Group and for which the client pays fees for the various Fleet Management services provided. These services are generally identical to those listed under the full-service leasing above, with the exception of the financing service, as the vehicle is owned by the client.

In May 2023 the Group has obtained the regulated status as a Financial Holding Company ("FHC") and operates under the direct supervision of the European Central Bank. See note 3 for further details.

Registered office and ownership

The Company is a French *Société Anonyme* incorporated in Societe Generale. Its registered office is located at 1-3, rue Eugène et Armand Peugeot, Le Corosa, 92500 Rueil-Malmaison, France.

The Company is a subsidiary of the Societe Generale (52.59% ownership).

Note 2 Major events of the period

2.1 Acquisition of LeasePlan

Details of acquisition

On 22 May 2023, following the approval of ALD's shareholders and of the relevant regulatory authorities, ALD acquired 100% of LeasePlan for a consideration of EUR 4,897 million, subject to an additional contingent consideration of an amount up to EUR 235 million in cash.

The consideration includes:

- a cash component: EUR 1,828 million financed *via* a capital increase of EUR 1,212 million, already completed in December 2022, and EUR 616 million of subordinated debt (Tier 2) fully subscribed by Societe Generale;
- a share component: 251,215,332 newly created ALD shares, representing 30.75% of the total Combined Group's shares after the completion of the acquisition, and before the exercise of warrants. The value of this share component amounts to EUR 2,871 million, based on the fair value of ALD's shares of EUR 11.43 at the completion date;
- a warrant component: ALD has issued 26,310,039 warrants attached to ALD's shares (ABSA) for the benefit of LeasePlan's selling shareholders, so that their total shareholding would reach 32.91% in case of full exercise of warrants. These warrants were valued at EUR 128 million, as at 22 May 2023 and are recorded in Other equity instruments in the Group balance sheet. This value was determined based on a Black & Scholes mathematical valuation model, taking as main assumptions the exercise possible at any time between 1 and 3 years; a euro area risk-free interest rate and an assumed historical volatility of the observed ALD share of around 30%. Main warrant characteristics are as follows:
  - exercisable if the ALD share price exceeds EUR 14.07,
  - 1 ordinary share at EUR 2.00 strike price,
  - 1 ALD share for 1 warrant;
- contingent consideration: the Group assessed the fair value of the earn-out consideration for the determination of the Acquisition cost at EUR 69.6 million at the closing date of the transaction. In the Group financial statements, the contingent consideration is recorded as Trade and other payables as at 31 December 2023. The earn-out amount to be paid by the Group is dependent on the achievement of pre-agreed regulatory optimisation targets. The maximum possible earn-out to be paid to the vendor is EUR 235 million. Any variations of the earn-out fair value would be accounted through the income statement or through goodwill in accordance with relevant standards. The earn out mechanism will last until 31 December 2024, subject to an additional 6 month period in certain limited circumstances, with potential payments every quarter.

On 22 March 2023, the Group had entered into a share agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and Czech Republic which were all subsequently sold on 1 August 2023. These disposals were completed to honour the commitments made by ALD in the context of the clearance by the European Commission of the acquisition of LeasePlan, to address concentration risk in the countries concerned. For further information refer to note 7.

Before the completion of the LeasePlan acquisition, Societe Generale held approximately 75.9% of the ALD share capital. Upon completion of the Acquisition, Societe Generale remains the majority shareholder with a stake of 52.59% of the Company. This stake may be reduced to 50.95% in the event of the exercise of the call option of the shares with warrants attached that have been granted to LeasePlan's former shareholders to allow them to increase their stake up to 32.91% of the Company's capital. The former LeasePlan shareholders consortium led by TDR capital holds 30.75% of the combined entity, while the free float represents 16.40%.

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

(in EUR million)	As at 31 December 2023
Purchase price paid in ALD equity instruments [(1)]	**2,999.5**
of which:	
Purchase price paid in ALD shares [(2)]	2,871.4
Fair value of warrants attached to shares	128.1
Purchase price paid in cash	**1,827.5**
of which:	
Capital increase	1,212.0
Tier 2 subordinated debt	615.5
TOTAL PURCHASE PRICE	**4,827.0**
Contingent consideration [(3)]	**69.6**
TOTAL PURCHASE PRICE INCLUDING CONTINGENT CONSIDERATION	**4,896.7**

(1) Excluding equity transaction costs amounting to EUR 11.3 million for the rights issues completed in December 2022 and EUR 0.8 million for the capital increase in May 2023
(2) Of which 26,310,039 shares with warrants attached
(3) ALD estimate at the date of the acquisition

Purchase price allocation

LeasePlan's identifiable assets and liabilities were measured at fair value at the date of the takeover by ALD.

The purchase price was allocated to newly identified intangible assets including customer relationships and as at 31 December 2023 the Group has recognised a goodwill of EUR 1,396 million.

(in EUR million)	Allocations as at acquisition date (historical net book value)	Fair value adjustments	Allocations after fair value adjustments
Lease assets - revenue earning fleet [(1)]	22,431.9	373.8	22,805.7
Other intangible assets	537.1	(50.7)	486.3
o/w Customer relationships	*124.4*	*154.6*	*279.0*
Lease receivables from clients	683.0	–	683.0
Receivables from financial and other institutions	614.6	–	614.6
Cash & Cash equivalents	3,811.8	–	3,811.8
Financial debt	(23,347.3)	32.9	(23,314.3)
Net tax assets and liabilities	(505.0)	(63.9)	(568.9)
Net other assets and liabilities	(443.4)	(61.1)	(504.5)
Fair value of assets and liabilities acquired (C)	**3,782.8**	**230.9**	**4,013.7**
Non-controlling interests [(2)] (B)	**513.0**	**–**	**513.0**
TOTAL PURCHASE PRICE (A)	**4,896.7**	**–**	**4,896.7**
Goodwill (A)+(B)-(C)	**1,626.9**	**(230.9)**	**1,396.0**

(1) Operating and finance leases
(2) AT1 capital

Valuation methods

The fair values of the assets acquired and liabilities assumed have been determined using various valuation methods as described below.

The fleet is the Company's main asset and at the date of the acquisition LeasePlan managed circa 1.6 million vehicles comprising funded and unfunded fleet. A revaluation has been performed solely on the funded fleet segment as it represents vehicles owned by LeasePlan. Fair value of the fleet is obtained by adding the sum of the future discounted cash flows (DCF) of lease and additional services with the discounted terminal value (residual value of the vehicle which is its expected sales price). The valuation implemented relies on DCF model for each contract and considers regional parameters such as specific tax rates and country risk premia. Fair value of the fleet under IFRS 3 includes both operating and finance leases recorded respectively in the opening balance sheet under captions Rental fleet and Lease receivables from clients.

Customer relationships intangible asset has been recognised separately from goodwill and it materialises the loyalty of B2B fleet customers to LeasePlan. The customer relationships valuation is based on the Multiple Period Excess Earnings Method. This method is based on the concept of value creation: the surplus profit generated by an intangible asset in a given financial year. The method is based on after-tax operating margin, less the capital cost of support assets required for its operation. Amortisation period for customer relationships intangible asset is 15 years.

The valuation of software is based on replacement costs new multiplied by a completion rate by domain. Under this approach, the fair value of LeasePlan's software is determined by reference to the reproduction or replacement cost new of modern equivalent asset optimized for over-design, over capacity and redundant asset and adjusted to reflect losses in value attributable to physical depreciation and obsolescence. In the framework of the valuation, the Group has estimated the cost that would be incurred to develop each domains needed to have a fully functional technology. In the frame of the PPA, assets have been revalued integrating market participants considerations according to IFRS 3. Consequently, a benchmark of IT landscape of the leasing peers has been performed by the third party provider.

In the context of PPA, inventories including mainly cars to be sold after contract termination, have been revalued using the Net Realisable Value approach in order to have a fair value close to the market value.

A significant part of LeasePlan's fleet is financed through indebtedness. Given the volatility of the markets, a revaluation has been performed in order to ensure the financial debt is close to actual market conditions. Discounted cash flow valuation approach has been used to establish line by line projection of each cash flows based on observable market data, fixed/floating rate, frequency, maturity and notional amounts.

Tax provisions were reassessed in order to include additional risk provisions as at the acquisition date.

The deferred tax asset/liability arising as a result of fair value adjustments is included within the fair value of LeasePlan's net assets at acquisition.

The key assumptions and estimates in the valuation methods, to which the assets and liabilities items of the opening balance sheet are sensitive, include, amongst others, margin rate, discount rate of future cash flows, churn rate of customer contracts and future estimated sale prices of vehicles.

LeasePlan's activities have been included in the Group consolidated financial statements since 22 May 2023. As at 31 December 2023, the contribution of LeasePlan's activities amounts to EUR 24.1 million in Net income. This contribution includes significant impacts which relate to either acquisition accounting or exceptional items.

Impacts on income statement

Impacts of these items are recorded in the Group's Net income in 2023 are presented in the table below:

(in EUR million)	Total Group [(1)]	Contribution of LeasePlan [(2)]	PPA	Adjusted contribution of LeasePlan [(3)]
Leasing contract margin	1,261.9	72.5	5.9	66.6
Services margin	1,354.2	652.3	23.1	629.2
Used Car Sales result	349.5	(47.7)	(192.8)	145.1
GROSS OPERATING INCOME	**2,965.6**	**677.1**	**(163.8)**	**840.9**
Total Operating Expenses	**(1,591.6)**	**(651.1)**	**10.4**	**(661.5)**
Impairment charges on receivables	(70.7)	(17.4)	–	(17.4)
Other income (expense)	(14.0)	9.9	(4.6)	14.5
OPERATING RESULT	**1,289.3**	**18.5**	**(158.0)**	**176.5**
Share of profit of associates and jointly controlled entities	6.4	5.0	–	5.0
Profit before tax	**1,295.7**	**23.5**	**(158.0)**	**181.5**
Income tax expense	(374.0)	1.1	34.8	(33.7)
Profit for the period from continuing operations	**921.7**	**24.6**	**(123.1)**	**147.8**
Profit (loss) for the period from discontinued operations	**(77.6)**	**(0.6)**	**(33.2)**	**32.6**
NET INCOME	**844.1**	**24.1**	**(156.3)**	**180.4**

(1) For the 12 months period ending on 31 December 2023
(2) For the period between acquisition date (22 May 2023) and reporting date (31 December 2023)
(3) Illustrative presentation of contribution excluding purchase price allocation (PPA) adjustments between acquisition date (22 May, 2023) and reporting date (31 December, 2023)

Pre-tax impact on the income statement from all PPA adjustments for the year ending 31 December, 2023 is EUR -202.5 million (including amortisation of the customer relationships intangible) offset by the positive impact of Used Car Sales result of EUR 145.1 million which was not recognised in the previous reporting periods of 2023.

Leasing contract margin

In addition to the impacts of PPA, Leasing contract margin of LeasePlan is negatively impacted by the mark to market loss of EUR 201.9 million on LeasePlan derivatives. LeasePlan holds a book of derivatives, whose purpose is to hedge the interest and foreign exchange rates exposure, when the profile of funding cannot be matched with that of the lease contract portfolio. While the Group is economically hedged, there can be accounting mismatches as operating leases do not qualify for hedge accounting under IFRS and hence derivatives are measured at fair value through the income statement. Mark to market of derivatives results from interest rate movements and reverses towards the derivative's maturity (pull to par). On acquisition of LeasePlan, micro fair value hedging was in place (through the use of interest rate swaps) as part of the Treasury risk management policy to mitigate exposure to changes in fair value of recognised liabilities, driven by the impact of the interest rate risk component of debt capital market transactions (publicly issued fixed rate bonds). As part of a periodic review of hedging strategy to comply with risk objectives, the Group decided to revoke these fair value hedge designations on 1 October 2023. As a result, the Group improved the compensation of fair values in its derivatives portfolio. For more details see note 4 "Financial Risk Management" and note 19 "Derivative financial instruments".

Used Car Sales result

At the date of the acquisition, the book value of the vehicles sold in the current period included a reduction in depreciation costs compared to the contractual costs where expected sales proceeds were forecast to be in excess of their net book value and for which depreciation had been adjusted or stopped. The impact of this reduction resulted in a further negative impact of EUR 223.9 million.

Operating Expenses

LeasePlan's operating expenses include costs to achieve integration of EUR 42.3 million and disposal costs for the remedy countries of EUR 19.4 million (see note 2.3).

Illustrative impacts on the income statement for 12 months

Had the acquisition taken place on 1 January 2023 and not on 22 May 2023, the full integration of LeasePlan would have resulted in an increase in the Group's Gross operating income (GOI) and profit before tax (PBT) by, respectively EUR 911 million and EUR 506 million. Methodology used to prepare illustrative GOI and PBT for 12 months has been aligned to the methodology used to prepare the *pro forma* financial information produced in application of AMF Prospectus regulations. There has been no adjustment to the period of purchase price accounting in terms of purchase price and values of assets and liabilities acquired in the *pro forma* income statement. The values used in the purchase price allocation exercise were backdated to reflect effects of the acquisition as if it had taken place on 1 January 2024.

Transaction costs and costs to achieve integration

As at 31 December 2023, the Group recorded EUR 36.2 million of costs incurred due to the disposal of all remedies (ALD and LeasePlan) and EUR 170 million of costs to achieve integration (including EUR 18.5 million of transaction costs directly attributable to the acquisition) in "Operating Expenses".

Ayvens – combined entity and global mobility brand

In October 2023, the Group announced Ayvens, its new global mobility brand, which unites the two companies together under a single common identity. The combined entity is the leading multi-brand car leasing company worldwide, covering all customer categories. The integration of LeasePlan started immediately after the closing of the acquisition and is progressing smoothly according to plans. Leveraging on the respective strengths, complementarities and the enhanced scale, the combined entity targets to achieve substantial commercial, operational and supply chain synergies, further improving its position in the industry and reinforcing its resilience through the economic cycle. The main areas of expected synergies are in procurement, facilities, Information Technology ("IT") and other operational costs. Synergies have been estimated at EUR 440 million (before tax) and are expected to fully materialize by 2026. Total cumulated costs to achieve integration are estimated at EUR 525 million over 2022-2025.

ALD and LeasePlan serve the same three client segments (large corporates, SMEs, individual consumers), but each of them has specific areas of leadership. LeasePlan has a network of large and very large blue-chip international and national corporate clients and has been particularly strong in this segment in which there is limited customer overlap with ALD. ALD has developed a strong partnership network with more than 200 partners across a large spectrum of sectors. It has allowed the Company to rapidly develop its presence in the SME and individual consumers segments. This is expected to give Ayvens the best footprint across all segments.

ALD's funding mix and strong credit ratings facilitate efficient access to external funding. LeasePlan also relies on its deposit collection platforms in Germany and the Netherlands. The combined entity therefore has an enlarged and diversified base of funding sources.

2.2 Disposal of subsidiary in Russia

On 20 April 2023 and on 30 October 2023, the Group completed the disposal of its subsidiaries ALD Russia and ALD Belarus to JSC Tsk. The sale has received clearance from the relevant regulatory authorities. Both entities operated a 13,400 funded fleet, representing less than 1% of ALD's Fleet. ALD Russia and ALD Belarus were classified as held for sale in the Group's consolidated financial statements ending 31 December 2022. The loss on sale of both subsidiaries amounted to EUR 101.5 million and it is recorded in the income statement under the caption of "Result after tax from discontinued operations" (see note 7 for further details).

2.3 Antitrust remedies in relation to the acquisition of LeasePlan

In the context of the LeasePlan acquisition completed on 22 May 2023, ALD has obtained all merger control clearances conditioning the completion of this acquisition. The last clearance was obtained from the European Commission on 25 November 2022. The European Commission's approval was conditional upon the divestiture of the subsidiaries carrying on the full-service leasing and Fleet Management business of ALD in Portugal, in Ireland and in Norway, and of LeasePlan in the Czech Republic, in Finland and in Luxembourg. On 22 March 2023, the Group has entered into a share purchase agreement to sell these subsidiaries to Credit Agricole Consumer Finance and Stellantis. The sale completed on 1 August 2023, resulting in a total loss on disposal of EUR 3.1 million which is recorded in the income statement under the caption of "Result after tax from discontinued operations" (see note 7 for further details).

Note 3 Significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. All valuation methods are defined in the Notes describing the relevant categories. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Basis of preparation

Statement of compliance

The Group's audited consolidated financial statements as at 31 December 2023, were authorised for issue by the Board of Directors on 21 March 2024. The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS. The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB).

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

Financial Holding Company status

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

Going concern

The balance sheet of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Group financial statements and notes to the financial statements. Further details of our policy on financial risk management are set out in note 4 to the financial statements. The Group's net debt at 31 December 2023 was EUR 45.4 billion (2022: EUR 19.6 billion) and the Group liquidity position (defined as cash and undrawn committed facilities) of EUR 5.9 billion at 31 December 2023 remains strong. Details of borrowings and facilities are set out in note 29.

The Board is satisfied that the Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its current facilities for the period of at least 12 months from the date of approval of the financial statements. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

Hyperinflation in Turkey

On 16 March 2022, the International Practices Task Force of the Centre for Audit Quality, a standard reference for identifying countries with hyperinflation, published a working paper including Turkey in the list of hyperinflationary economies. Consequently, from 1 January 2022 onwards, the Group has been applying the provisions of the IAS 29 standard ("Financial Reporting in Hyperinflationary Economies") to the Group's Turkish subsidiaries (including the Turkish subsidiary obtained on acquisition of LeasePlan). 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.

Adjustments are made to the non-monetary assets and liabilities (with biggest impacts in rental fleet, and the Group Consolidated Reserves pertaining to the subsidiaries in Turkey). The carrying amounts of rental fleet are adjusted to reflect the change in the consumer price index (CPI) during 2023 and for LeasePlan subsidiary from the date of acquisition to the end of the reporting period. The Turkish consumer price index has been used to calculate the adjustments relating to the inflation.

The development of the CPI index in the current and previous reporting periods is as follows:

	12/2020	12/2021	12/2022	12/2023
Conversion coefficient	443.34	603.28	990.91	1,632.85
CPI Index (12 months)	14.60	36.08	64.27	64.77

The financial statements of the Turkish subsidiaries are based on a historic cost. Non-monetary items in the financial statements have been restated for the change in CPI from the date of their acquisition or initial recognition to the end of the reporting period.

Gains or losses on all subsequent hyperinflation adjustments, such as restatement of non-monetary assets and liabilities, restatement of incomes and expenses at transaction date and the counterpart of restatement all components of equity from the beginning of the period, are recognised in the income statement in "Unrealised gains and losses on financial instruments and other". An impairment loss will be recognised in the income statement if the restated amount of the book value of vehicles exceeds their estimated recoverable amount, and these are recognised in the income statement in "Leasing contract costs – depreciation". Restatement of all components of equity is recorded in the hyperinflation reserve which is reclassified to the translation reserves of the Turkish subsidiaries upon consolidation. Reclassification is done on the basis of the economic interrelationship between the changes in exchange rates and inflation (*i.e.* as prices measured in hyperinflationary currency increase, their value against other currencies tends to decrease at a rate that reflects the excess of price inflation in the hyperinflationary currency compared to price inflation in other currencies). Translation reserves in 2023 have been positively impacted by such a reclassification of EUR 71 million (2022: 59.3 million).

All items in the statement of cash flows which relate to the Turkish subsidiaries are expressed in terms of the consumer price index at the end of the reporting period.

As at 31 December 2023 Leasing contract margin includes the gain of EUR 140.1 million (2022: EUR 59.9 million) for the consumer price index inflation applied to the book value of the Turkish subsidiaries fleet of vehicles, share capital and retained earnings. This uplift in book value has resulted in an impairment of EUR 67.2 million for year ending 31 December 2023 (2022: nil) relating to recoverability of the fleet assets and additional depreciation on the inflationary increase of EUR 33.7 million that have been included within the "Leasing contract costs – depreciation" line in the income statement, so overall the net impact on the Leasing contract margin amount is EUR 39.2 million. Deferred tax impact from these gains in 2023 is not material due to the change in the Turkish tax legislation which now permits the entities to adjust their financial statements for inflation for tax purposes. For further detail see note 5 "Critical accounting estimates and judgements".

Use of estimates, assumptions and judgements

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ significantly from these estimates if different assumptions or circumstances apply.

The material estimates, assumptions and underlying data that management makes relate to the valuation and impairment of fixed assets from operating leases, including the residual values at the end of the contract date, impairment of finance lease receivables, valuation allowance of inventories (terminated cars on stock), defined benefit pensions obligations, the fair value of derivatives, the assessment of the income tax position, damage risk retention provision and insurance/reinsurance provisions, the impairment of intangibles and goodwill, estimates in revenue recognition, the assessment of restructuring provisions and litigation provisions and customer price index related to hyperinflation. Information on the above-mentioned areas of estimation and judgement is provided in note 5 "Critical accounting estimates, assumptions and judgements".

The estimates and underlying assumptions are reviewed each financial reporting period. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period of the revision, or in any future periods affected if the revision affects both current and future periods. Disclosure of significant judgements and major sources of estimation uncertainty and related sensitivities is included in the specific notes to the balance sheet.

Changes in scope of consolidation

At 31 December 2023, all companies are fully consolidated, except four companies accounted using the equity method. Changes in the scope of consolidation compared to 31 December 2022 are as follows:

- on 20 April 2023 and on 30 October 2023, the Group completed the disposal of its subsidiaries ALD Russia and Belarus to JSC Tsk respectively. The sale has received clearance from the relevant Russian regulatory authorities. Both entities operated a 13,400 funded fleet, representing less than 1% of ALD's fleet. ALD Russia and Belarus were classified as held for sale in the Group's consolidated financial statements ending 31 December 2022 (see note 7 for further details);
- on 22 May 2023, the Group completed the acquisition of 100% of LeasePlan, one of the world's leading Fleet Management and mobility companies, from a consortium led by TDR Capital, for a total consideration of EUR 4.9 billion, paid through a combination of cash and ALD shares. The LeasePlan Group has been included in the consolidation scope from that date (see note 2 for further details). All companies of LeasePlan are fully consolidated except three entities accounted using the equity method;
- in the context of the LeasePlan acquisition, which was conditional upon the divestiture of the subsidiaries carrying on the full-service leasing and Fleet Management business of ALD in Portugal, in Ireland and in Norway, and of LeasePlan in the Czech Republic, in Finland and in Luxembourg, the Group has entered into a share purchase agreement on 22 March 2023 to sell these subsidiaries to Credit Agricole Consumer Finance and Stellantis. The sale completed on 1 August 2023 (see note 7 for further details).

3.2 Changes in accounting policies and disclosures

New and amended standards and Interpretations applicable as 1 January 2023

The Group has adopted the following new standards, amendments and interpretations to published standards for the first time for the financial year starting on 1 January 2023:

Accounting standards, amendments or Interpretations	Adoption dates by the European Union
IFRS 17 "Insurance Contracts"	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods, with the exception of IFRS 17 Insurance contracts.

Initial Application of IFRS 17 "Insurance Contracts" and of IFRS 9 "Financial Instruments" for Insurance Subsidiaries

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

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

IFRS 17 "Insurance Contracts"

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

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

Classification and measurement model

Grouping of Contracts

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

- onerous Contracts;
- profitable with no significant risk of becoming onerous; and
- other profitable contracts.

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

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

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

Measurement - Premium Allocation Approach (PAA)

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

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

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

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

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

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

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

Accounting treatment under the PAA

The following accounting treatments apply under the PAA approach:

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

Presentation of the financial performance

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

- portfolios of insurance contracts issued that are assets;
- portfolios of insurance contracts issued that are liabilities;
- portfolios of reinsurance contracts held that are assets;
- portfolios of reinsurance contracts held that are liabilities.

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

First time application of the IFRS 17 standard

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

Impact on the Group's Consolidated Balance Sheet

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

(in EUR million)	*Footnote*	Balances as at 31 December 2021	Balances as at 31 December 2022
Total assets under IAS 4		**26,991.4**	**31,351.0**
Adjustments:			
Receivables from clients and financial institutions	*1*	(56.0)	(52.0)
Other receivables and prepayments	*2*	4.8	4.6
Current and deferred tax	*3*	1.8	(1.3)
RESTATED TOTAL ASSETS UNDER IFRS 17		**26,942.0**	**31,302.3**
Total liabilities under IAS 4		**22,145.8**	**24,457.6**
Adjustments:			
Trade and other payable	*4*	(71.4)	(61.1)
Provision	*5*	12.5	(7.0)
Current and deferred tax	*3*	2.8	0.4
RESTATED TOTAL LIABILITIES UNDER IFRS 17		**22,089.7**	**24,389.9**
Total equity under IAS 4		**4,845.6**	**6,893.4**
Adjustments:			
Adjustment in respect of IFRS 17 for 2021	*6*	6.7	6.7
Adjustment in respect of IFRS 17 for 2022	*6*		12.2
RESTATED TOTAL EQUITY UNDER IFRS 17		**4,852.3**	**6,912.3**
RESTATED TOTAL LIABILITIES AND EQUITY UNDER IFRS 17		**26,942.0**	**31,302.3**

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

Impact on the Group's Consolidated Income Statement

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

(in EUR million)	*Footnote*	31 December 2022
Net income as reported on 31 December 2022 under IFRS 4		1,207.9
Increase in service margin	*1*	11.9
Decrease in operating expenses	*2*	1.7
Increase in income tax expense	*3*	(1.3)
RESTATED NET INCOME AS AT 31 DECEMBER 2022		**1,220.2**

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

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

IFRS 9 Financial Instruments

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

3.3 Standards and interpretations adopted by IASB but not yet applicable at 31 December 2023

IASB publishes accounting standards, amendments and interpretations, some of which have not been adopted by the European Union as at 31 December 2023. They are required to be applied from annual periods beginning on 1 January 2024 at the earliest or on the date of their adoption by the European Union. They were therefore not applied by the Group as at 31 December 2023. These amendments are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3.4 Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries as listed in note 41. Changes to the entities consolidated in the year ended 31 December 2023 have been explained in note 3.1.

3.4.1 Subsidiaries

Subsidiaries are all entities over which the Group has a controlling interest. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Group's accounting policies.

For non-wholly owned subsidiaries, non-controlling interests are presented in equity separately from the equity attributable to shareholders of the Company. Profit or loss and other comprehensive income are attributed to the shareholders of the Company and to non-controlling interests even if this results in the non-controlling interests having a deficit balance. Changes in ownership interest in subsidiaries that do not result in a change in control are accounted for in equity. The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recorded directly in equity and attributed to the shareholders of the Company.

3.4.2 Business combinations and disposals

The Group applies the acquisition method to account for business combinations.

The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the company acquired and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date in accordance with IFRS 3. The Group recognises any non-controlling interest in the company acquired on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

3.4.3 Associates

Associates are investments over which the Group has significant influence, which is the power to participate in the financial and operating policy decisions of the investee, but without the ability to exercise control or joint control. Typically, the Group owns between 20% and 50% of the voting equity of its associates.

The Company accounts for its investment in associates using the equity method. The Company's share of profits or losses of associates is recognised in the consolidated statement of income and its share of other comprehensive income (loss) of associates is included in other comprehensive income.

Unrealised gains on transactions between the Company and an associate are eliminated to the extent of the Company's interest in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Dilution gains and losses arising from changes in interests in investments in associates are recognised in the consolidated statement of income.

3.4.4 Joint arrangements

Joint arrangements are arrangements in which the Group shares joint control with one or more parties. Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the activities that significantly affect the arrangement's returns require the unanimous consent of the parties sharing control.

Judgement is required in determining this classification through an evaluation of the facts and circumstances arising from each individual arrangement. Joint arrangements are classified as either joint operations or joint ventures based on the rights and obligations of the parties to the arrangement. In joint operations, the parties have rights to the assets and obligations for the liabilities relating to the arrangement, whereas in joint ventures, the parties have rights to the net assets of the arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures.

Investments in joint ventures are accounted for using the equity method of accounting except when classified as held for sale. The Group's share of associates' and joint ventures' Net income is based on their most recent audited financial statements or unaudited interim statements drawn up to the Group's balance sheet date. Accounting policies of the joint ventures are modified where necessary to ensure consistency with the policies adopted by the Group.

The total carrying values of investments in joint ventures represent the cost of each investment including the carrying value of goodwill, the share of post-acquisition retained earnings, any other movements in reserves and any long-term debt interests which in substance form part of the Group's net investment, less any cumulative impairments. The carrying values of associates and joint ventures are reviewed on a regular basis and if there is objective evidence that an impairment in value has occurred as a result of one or more events during the period, the investment is impaired. Investments which have been previously impaired are regularly reviewed for indicators of impairment reversal.

The Group's share of an associate's or joint venture's losses in excess of its interest in that associate or joint venture is not recognised unless the Group has an obligation to fund such losses. Unrealised gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way, but only to the extent that there is no evidence of impairment.

3.4.5 Special purpose companies

Special purpose companies are companies created to accomplish a narrow and well-defined objective, such as the securitisation of leased assets. Details of our asset-backed securitisation programme are described in note 29 that involve the sale of future lease receivables and related residual value receivables to special purpose companies.

The financial statements of special purpose companies are included in the Group's consolidated financial statements where the substance of the relationship is that the Group continues to be exposed to risks and rewards from the securitised leased assets. The Group uses various legal entities, which have been incorporated specifically for the Group's securitisation transactions. These companies are consolidated in the financial statements of the Group based on the substance of the relationship.

3.5 Summary of significant accounting policies

3.5.1 Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in millions of euros, which is the Group's presentation currency and it has been rounded to the nearest million, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges and qualifying net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within "Interest income or charges". All other foreign exchange gains and losses are presented in the income statement within "Leasing contract margin".

Group companies

The results and financial position of all the Group entities (apart from those that operate in a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at weighted-average annual exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

Exchange differences on foreign currency balances with foreign operations for which settlement is neither planned nor likely to occur in the foreseeable future, and therefore form part of the Group's net investment in these foreign operations, are offset in the cumulative translation adjustment reserve. Cumulative translation differences are recycled from equity and recognised as income or expense on disposal of the operation to which they relate.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in comprehensive income.

Subsidiaries in Turkey which operate in a hyperinflationary economy have been translated wholly at the closing rate.

The main exchange rates used in the consolidated financial statements for the years ended 31 December 2023 and 31 December 2022 are based on Paris stock exchange rates and are as follows:

	31 December 2023		31 December 2022	
	Period-end Rate	**Average Rate**	**Period-end Rate**	**Average Rate**
EUR/Ukrainian Hryvnia	38.1500	36.9156	36.9170	34.4424
EUR/Brazilian Real	5.3618	5.4016	5.6386	5.4432
EUR/Turkish Lira	32.6531	32.6531	19.9649	19.9649
EUR/Mexican Peso	18.7231	19.1897	20.8560	21.2046
EUR/Swedish Krona	11.0960	11.4728	11.1218	10.6274
EUR/Indian Rupee	91.9045	89.3249	88.1710	82.7145
EUR/UK Pound	0.8691	0.8699	0.8869	0.8526

3.5.2 Dividends

Ordinary shares are classified as equity. Dividends are recognised as a liability in the balance sheet after approval of the profit distribution by the shareholders.

The proceeds of the issue of AT1 capital securities are available to the Group in perpetuity and are undated, deeply subordinated, resettable and callable. As the payment of distributions is wholly discretionary, the proceeds received and interest coupon, paid on them are recognised in equity. As there is no formal obligation to (re)pay the principal amount or to pay interest coupon, the capital securities are recognised as equity and the distributions paid on these instruments, as well as the transaction costs related to the issuance of the capital securities, are recognised directly in equity.

3.5.3 Lease operations

As a lessor the Group is required to determine at the inception of each lease contract whether the lease arrangement is an operating leases or finance lease. This assessment considers the substance of the transaction rather than the form of the contract and classification is based on the extent to which the lease transfers the risks and rewards incidental to ownership of the underlying asset. A lease is classified as a finance lease if it transfers substantially all the risks and rewards from ownership of an asset. Conversely, an operating lease is a lease that does not transfer substantially all the risks and rewards from ownership of an asset.

Various criteria are used to determine the lease classification of which the three most important are:

- whether the lease term is for the major part of the economic life of the asset;
- whether the present value of minimum lease payments amounts to at least substantially all of the fair value of the asset; and
- whether the lease transfers ownership of the vehicle to the lessee by the end of the lease term or if the lessee is reasonably certain to exercise their purchase option.

Operating lease portfolio

The Group as a lessor presents the assets subject to operating leases under “Rental fleet” in the balance sheet and mainly includes vehicles under operating leases, vehicles under short term rental contracts (less than 1 year) and available for rental vehicles.

The Group leases assets to its clients for durations that normally range between three to four years. In almost all cases, the leased assets are returned to the Group at the end of the contract term. In case of early termination in most of the cases there will be a settlement invoice and the risks are borne by the customer. Under the operating lease classification, the customers are offered various products that have different contractual terms, but where ultimately the risks and rewards incidental to ownership are retained by the Group. A customer may be entitled to receive a portion of the net positive result from factors that have resulted in the vehicle being above its expected residual value at the end of the lease. However, any negative result risk will still be borne by the Group.

Monthly fixed operating lease fees charged to the customer for the use of the vehicle over the duration of the contract period can comprise various components each having its own revenue recognition. Any unpaid lessee receivables are recorded in the balance sheet as “Lease receivables from clients”. See the Revenue recognition policy in note 3.5.20 for more details.

Measurement

Assets under operating lease and rental fleet are measured at cost less accumulated depreciation and impairment losses. The cost of the operating lease cars comprises their purchase price and any incremental and directly attributable costs of bringing the assets held for use in operating leases to working condition for its intended use (*e.g.* smart phone integration, anti-theft devices, *etc.*). Import duties and non-refundable purchase taxes are included in the purchase price and any trade discounts are deducted when calculating the purchase price. Initial external direct costs include commissions, legal fees and delivery cost where material. Furthermore, lease incentives and volume bonuses are also taken into account and depreciated over the expected lease term. The carrying amount of the Operating lease portfolio is presented in the category ‘Rental fleet’ on the balance sheet.

The operating lease and other leased car assets are depreciated on a straight-line basis over the estimated useful life (normally the contract period for operating leases) to their estimated residual value. The residual value and the useful life of the leased assets are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate (so-called prospective depreciation). Depreciation is recognised in the income statement.

Depreciation is not applied to new vehicles available for lease when these vehicles are not in the condition to be leased to customers. This often applies to vehicles bought for signed lease contracts or vehicles bought with the intention to lease that are temporary stored and not ready to be used.

For the impairment accounting policy refer to note 5 “Impairment of rental fleet”. Upon termination of the lease or rental contract the relevant assets are reclassified to the caption ‘Inventories’ at their carrying amount if the intention is to sell the used car or remain within “Rental fleet” if the intention is to lease the vehicle for a second term.

Finance lease portfolio

Finance leases are recognised in the balance sheet at an amount equal to the present value of the minimum leases payments and the unguaranteed residual value, after deduction of provisions deemed necessary in respect of bad and doubtful debts and any accumulated impairment losses. Initial direct costs and down-payments that are not refundable security deposits are included in the initial measurement of the finance lease receivables. The assets are presented within the category ‘Receivables from clients on the balance sheet (See note 22 for further details).

The finance lease instalments can comprise various components each having its own revenue recognition. Both invoiced but unpaid amounts and unearned amounts for finance leases are recorded in the balance sheet line as “Lease receivables from clients”. See the Revenue recognition policy in note 3.5.20 for more details.

Fleet Management services

These services include arranging for vehicle delivery and administration of the title and registration process, as well as tax and insurance requirements, ensuring maintenance of the vehicle, pursuing warranty claims, providing fleet policy analysis and recommendations, benchmarking, and providing vehicle recommendations. Vehicles classified under this category are featured within the Off-Balance Sheet fleet and their related revenue is recognised within the Services revenue line.

3.5.4 Property and equipment

Other property and equipment

Other property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent expenditure on property and equipment is recognised in the carrying amount of the item only when it increases the future economic benefits embodied in the specific asset to which it relates, and its costs can be measured reliably. All other expenditure, including repairs and maintenance costs, are charged to the statement of income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

- Property: 20-50 years;
- IT equipment and servers: 3-5 years;
- Machinery and garage equipment: 5-10 years;
- Furniture and fixtures and office equipment: 3-10 years;
- Company cars: 3-5 years;
- Leasehold improvement: remaining leasehold term.

When parts of an item of other property and equipment have different useful lives, they are accounted for as separate items (major components). The carrying amount of a replaced part is derecognised when replaced. Residual values, method of depreciation and useful lives of the assets are reviewed annually and adjusted if appropriate. If an indicator of impairment, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

3.5.5 Right-of-use assets and lease liabilities

Lease term

The lease period to be applied in determining the rental payments to be discounted will match the non- cancellable period of the lease adjusted for:

- options to extend the contract that the lessee is reasonably certain to exercise;
- and early termination options that the lessee is reasonably certain not to exercise.

The measurement of the reasonable certainty of exercising or not exercising the extension or early termination options shall take into account all the facts and circumstances that may create an economic incentive to exercise or not to exercise these options.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (*i.e.* the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of the corresponding lease liability recognised, adjusted for any lease payments made at or before the lease commencement date, plus any initial direct costs incurred and an estimate of costs for dismantling, removing, or restoring the underlying asset and less any lease incentives received.

The right-of-use assets are depreciated over the lease term, defined as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. Depreciation expense is recorded in Depreciation and amortisation in the income statement.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of the expected future lease payments, calculated using the Group's incremental borrowing rate, adjusted to reflect the length of the lease and country of location.

Lease payments included in the lease liability consist of each of the following:

- fixed payments, including in-substance fixed payments;
- payments whose variability is dependent only upon an index or a rate, measured initially using the index or rate at the lease commencement date. The lease liability is revalued when there is a change in future lease payments arising from a change in an index or rate;
- any amounts expected to be payable under a guarantee of residual value;
- the exercise price of a purchase option that the Group is reasonably certain to exercise, the lease payments after the date of a renewal option if the Group is reasonably certain to exercise its option to renew the lease, and penalties for exiting a lease agreement unless the Group is reasonably certain not to exit the lease early.

Variable leasing costs (other than those referred to above and including those linked to usage) and the costs of non-lease components are not included in the lease liability and are charged to Leasing Contract costs as incurred.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change to the forecast lease payments or change in lease term. When the lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset.

Short-term leases and low-value assets

Leases with a term of less than 12 months or those with committed payments of less than $5,000 are not recognised in the balance sheet. The Group recognises payments for these leases as an expense on a straight-line basis over the lease term within "General and administrative expenses".

Income taxes

Deferred tax will be recorded on the basis of the net amount of taxable and deductible temporary differences. Generally, on the date of the initial recording of the right-of-use and the lease liability, no deferred tax is recorded as the asset value is equal to the liability value. The net temporary differences that may result from subsequent changes in the right-to-use and lease liability will result in the recognition of deferred tax.

Further details are provided in note 15 "Right-of-use assets and lease liabilities".

3.5.6 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures and represents the excess of the consideration transferred over the Group's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquirer. Goodwill is measured at cost less any accumulated impairment losses. When the excess is negative (negative goodwill), it is recognised immediately in the statement of income.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, which is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored as follows:

- at a subsidiary level for all significant and independent countries; In these countries, the activity of the subsidiary is driven independently, either because the market is specific or because the organisation has been built in order to drive the business on a standalone basis, helped with the technical support of the central functions of the headquarter; this is the case for most of the large subsidiaries in Europe (such as France, UK and Germany) and some medium and small subsidiaries in Asia;
- at an aggregated level ("hubs") when internal management reporting is organised to measure performance (and prepare business plans) at a higher level (group of CGUs). The Group identified the 7 following hubs:
  - Benelux Hub: Belgium, Luxembourg, the Netherlands,
  - Nordics Hub: Denmark, Finland, Norway, Sweden,
  - Central Europe Hub: Austria, Croatia, Czech Republic, Hungary, Serbia, Slovenia, Slovakia, Switzerland,
  - North Eastern Europe Hub: Estonia, Latvia, Lithuania, Poland, Ukraine,
  - South Eastern Europe Hub: Bulgaria, Greece, Romania, Turkey,
  - Mediterranean Hub: Algeria, Morocco,
  - South America, Africa and Asia: Brazil, Mexico, Chile, Peru, Colombia.

On 22 May 2023 the Group completed acquisition of LeasePlan (see note 2). Purchase price allocation exercise was completed shortly after the end of the reporting period and the goodwill recognised on acquisition is yet to be allocated to cash generating units. LeasePlan business continues to be integrated into the Group and the management will finalise allocation of the goodwill in the first semester of 2024 to the relevant CGUs.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

Further details are provided in note 5.2 "Estimated impairment of goodwill".

Software intangible assets

Internal software development costs are capitalised during the application development stage. The costs capitalised relate to external direct costs of materials and services and employee costs related to the time spent on the project during the capitalisation period. Capitalised software is evaluated for impairment annually or when changing circumstances indicate that amounts capitalised may be impaired. Impaired items are written down to their estimated fair values at the date of evaluation. Internally developed software is normally depreciated over its useful life, generally 3 to 5 years; however in some instances this can be longer.

3.5.7 Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill, that suffered impairment, are reviewed for possible reversal of the impairment at each reporting date.

Further details of rental fleet impairment, refer to note 5.3 "Impairment of rental fleet".

3.5.8 Non-current assets (or disposal groups) held for sale and discontinued operations

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal groups is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated balance sheet.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

The results of discontinued operations are presented separately in the income statement.

Additional disclosures relating to the Group's Discontinued Operations are provided in note 7.

3.5.9 Financial instruments

Classification

The Group classifies its financial assets in the following measurement categories:

a) those to be measured subsequently at fair value through profit or loss (FVTPL);

b) those to be measured subsequently at fair value through other comprehensive income (FVOCI); and

c) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in consolidated income statement or Other Comprehensive Income (OCI). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The Group reclassifies debt investments when and only when its business model for managing those assets changes. By default, derivative financial instruments will be classified as subsequently measured at fair value through profit or loss.

The Group has not elected to irrevocably designate any financial liability for FVTPL so all financial liabilities are measured at amortised cost unless they are held for trading, in which case the financial liability will be at FVTPL. Financial liabilities at FVTPL currently only include derivative financial instruments in the Group's financial statements (refer to derivatives policy and note 3.5.10).

Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the balance sheet:

- as at the settlement/delivery date for securities;
- as at the trade date for derivatives; and
- as at the disbursement date for loans.

A financial liability is recognised when the Group becomes party to a contractual obligation to deliver cash or another financial instrument to another entity.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Offsetting

Financial assets and liabilities are offset, and the net amount is presented in the balance sheet when the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and liability simultaneously. Income and expenses are presented on a net basis only when permitted by IFRS.

Measurement

At initial recognition, the Group measures a financial asset or financial liability at its fair value plus or less, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset or financial liability. Transaction costs of financial instruments carried at FVTPL are expensed in the consolidated income statement.

Financial asset debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- amortised cost: assets that are held for collection of contractual cash flows, where those cashflows represent solely payments of principal and interest, are measured at amortised cost less any impairment losses. Interest income from these financial assets is included in "leasing contract costs – financing" using the effective interest rate method. Transaction costs (including qualifying fees and commissions) are part of the amortised cost. Any gain or loss arising on derecognition is recognised directly in the income statement in "leasing contract costs – financing". Impairment losses are presented as separate line item in the income statement;
- FVOCI: assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in the income statement. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement and recognised in "unrealised gains/losses on financial instruments and other". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "unrealised gains/losses on financial instruments and other", and impairment expenses are presented as separate line item in the income statement;
- FVTPL: assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within "other income/(expenses)" in the period in which it arises.

Financial asset equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to the income statement following the derecognition of the investment. Dividends from such investments continue to be recognised in the income statement as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in "other income/(expenses)" in the income statement as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities at amortised cost

Borrowings and other financial liabilities, including debt securities issued and other borrowings, are initially measured at fair value, net of transaction costs. Borrowings and other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis. The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. Transaction costs are included in amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate (EIR). The EIR amortisation is included as finance costs in the income. For more information, refer to note 29 “Borrowings from financial institutions, bonds and notes issued”.

Fair value estimation

The Group measures financial instruments, such as derivatives, at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level of input that is significant to the fair value measurement as a whole:

- level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

3.5.10 Derivative financial instruments and hedging activities

In order to hedge its exposure to foreign exchange and interest rate, the Group enters into forward, option and swap contracts. None of these contracts meet the own use exemption in IFRS 9 and are accounted for as derivatives. Derivatives are financial instruments, of which the value changes in response to underlying variables. Derivative instruments are used as part of the overall strategy to manage exposure to market risks primarily associated with fluctuations in interest rates and foreign exchange rates through interest rate and currency swaps respectively. As a matter of policy, derivatives are not used for speculative purposes. The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into (trade date) and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The fair value of cross currency and interest rate swaps is the estimated amount that the Group would receive to sell an asset or pay to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of not-actively traded instruments are calculated using a generally accepted discounted cash flow method, while considering relevant market observable data such as quoted forward prices and interest rates. As a result of having collateral agreements in place for certain of its derivative counterparts, the requirement to reflect other observable market inputs such as CVA, DVA and FVA is eliminated for discounting purposes. The fair values of various derivative instruments used for hedging purposes are disclosed in note 19. Movements on the hedging reserve in other comprehensive income are shown in consolidated statement of changes in equity. The fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Changes in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows (cash flow hedges) are recognised directly in equity through Other Comprehensive Income. The gain or loss relating to the ineffective portion is recognised immediately in the income statement within “unrealised gains/losses on financial instruments”. If the cash flow hedge of a firm commitment or forecast transaction results in the recognition of a non-financial asset or liability, then, at the time the asset or liability is recognised, the associated gains or losses on the derivative that had previously been recognised in equity are included in the initial measurement of the asset or liability. For hedges that do not result in the recognition of a non-financial asset or liability, including the effective portion of interest rate swaps hedging variable rate borrowings, amounts deferred in equity are recognised in the income statement in the same period in which the hedged item affects profit or loss.

The Group only applies fair value hedge accounting for hedging fixed interest risk on borrowings. For an effective hedge of an exposure to changes in fair value, the hedged item is adjusted for changes in fair value attributable to the risk being hedged. The corresponding entry and gains or losses arising from remeasuring the associated derivative are recognised in the income statement within “unrealised gains/losses on financial instruments”. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group’s material hedging instruments are interest rate swaps and cross currency swaps that have similar critical terms to the related debt instruments, such as payment dates, maturities and notional amount. As all critical terms matched during the year, there was no material hedge ineffectiveness. The Group also uses cross currency swaps to manage foreign exchange risk associated with borrowings denominated in foreign currencies. Where not designated in an accounting hedge there is a natural offset against foreign exchange movements on associated borrowings.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, exercised, revoked, or no longer qualifies for hedge accounting. At that time, any cumulative gain or loss on the hedging instrument recognised in equity is retained until the forecast transaction occurs. If a hedge transaction is no longer expected to occur, the net cumulative gain or loss previously recognised in equity is recycled to the income statement for the period. Changes in the fair value of any derivative instruments that are not designated in a hedge relationship are recognised immediately in the income statement within "Unrealised gains/(losses) on financial instruments".

Derivatives embedded in other financial instruments or non-financial host contracts (other than financial assets in the scope of IFRS 9) are treated as separate derivatives when their risks and characteristics are not closely related to those of their host contracts and the host contracts themselves are not carried at fair value with unrealised gains or losses reported in the income statement. Derivatives embedded in contracts which are financial assets in the scope of IFRS 9 are not separated and the whole contract is accounted for at either amortised cost or fair value.

The types of risks that the Group is exposed to and derivatives used to hedge these risks can be found in note 4.1.2 "Treasury Risk" and note 19 "Derivative financial instruments".

3.5.11 Inventories

Inventories are vehicle assets held for sale on the ordinary course of business or in the process of production for such sale. Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses. Valuation allowances on inventories are included in "Cost of cars sold". Upon termination of the lease or rental contract the relevant assets are reclassified from the caption "Rental fleet" to the caption "Inventories" at their carrying amount, subject to an impairment review, if the intention is to sell the car rather than lease for a second term. At this point no further depreciation is charged.

Other than vehicle inventory assets the Group maintain a certain level of parts for vehicles, gasoline and other accessories for the vehicles that are consumed and used as part of the generation of service revenues for the Group.

3.5.12 Lease receivables from clients

This caption includes:

- finance lease receivables, that represent the present value of the future minimum lease payment receivable and the unguaranteed residual value accruing to the Group (the net investment);
- trade receivables, that consists of unpaid lessee receivables under existing (operating and finance lease) contracts or receivables from vehicle inventory sales; and
- receivables arising from other ordinary business activities.

The receivables are shown after any accumulated impairment losses and are initially measured at fair value and subsequently at amortised cost using the effective interest method. Unearned finance income is the difference between the gross investment in the lease (undiscounted future minimum lease payments and unguaranteed residual value accruing to the Group) and the net investment in the lease.

3.5.13 Impairment of lease receivables from clients

An expected credit loss (ECL) provision is applied to all receivables from clients that are measured at amortised cost with the exception of those receivables deemed to be out of scope. The Group have applied this scope exemption when the receivable meets the low credit risk exemption criteria. The Group has applied this to receivables on used car sales and insurance receivables, where there is zero or almost no history of credit risk or the amounts due are from financial institutions with an investment grade credit rating.

For the other receivables from clients the Group is currently in the process of aligning the methodologies used to calculate the ECL for the existing ALD Group entities and the newly acquired LeasePlan entities in the year, with the process expected to be complete within 12 months of the balance sheet date. However, overall, the Group segments the receivables form clients into sound and doubtful receivables (that includes receivables that have met the definition of default) and for sound receivables apply a simplified approach in calculating ECLs from initial recognition of the receivable, which means the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

For the ALD entities the Group has established a provision matrix for the sound receivables that is based on its historical credit loss experience by aging categories, adjusted for forward-looking factors specific to the debtors and the economic environment when the impact of those factors is material to the financial statements. To establish the forward-looking element of IFRS 9 provision, the Group uses macroeconomic data and analysis through local uplifts to probability of default and loss given default rates. For the newly acquired LeasePlan entities the calculation for sound receivables is based on the use of models that require assumptions and data about forecast macroeconomic conditions and credit behaviour (including likelihood of customers defaulting and the resulting losses) from a third-party provider that also includes a forward-looking element.

Since obtaining financial holding status, the Group has aligned its definition of default to the ECB Regulatory Capital CRR Article 178 definition of default. This change applies to historic ALD entities only as LeasePlan entities are already aligned with the Article 178 definition of default due to holding a banking licence prior to the acquisition. For purposes of assessing, recognising and reporting defaults, a customer shall be considered to be in default when either one or both of the following events occur:

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

The application of the above guidance is only to the extent of identifying the customers that are in default. There is no change in the method of determining the value of impairment. Where the customer is in default, the whole of the customer balance is classified as doubtful, and impairment is based upon the full outstanding amount, except where we have adjudged there are mitigating circumstances. This definition of default has led to an increase in defaulted customers during 2023 resulting in the increase in the IFRS 9 provision by EUR 5.9 million on initial application.

Expected credit losses are reassessed at each reporting date and reflect all reasonable information that is available at the reporting date. Judgement is required from management for applying appropriate models and setting assumptions for the measurement of ECL. The methodology, assumptions and data, including any forecasts of future economic conditions, macroeconomic impacts and the Group's provision matrix are reviewed regularly by management in determining the expected credit losses and the write-off of receivables. Doubtful debts should be written off as soon as the definitive loss is known.

Where the Group have acquired receivables from clients that are originated or purchased credit-impaired, due to an incurred event having a detrimental impact on the estimated cashflows of the asset, the gross receivable is initial recognised at fair value with no carrying impairment allowance. The Group only recognises the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance for originated purchased credit-impaired financial assets in the income statement.

Disputes often arise in the collection of lease receivables and tend to range from issues relating to the performance of various services under the contract to the amount of end-of-contract billing. A dispute has no impact on the solvency of the customer or the risk of default, and therefore is not a credit loss. As such these amounts are removed from sound receivables and a provision is applied based on our provisions accounting policy. For presentation purposes the provision is netted against the 'Receivables from clients' balance sheet line item.

Details about the assumptions and estimation techniques used in measuring ECL for finance lease receivables and trade receivables from operating lease contracts are provided in the section Credit risk management and disclosure on the impairment provided in note 22 "Lease Receivables from Clients".

3.5.14 Other receivables, prepayments and contract assets

Other receivables and prepayments include prepayments in respect of expenses attributable to a subsequent period plus amounts still to be received. These amounts are valued at cost. For recognition and measurement of Reinsurance assets and Insurance contact assets refer to the insurance policy. For those financial assets measured at amortised cost the Group has excluded them as part of the expected loss model (see Lease receivable from client's policy) and instead any impairment will be based on observable events.

3.5.15 Cash and cash equivalents

In the consolidated statement of cash flows and consolidated balance sheet, cash and cash equivalents comprise of cash on hand, central bank deposits, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowings in liabilities on the consolidated balance sheet. Cash and cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. The short-term characteristic of a cash equivalent is generally taken as a term of three months or less from the date of acquisition. Cash and cash equivalents are measured at amortised cost.

3.5.16 Employee benefits

Group companies operate various employee benefit schemes. The schemes are generally funded through payments to insurance companies or trustee-administered funds, determined by periodic actuarial calculations. The Group has defined benefit and defined contribution pension plans as well as other post-employment benefits.

Defined contribution pension plans

A defined contribution plan is a pension plan under which the Group pays fixed contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the pension contributions have been paid if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions to defined contribution pension plans are recognised as expenses in the consolidated income statement when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined benefit pension plans

A defined benefit plan is a pension plan that is not a defined contribution plan. Typically, defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors, such as age, years of service and compensation.

The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their services in the current and prior periods. The present value of the defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The benefit is discounted at the yield at the balance sheet date on high quality corporate bonds denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension obligation.

The net benefit obligation recognised in the balance sheet is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised past-service costs less the fair value of the plan assets. For determining the pension expense, the expected return on plan assets is determined using a high-quality corporate bond rate identical to the discount rate used in determining the defined benefit obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise without recycling to the consolidated income statement. Past-service costs are recognised immediately in the income statement.

Settlements and curtailments invoke immediate recognition in the income statement of the relevant change in the present value of the defined benefit obligations and in the market value of the plan assets. A settlement is an early termination of all or part of the defined benefit obligation. A curtailment occurs when the Company is demonstrably committed to materially reducing the number of employees in the defined benefit plan or the pension benefits for future services.

Further details are provided in note 31 "Retirement benefit obligations and long-term benefits".

Other long-term post-employment benefits

Some Group companies provide other long-term employment benefits to their employees based on local legal requirements. These benefits mainly comprise medium-term bonus and profit-sharing schemes, and extra leave entitlements.

The Group recognises a liability and an expense for bonuses and profit-sharing, based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

3.5.17 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure expected required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

Damage risk provision

The risk of damage to owned Group vehicles is part of the IFRS 15 allocation of revenue and IAS 37 provisioning, whereas insurance contracts issued to customers for accepting significant insurance risk is subject to IFRS 17 accounting (see Insurance contracts policy). The Group provides customers with an own damage and repair cover in exchange of the payment of a monthly premium. Own damage revenues are recorded in the caption "Services Revenues" and revenue is recognised on a straight-line basis over the duration of the contract (unless the expected release of risk differs materially from a straight-line basis). Further details are provided in note 8 "Revenues and cost of revenues". Where the premiums are unearned based on the invoiced amounts, this amount is deferred income included within under "Other receivables, prepayments and contract assets" caption in the consolidated balance sheet (refer to note 24).

Damage services provisions are measured at the amount of the "best estimate" expected expenditure required to settle the present obligations to repair the damage at the reporting date. An estimate for Incurred But Not Reported (IBNR) and Incurred But Not Enough Reported (IBNER) is made to determine appropriate damage provision levels. These estimates are based on historical data of accident frequency in the local market and the cost per claim updated for current assumptions. The measurement includes a margin for risks and uncertainties that is inherent to the historical data adjusted for recent pricing developments. The damage service provision is expected to be recovered or settled within a maximum of 12 months. Expenses for damage services are expensed to the income statement when incurred and the best estimate of the provision is updated at each reporting period, with any adjustment recognised along with the expenses incurred in "Cost of Services Revenues" caption in the income statement.

Where there is a stop-loss policy in place, limiting the risk of losses above a set level, provisions open are booked only up to the level of the stop-loss. Beyond that level, all claims are debited to the reinsurance provider of the stop-loss cover. Any stop-loss cover on individual incidents is also taken into account in evaluation of the provision for IBNR and IBNER. Gross claim costs are reduced to the level of cap per incident. Even where stop-loss cover is in place, if total claims are anticipated to be below the level of premium and stop-loss cover, then profit is booked in the normal way.

Insurance contracts

The insurance contracts issued are one of the services offered to the customers of the Group in addition to the lease of the vehicles and other related leasing services. Insurance contracts are contracts under which the Group accepts a significant risk – other than a financial risk – from a policyholder by agreeing to compensate the beneficiary on the occurrence of an uncertain future event by which he or she will be adversely affected. Contracts that have been classified as insurance at inception are not reclassified subsequently.

For measurement purposes, the insurance contracts are grouped into portfolios of insurance contracts that have similar risks and are managed together. Portfolios are further grouped in year cohorts of issuance and divided based on expected profitability at inception into two categories: onerous contracts and not-onerous contracts. Insurance contracts are recognised at the earlier of the beginning of the coverage period or when it becomes onerous. Insurance contracts are derecognised when the contract is expired, is discharged or cancelled. Modifications to contracts that are not considered changes in estimates and instead the contract is derecognised, and a new contract is recognised instead.

All our insurance contracts issued, and reinsurance contracts held are eligible to be measured by applying the premium allocation approach, which has been fully adopted. Under the premium allocation approach, non-life insurance contract provisions include liabilities for remaining coverage and liabilities for incurred claims. The liability for remaining coverage reflects premiums received less amounts recognised in revenue for insurance contracts provided. As the premiums are received within one year of the coverage period no discounting is applied to reflect financial risk or the time value of money. The liability for incurred claims is determined on a discounted probability-weighted expected value basis and includes an explicit risk adjustment for non-financial risk. The liability includes the Group's obligation to pay other incurred insurance expenses. The liability for incurred claims is the obligation to pay valid claims for insured events that have already been occurred (IBNR and IBNER), including events that have occurred but for which claims have not been reported (IBNYR). The liability for incurred claims is estimated as the fulfilment cash flows measured as an explicit, unbiased, and probability-weighted estimate (*i.e.* expected value) of the present value of the future cash outflows minus the present value of the future cash inflows that will arise as the entity fulfils insurance contracts, including a risk adjustment for non-financial risk. The cash outflows include claim handling costs, policy administration and maintenance costs and an allocation of directly attributable fixed and variable overheads to fulfilling insurance contracts.

Revenue is recognised on a straight-line basis over the duration of the contract (unless the expected release of risk differs materially from a straight-line basis). Further details are provided in note 8 “Revenues and cost of revenues”. Expenses for damage services are expensed to the income statement when incurred and the best estimate of the provision is updated at each reporting period, with any adjustment recognised along with the expenses incurred in “Cost of Services Revenues” caption in the income statement. Portfolios of contracts in an asset position are reported under “Other receivables, prepayments and contract assets” caption in the consolidated balance sheet (refer to note 24). This includes expenses attributable to a subsequent period plus amounts still to be received and are measured at cost.

Under the premium allocation approach, it is assumed that no contracts in the portfolio are onerous at initial recognition, unless facts and circumstances that are monitored by performance indicators by Group’s management indicate otherwise. Such onerous contracts are separately grouped from other contracts and the Group recognises a loss in profit or loss for the loss component. If during the coverage period, facts and circumstances indicate that a group of insurance contracts is onerous, the Group recognises a loss in the income statement for the net outflow, resulting in the carrying amount of the liability for the Group being equal to the fulfilment cash flows.

Reinsurance assets

The Group measures its reinsurance assets for a group of reinsurance contracts that it holds on the same basis as insurance contracts that it issues adapted to reflect the features of reinsurance contracts held that differ from insurance contracts issued. Where the Group recognises a loss on initial recognition of an onerous group of insurance contracts, the Group establishes a loss-recovery component of the asset for remaining coverage for a group of reinsurance contracts held depicting the recovery of losses.

Annually the Group assesses whether its amounts recoverable under a reinsurance contract are subject to impairment. Reinsurance assets are impaired if there is objective evidence, because of an event that occurred after initial recognition of the reinsurance asset, that not all amounts due under the terms of the contract may be received. The carrying value is reduced to this calculated recoverable value, and the impairment loss recognised in the income statement.

3.5.18 Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. If payment is due within one year or less (or in the normal operating cycle of the business if longer) these will be presented as current obligations, but otherwise will be presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

The Group recognises a liability and an expense for variable remuneration to employees based on an assessment of the relevant performance of variable remuneration criteria (see Share-based payments accounting policy). The Group recognises an accrual where contractually obliged or where there is a past practice that has created a constructive obligation.

3.5.19 Current income and deferred tax

Current income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Current and deferred taxes are recognised in the income statement under Income tax. Deferred taxes related to remeasurement of retirement benefit, cash flow hedges and gains or losses on fair value of debt securities are recognised in other comprehensive income.

3.5.20 Revenue recognition

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

Contracts relating to vehicle leasing and service products can take the form of operating leases, finance leases and service agreements. To determine whether a contract conveys a lease agreement for a period of time, the Group has assessed whether, throughout the period of use, the customer has both of the following:

- the right to obtain substantially all of the economic benefits from the use of the identified asset; and
- the right to direct the use of that identified asset.

If a contract relating to an asset fails to give the customer both of the above rights, the Group accounts for the agreement as a revenue contract. In situations where management services unrelated to an asset contract are provided, the Group accounts for the contract as a revenue contract.

Combined contract

In certain situations a lease and service contracts are entered into at the same or as a single contract with our customers. Where the customer is charged a monthly fee that both relates to the rental price of the vehicle (including depreciation and interest) and various other products and services that the customer can subscribe to, the standalone tariffed elements will be recognised as separate performance obligations if the good or service is distinct by meeting both the following criteria:

- the lessee can benefit from using that underlying asset either on its own or together with other resources that are readily available; and
- the asset is neither highly dependent on, nor highly inter-related with, the other assets in the contract.

Activities or costs that transfer a good or service to the lessee are identified as non-lease components. Amounts payable for activities and costs that do not transfer a good or service are part of the total consideration and are allocated to the lease and non-lease components identified in the contract.

Lessor accounting

The lease classification, that is determined on a contract-by-contract basis, will determine if revenue recognition is on an operating lease or finance lease basis (see Rental fleet policy for determining classification).

a) Operating leases

On operating leases, lease rental revenue (depreciation and interest) is recognised in accordance with IFRS 16 on a straight-line basis over the lease term based on the total of the contractual payments divided by the number of months of the lease term.

Charges to clients may include passed on costs such as fuel, road taxes and other taxes which do not represent the inflow of economic benefits and/or are collected on behalf of third parties and are therefore not presented as revenues.

Upfront payments from customers at the beginning of the lease agreement are recognised in the balance sheet and amortised on a straight-line basis over the period of the lease agreement. Amounts paid or value provided to lessees as lease incentives are capitalised (*e.g.* upfront cash payments to the lessee, reimbursement or absorption of costs by the lessor or free or reduced rents given at the beginning of the lease term). Lease incentives are amortised on a straight-line basis over the term of the related lease as a reduction in revenue.

Where a customer retains the car for a period beyond the normal return date (informal extension), the rent continues to be charged to the customer and the related contractual depreciation will continue to be recognised.

b) Finance leases

Regarding finance leases, IFRS 16 standard is applied, and the earnings are allocated between the capital amount and finance income. The capital amount is used to reduce the receivable balance and the income is recognised in the income statement in each period using the effective interest rate method to give a constant periodic rate of return on the net investment in the lease. The Group uses the net investment method to allocate gross earnings, which excludes the effect of cash flows arising from taxes and financing relating to a lease transaction. In addition:

(I) the amount due from the lessee under a finance lease is recognised in the balance sheet as a receivable at an amount equal to the net investment in the lease. Over the lease term, rentals are apportioned between a reduction in the net investment in the lease and finance income. The net investment in a lease is equivalent to the gross investment discounted at the interest rate implicit in the lease;

(II) atany point in time during the lease term, the net investment is represented by the remaining minimum lease payments, less that part of the minimum lease payments that is attributable to interest.

Upfront payments and initial direct costs are taken into consideration in calculating the implicit interest rate in the lease and recognised evenly over the life of the lease as an adjustment of yield.

Revenue contract

If a contract contains a lease component and one or additional lease or non-lease components, then IFRS 16 requires a lessor always to allocate the consideration in a contract following the approach in IFRS 15 Revenue recognition.

The five steps process required by IFRS 15 for non-lease components is summarised as follows:

- identify the contract with customers. Each contract between the Group and the lessee is clearly identified;
- identify the performance obligations in the contract. Identifying separate lease components in a lease contract under IFRS 16 is consistent with identifying performance obligations in a revenue contract under IFRS 15. Revenues also include the various non-lease components of the lease instalment, such as repair, maintenance and tyres, damage risk retention, replacement vehicle, *etc*. Revenues relating to lease components are described in section Service contracts below. The different services offered by the Group are considered as distinct as they are sold separately, and they are separately disclosed in the contract (non-lease components). Each service is priced separately, and each contract is built with a basic service and additional options which could be elected by the customer;
- determination of transaction price. Transaction price is easily determined as there the Group has no variable consideration at closing of the contract;
- allocation of transaction price. A lessor allocates consideration in a contract to the separate lease and non-lease components by applying IFRS 15. The Group allocates transaction prices by estimating standalone selling prices of each performance obligation as each service rendered to the customer has a separate price;

- recognise revenue when (or as) a performance obligation is satisfied. All services provided by the Group are considered as performance obligations satisfied over time as customers simultaneously receive and consume all of the benefits provided by the Company. Once management determines that a performance obligation is satisfied over time, it measures its progress toward completion to determine the timing of revenue recognition. The objective is to recognise revenue in a pattern that reflects the transfer of control of each service provided by the Group to the customer.

Service contracts

Fleet Management & other services

Revenue from Fleet Management services is recognised on a straight-line basis over the term of the Fleet Management agreement.

Repair & maintenance services

Income related to repair & maintenance services is recognised over the term of the lease contract. The allocation of income over the term is based on the normal repair and maintenance cost profile supported by historical statistics and expected service costs. The difference between the amounts charged to clients and amounts recognised as income is accounted for as deferred leasing income. Cost profiles are reviewed periodically to ensure they remain a fair representation of historical repair and maintenance expenditures, adjusted for reasonable expectations of changes in cost profiles. Where an accurate or reliable estimate of the cost curve is not available revenue is recognised based on an estimate of expected completion of the performance obligation using an alternative input method.

If income related to services surrounding contracts is not certain until final settlement takes place, this income is not recognised until that time and is presented within the sales result. For all other contracts, expected losses are recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenues.

Tyre replacement and other tyre services

Revenue is recognised on a straight-line basis over the term of the management agreement.

Flex fleet

Flex fleet revenues are recognised on a straight-line basis over the term of the rental agreement.

Damage & insurance services

The revenue from the risk retention schemes is recognised based on the monthly lease instalment. This applies for third-party liability and own damage insurance products. Revenue recognition will cease when the contract is terminated by a client or at the end of the contractual term.

Interest on Late Payment

Where interest on late payment is billed to customers, the related revenue is only recognised when settlements are made by customers.

Proceeds of used car sales and end of contract fees

Revenues also include the proceeds of the sale of vehicles from terminated lease contracts and rental revenues from end of contract billing such as repair costs recharged to the customer. The proceeds from the sale of vehicles are recognised when the vehicles are sold and control of the vehicles is transferred. End of contract fees may consist of fees charged to clients for mileage variation adjustments and excessive wear and tear of the vehicle. Revenues also included charges arising from deviations from the contractual terms, where the fees are recognised upon termination of the lease contract.

3.5.21 Cost of services revenues

Direct cost of revenues comprises the cost associated with providing the above-mentioned service components of the lease instalment (including: vehicle maintenance, replacement and winter tyres, insurance premiums, accident repair and the provision of short term replacement vehicles). Any (volume related) bonuses related to these expenses are credited directly to expenses. Bonuses received on purchases of objects for operating lease contracts are deducted from the purchase consideration and as such result in lower depreciation. Bonuses received on purchases of objects for finance lease contracts are recognised immediately in the consolidated income statement.

Cost of revenues also includes the carrying amount of the sold vehicles and the costs associated with the rental activities, finance costs for interest-bearing liabilities, impairment charges on loans and receivables and unrealised (gains)/losses on financial instruments.

3.5.22 Interest income and interest charges

Interest income, interest charges and similar charges for all interest-bearing assets and liabilities are recognised in the income statement on an accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability.

The interest income component in operating lease instalments, which is charged on a straight-line basis to the client, is recognised in “Leasing contract revenue – operating lease” also on a straight line basis.

Interest income on finance lease contracts is recognised in the income statement on the basis of accruing interest income on the net investment (using the effective interest method). The receipts under the lease are allocated by the lessor between reducing the net investment and recognising interest income, so as to produce a constant rate of return on the net investment.

3.5.23 General and administrative expenses

This item includes office overheads, automation costs, advertising costs, professional fees and other general expenses.

3.5.24 Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments *via* the Group long-term incentive plans and employee share schemes, whereby employees render services in exchange for equity-settled transactions and cash-settled transactions. Information relating to these schemes is set out in note 28.

Equity-settled transactions

The fair value of shares granted under the Group long-term incentive plan is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the shares granted. The total expense is recognised over the vesting period, which is the period when all of the specified vesting conditions are to be satisfied. At the end of each period, the entity revises its estimates of the number of shares that are expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

Cash-settled transactions

The Group has variable remuneration awards for the identified staff that consists of a direct payment in cash and a deferred payment in cash and Phantom Share Units (PSUs). The PSUs represent the underlying value of the Company shares which entitle the participant to a payment in cash after a specified period and are recognised as a cash-settled share-based payment arrangement. The PSU part of the deferred award is revalued annually by estimating the Company's equity value for determining the fair value of the outstanding PSU awards.

Liabilities recognised for PSUs are measured at the estimated fair value. This fair value is established once a year by the (Remuneration Committee of the) Supervisory Board and is based on comparing financial performance of the Company to publicly available valuation and financial performance of a selected peer group of comparable companies. All changes to the PSUs' liabilities are recognised in the statement of profit or loss under staff expenses.

3.5.25 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent (after adjusting for interest on the AT1 capital) by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the AT1 capital) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

Note 4 Financial and operating risk management

4.1 Financial risk factors

4.1.1 Credit risk

Credit risk refers to the risk of losses resulting from the inability of Group customers, issuers or other counterparties to meet their financial commitments. Credit risk may be aggravated by concentration risk, resulting from a high exposure to a given risk or to one or more counterparties, or to one or more groups of similar counterparties. In addition to the risk of lessees not making payments for the leased vehicles, the Group is exposed to credit risk originating from its banking and treasury activities, which includes deposits and investments placed with financial institutions and hedging instruments, such as derivatives and reinsurance activities. The Group's maximum exposure to credit risk primarily arises from these financial assets and is as follows:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Cash and cash equivalents	3,997.0	253.1
Lease receivables from clients	4,545.2	1,849.1
Other receivables, prepayments and contract assets (1)	1,217.0	429.4
Investment in debt and equity securities (1)	118.9	18.7
Derivative financial assets	383.3	128.9
TOTAL EXPOSURE	**10,261.3**	**2,679.4**

(1) Excludes prepayments, tax receivables and equity and debt investments held at fair value through other comprehensive income

The Group's definition of default for the purpose of determining ECLs, and for internal credit risk management purposes aligns to the ECB Regulatory Capital CRR Article 178 definition of default, to maintain a consistent approach with IFRS 9 and associated regulatory guidance.

Credit risk management policy

The Group has issued policies and standards which regulate the governance of the local credit risk management organisation. All Group entities must comply with risk procedures issued centrally which define the way credit requests have to be studied and validated, as well as the roles and responsibilities of all staff involved in the credit assessment process. Each subsidiary has a specific credit authority approved by the Group General Management and the Risk Department of Societe Generale, that is determined by the size of the fleet, the maturity of the subsidiary and the type of customer concerned (corporate, retail, financial institution, *etc.*). Within its credit limit, each subsidiary can decide directly on its counterparty risk and concentration risk. Above this threshold, credit acceptance is made at central level jointly with the Risk Department of Societe Generale.

Regular Risk Committees are held by the Group in order to review all potential risk issues and to ensure the credit risk procedures are properly applied. All standard risk indicators (arrears/default/Cost of risk) are also monitored centrally. However, the primary responsibility for debt collection remains with the Group subsidiaries that have dedicated teams in charge of recovering unpaid invoices in compliance with local regulations and market practices. These local processes are required to be compliant with the corporate instructions and guidelines. Central monitoring of all ageing balances is performed on a monthly basis as part of the regular risk reviews, and actions plans are set up whenever necessary. Each local entity is required to maintain a watch list, which is based on credit rating and other available information. These lists are reviewed in regular meetings by the Credit Committees. A qualitative analysis of total credit exposures, defaults and losses is reported on a monthly basis and discussed on a quarterly basis to the Entity Risk Committee locally and Credit Risk Committee centrally.

The Group limits credit risk on liquid funds and derivative financial instruments through diversification of exposures with a range of financial institutions. Counterparty limits are set for each financial institution with reference to credit ratings assigned by Standard & Poor's and Moody's. Limits are set on a legal entity basis and are included in the Group's risk appetite and approved on a yearly basis. The Group's treasury risk management monitors the exposures, against the approved limits, on an ongoing basis.

Credit risk measurement

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all sound trade and lease receivables. The Group is currently in the process of aligning the methodologies used to calculate the expected credit loss (ECL) in the existing ALD Group entities and the newly acquired LeasePlan entities in the year, a project that should be completed within the next 12 months.

For existing ALD entities where trade receivables and finance lease receivables are not in default, the Group does not track changes in credit risk, but instead recognises a loss allowance based on expected lifetime losses from initial recognition of the receivables. These losses are measured based on a provision matrix for receivables associated with sound customers. Probability of Default (PD) rates are based on observed default rates over the life of the receivables (the average contract length in each entity). Specific PD rates are calculated for each entity and each customer type. This process results in PD rates for each age of past-due receivables. The PD rates are applied to the aged receivables of the reporting period to arrive at a total provision. The final impairment allowance is also adjusted to consider Loss Given Default (LGD) specific to the entity and the historical loss rates are adjusted to reflect current and forward-looking information on specific local economies affecting the ability of the customers to settle the receivables. When in default, the receivables from leases with customers are provisioned at 100%.

For the LeasePlan entities acquired, the amount of ECL for lease receivables is measured at the contract level as the probability weighted present value of all cash shortfalls over the expected life of the financial asset discounted at the original implicit interest rate embedded in the lease contract. The cash shortfall is the difference between all contractual cash flows that are due to the Group and all the cash flows that the Group expects to receive. The Group determines the ECL for lease receivables based on sophisticated models. These models include forward-looking macro-economic scenarios and multi-year forecast over the lifetime of the lease contracts. PD, LGD and EAD forecasts are combined to produce the ECL estimate. As such, ECL is highly dependent on the credit quality of counterparties in the portfolio at the reporting date, the types, and characteristics of vehicles in the portfolio, the expected maturities and repayment terms of the contracts, the forecasts of future macro-economic variables in various scenarios, the forecast market developments and residual values for used vehicles in various scenarios, and the probability weight assigned to each forecast scenario.

Expected credit losses are reassessed at each reporting date and reflect all reasonable information that is available at the reporting date and management consider the current level of provisions to be adequate. The Group will continue to monitor the provision parameters, including the relevance of the local uplift factors, according to the macroeconomic situation. Further information on the expected loss provision on receivables from leases is include in note 22. Given the diverse nature of the Group's operations (both in relation to customer type and geographically), the Group does not have significant concentration of credit risk in respect of lease receivables from clients, with exposure spread over a large number of customers.

For other financial assets listed above where there is zero or almost no history of credit risk or the amounts due are from financial institutions with an investment grade credit rating, no provision has been applied. For all other counterparties the ECL is based on the General Approach, where the expected credit loss model is calculated by multiplying the PD, LGD and the Exposure at Default (EAD), but the level of provisioning is dependent on the credit deterioration of the asset. If in stage 1, and no deterioration since inception, then based on 12-month ECL, if there is significant deterioration in credit rating, then at stage 2 with a lifetime ECL, and if observable evidence of impairment, then at stage 3 and provisioned based on asset being credit impaired.

4.1.2 Treasury risk

Treasury risk consists of three individual risks, being liquidity risk, interest rate risk and currency risk. Liquidity risk is the risk that the Group is not able to meet its cash outflow obligations when they fall due, because of a mismatch between its assets and liabilities. Interest rate risk is the risk that the profitability and shareholders' equity of the Group are affected by movements in interest rates. Currency risk is the risk that currency fluctuations have an adverse impact on the Group's capital ratios, result and shareholders' equity.

After the acquisition of LeasePlan, the newly acquired LeasePlan entities have continued to apply their treasury risk hedging policies established pre-acquisition until integration of the LeasePlan entities. Upon integration the acquired entities will follow the standard Group treasury risk policies that are consistent with prior year but will be updated to reflect the risk appetite of the combined entity.

Group Treasury risk management policy consists of matching assets and liabilities in terms of maturities, currencies, and interest rate exposure. Group procedures defining the sensitivity measurement of such risks and tolerance levels are applied across the Group to allow a close monitoring of the treasury risk. These risks are monitored at the Group level by the central treasury, which reports on a quarterly basis to the management team of the Group during a dedicated committee. This committee is informed about all relevant developments with regards to the Group's treasury risk profile and decides any action to mitigate the risks when necessary.

Interest rate risk policy

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

- Group entities and associates, carrying interest-bearing assets (mainly lease contracts) and funding on their balance sheet (either intercompany funding supplied by the Group central treasury, or external funding concluded directly by the group entities);

- the Group's central treasury, concluding external funding, funding from Societe Generale, external derivatives and granting intercompany loans to the Group's entities; LeasePlan Bank (LPB), supporting the diversified funding strategy by raising retail saving deposits.

The interest rate risk policy is to match the interest rate risk profile of the lease contract portfolio with a corresponding interest rate funding profile to minimise the interest rate risk as measured by interest rate gap reports per Group entity. Group entities carry interest-bearing assets on their balance sheet, funded by interest-bearing liabilities (loans and other indebtedness). Where interest-bearing liabilities fall short to cover interest-bearing assets, non-interest-bearing working capital and subsidiaries' equity can cover interest-bearing assets, as part of the matched funding policy.

Interest rate risk measurement

The Group central treasury monitors the Group's interest rate risk exposure and advises subsidiaries to implement adequate hedging operations based on a monthly report measuring interest risk exposure. Each entity and the Group as a whole are subject to sensitivity thresholds and limits validated by the Asset-Liability Committee (ALCO). The Group structural risks are discussed on a quarterly basis during ALCO meetings.

The Group matches the interest rate risk profile of the lease contract portfolio with a corresponding interest rate funding profile to minimise the interest rate risk, where the IRRBB model takes into account lease client behaviour instead of the contractual interest rate risk profile. The Group investigate whether its IRRBB model appropriately reflects its economic reality and the applicable regulatory framework.

For the Group, the sensitivity metric used is the variation in the net present value of the future residual fixed-rate positions (surplus or deficit) for non-stressed shocks of +10 bps and -10 bps in the yield curve. The table below reflects the balance sheet exposure of the Group's financial liabilities to interest rate risk:

	As at 31 December	
NPV sensitivity impact *(in EUR million)* (1)	**2023**	**2022**
+10 bps	0.7	13.0
-10 bps	(0.8)	(13.1)

(1) The NPV (Net Present Value) sensitivity aims at measuring the potential deterioration/enhancement of value of the balance sheet in static view (no new production) by considering all discounted cash inflows (e.g. mainly remaining cash flows from rental contracts) and cash outflows over the time (e.g. mainly remaining cash flows from financial debts)

A positive NPV sensitivity for a +10bps represents an excess of fixed rate resources. At the end of 2022, the excess of fixed rate resources is mainly explained by the use of equity for financing the fleet activity and the capital increase of ALD in anticipation of the acquisition of LeasePlan (equity being considered as a long-term resource at fixed rate, whilst the fleet is a medium-term asset and the cash from the capital increase was replaced with a short-term deposit). At the end of 2023, the excess of fixed rate resources has been reduced. It is mainly explained by the acquisition of LeasePlan partially financed with floating subordinated debt (Tier 2) and fixed AT1 capital callable at five years (equity shares being considered as long term assets at fixed rate). See note 29 for further details.

Currency risk policy

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

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

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

Based on the currency risk management approach the Group's capital adequacy ratio is minimally exposed to changes in the exchange rates it is exposed to. In order to monitor and manage its currency risk exposure, the Group has defined triggers and limits on its structural risk exposure, in accordance with EBA Guidelines.

Currency risk measurement

The Group quantifies its exposure to structural exchange rate risks for each subsidiary by analysing all assets and liabilities arising from commercial operations and proprietary transactions. The risk sensitivity is measured by quantifying the impact of a variation of 10% of the exchange rate (hard currencies against local currency) and a threshold is defined for each subsidiary.

The following table shows the net currency position of foreign currencies which the Group is most exposed to as at 31 December 2023, and with all other variables remaining constant, the impact if the euro strengthen or weakened by 10% against these foreign currencies positions held by the Group:

(in EUR million)	2023 Net exposure [(2)]	2023 +10% [(2)]	2023 -10% [(2)]
Pound Sterling (GBP)	549.4	(49.9)	61.0
Turkish Lira (TRY)	579.3	(52.7)	64.4
Brazilian Real (BRL)	162.1	(14.7)	18.0
Czech Koruna (CZK)	131.3	(11.9)	14.6
Swedish Krona (SEK)	114.4	(10.4)	12.7
Norwegian Krone (NOK)	114.0	(10.4)	12.7
Danish Krone (DKK)	113.2	(10.3)	12.6
Other [(1)]	597.9	(48.9)	59.7

(1) The "Other" category consists of all other currencies where the Group has have lower net exposure
(2) The impact is only shown for 2023 as LeasePlan entities were acquired in the year

Liquidity risk policy

The Group is exposed to liquidity risk which is the risk of not being able to meet cash flow requirements when they fall due. A structural liquidity position is defined as resulting from the maturities of all balance sheet or off-balance sheet outstanding positions according to their liquidity profile.

The liquidity risk appetite and tolerance levels are based on the following key principles:

- managing funding and liquidity risk is to accommodate the going concern business objectives without incurring unduly exposure to liquidity or refinancing risk;
- the Group aims to be matched, where the run-off of assets and liabilities are matched within reasonable limits, or longer funded with reasonable (relative) funding costs;
- the funding strategy is to maintain good market access at all times; and
- compliance with minimum regulatory liquidity and funding requirements at all times.

The Group's exposure to liquidity risk is limited as the Group policy consists of financing the underlying asset over the same duration as the corresponding lease contract. A residual liquidity gap is measured on a monthly basis, under the supervision of the Group Treasury Department, by assessing the matching of the run-off of the existing leased assets with the remaining liabilities. Any deviation from the sensitivity threshold is corrected under the supervision of the Group central Treasury.

Liquidity risk measurement

Note 29 details the maturity of the Group borrowing and debt issued.

As a precaution to the risk of not having continued access to financial markets for funding, the Group maintains a liquidity buffer. This buffer includes unencumbered cash and committed (standby) credit facilities to reduce the Group's liquidity risk. The liquidity buffer as per 31 December is specified as follows:

	As at 31 December	
(in EUR million)	2023	2022
Unencumbered cash at banks	146.1	123.6
Unencumbered cash at Central bank	3,535.6	–
Total on balance liquidity buffer	**3,681.6**	**123.6**
Undrawn committed facilities	1,951.0	989.7
TOTAL	**5,632.6**	**1,113.3**

The Group holds total revolving credit facilities with a consortium of banks as at 31 December 2023, of which EUR 1.95 billion is undrawn.

Upon the acquisition of LeasePlan, which holds a banking licence, the Group became a Financial Holding Company regulated by the European Central Bank (ECB). The European Central Bank set out minimum liquidity level requirements on LeasePlan, demanding that available liquidity exceeds required liquidity at all times as well as a Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR) above 100%. These minimum liquidity requirements are complied with.

The Group's liquidity stress testing programme includes the integration of risk drivers and review of stress scenarios, governance, tools used and documentation of the stress testing process.

Derivatives and hedge accounting

Derivatives are used to mitigate the interest rate and currency exposures associated with the funding of lease contracts. Interest rate swaps cover interest rate positions between lease contracts and borrowed funds and currency interest rate swaps cover currency exposures between lease contracts and borrowed funds. The extent of exposure management is in line with internal risk appetite and limits determined by the Group risk management and reviewed on a regular basis. The Group uses a mixture of one-to-one relationships (for fair value hedging), as well as many-to-many macro hedging (for cash flow hedging).

4.2 Capital planning

Based on the strategic planning process, a forecast of the regulatory Common Equity Tier 1 (CET1), Tier 1 (T1) and Total Capital (TC) ratios is prepared. The projections of the CET1, T1 and TC ratios are performed to ensure ongoing compliance with the minimum requirements set by the ECB. Next to the projections of the capital ratios, a forecast of the development of the minimum requirement which takes into account the requirements of the ECB; based on the latest estimates the Group will remain above the minimum CET1, T1 and TC requirement.

4.3 Asset risk factors

The Group is exposed to asset risk, which can be split into two main underlying risk components: the residual value risk and the risk related to service maintenance.

4.3.1 Residual value risk

Residual value risk policy and management

Residual value risk is considered the main asset risk and is defined as the risk of a loss of value due to the changes in the price of vehicles on second-hand markets. The resale price of the vehicles is estimated at inception of the leasing contract. The resale price may differ from this estimated value, thus generating a gain or a loss. This risk is managed in the Group through robust internal procedures applied to all Group subsidiaries in order to set, control and revaluate the residual values on the running fleet. The residual value setting procedure defines the processes, roles and responsibilities involved in the definition of residual values that will be used for the quotation of future contracts. Residual value setting is performed locally as the expertise in used car market is local and controlled and approved centrally. The calculation is based on refined market segmentation and on statistical models using internal used car sales data for each market segment as well as Guide Book Value references and country specific factors (inflation, market sector adjustments, life cycle, *etc.*). As part of this process, current external variations are analysed in order to apply a stress factor to the valuation of the current fleet.

Technical valuation and price setting of vehicles is directly overseen by the local and central Asset Risk Committees.

Residual value risk exposure

Residual value setting is reviewed by local general management during a local Pricing Committee held at least twice a year (once a year for smaller subsidiaries with less than 5,000 vehicles), and then reviewed and approved at Group level. Revaluation adjustments are accounted for on a portfolio basis whenever necessary, in order to match the expected market value at contract ending and mitigate any market risk.

Fleet reviews are conducted once or twice annually to accelerate depreciation in countries where losses are expected. During these reviews the residual value of the active fleet is compared to updated market estimates.

The Group is currently exposed to residual value risk of the total lease portfolio across 42 countries. This geographical diversification, in conjunction with being an independent multi-brand company with a well-diversified brand portfolio, also partly mitigates the risk related to residual values.

The Group's residual value position in relation to the total operational lease assets can be illustrated as follows:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Residual value	32,828.8	15,868.5

New contracts post-acquisition was managed under the Group's residual value procedures. There is no change in the residual value risk management policy since the prior year.

Further details on the residual value risk management and fleet revaluation are disclosed in note 5.1.

4.3.2 Risk related to services maintenance and tyres

The maintenance risk is the risk that the actual costs of maintenance incurred during the contract life are greater than the costs forecasted and included in the quotation at the beginning of the contract. Maintenance pricing setting is done locally using local historical statistics, under the supervision of the Group. A global review of the maintenance margins is done on a regular basis in order to back test the pricing assumptions in terms of costs and frequencies.

4.3.3 Motor Insurance Risk

The Group is exposed to the risk of damage to vehicles within its fleet and also to liability to third parties arising from accidents involving vehicles in its fleet. This risk can take the form of third-party liability (TPL), own damage, or other ancillary products, such as legal defence, passenger indemnity or used car guarantee. Where the Group decides not to retain this risk or is legally obliged to buy insurance, this risk is placed through local insurance companies. However, for some local entities, the Group has selectively decided that the entity should retain the material damage risk to its own vehicles, where it is justified by the fleet size, the fleet risk profile and local market conditions.

Motor Insurance policy

The entities managing any material damage risk must comply with strict internal procedures in terms of risk selection, and reserve setting. Material own damages reserves includes the Group's obligation to pay other incurred insurance expenses. The liability for incurred claims is the obligation to pay valid claims for insured events that have already occurred, including events that have occurred but for which claims have not been reported (IBNER). This IBNER is based on statistical analysis of damage frequency and amounts. An independent review of the level of technical reserves held by the Group Insurance and Reinsurance entities is conducted to validate that reserves held are adequate to meet future obligations.

The Group also selectively retains some motor risks (material damages, passenger insurance and TPL risks) within its own insurance and reinsurance companies. Both entities are based in Ireland and regulated by the Central Bank of Ireland. These entities reinsure TPL, material damages and related ancillary covers for approximately 0.5 million vehicles. The (Re)insurance entities strictly monitor their risk universe, including underwriting, market, credit and operational risk, *via* a strong corporate governance structure, a clearly defined risk appetite and a developed risk monitoring process. In addition, in order to minimise the financial impact of a single event, the (Re) insurance entities purchase reinsurance protection for claims above a specified amount. This reinsurance strategy is reviewed at least annually.

Settlement of damages is either handled internally or outsourced to specialised independent damage handling companies, in accordance with service level agreements. Settlement of damages is performed by specialised damage handling teams, within the Group.

To clearly identify, monitor, manage and limit the risks, principles are laid down in a motor insurance risk policy and standard, that must be adhered to by all acquired LeasePlan entities. The main requirements are the existence of a risk function, which oversees insurance risk, within all LeasePlan entities, as well as the existence of a local Risk Committee to monitor insurance risk, which is required to monitor exposure and discuss trends and developments within the portfolio. Clear authorisation structures are in place for intended launches of and changes in insurance structures and programmes. (Re)insurers are selected based on their financial strength, price, capacity and service and are monitored, in respect of credit ratings, on a quarterly basis.

Motor Insurance risk measurement

The Group monitors the damage and insurance risk acceptance process and the financial performance using actuarial and statistical methods for estimating liabilities and determining adequate pricing levels. Regular analysis of damage, loss ratio statistics, and insurance risk pricing ensure a healthy balance between revenues and damages at both an aggregate level and an individual fleet level. The provision for damages is regularly assessed and reviewed.

The price for acceptance of damage and insurance risk is set in each market based on prevailing local market conditions after determining appropriate levels of reinsurance cover, programme costs and the expected costs of managing and settling damages (including IBN(E)R provisions).

Under the motor insurance risk policy, Group entities measure and monitor their motor insurance risk on a quarterly basis and the Insurance entities and Group entities measure and report their risk exposures by means of premium developments and loss ratio developments to central management. These loss ratios are consolidated and monitored against the Group's risk appetite.

Note 5 Critical accounting estimates, judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In preparing the Group's consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation of uncertainty were largely the same as those that were applied to the consolidated financial statements for the year ended 31 December 2022. However, the estimates and assumptions are updated in case of significant impacts, such as a global crisis, and the key sources of estimation uncertainty are investigated in more depth in specific notes to the consolidated balance sheet.

5.1 Fleet revaluation

The basis for the depreciation of an operating lease contract and rental contracts is the investment value at cost less the estimated residual value as included in the contract, in combination with the estimated contract duration. A change in the estimated residual value and/or contract duration leads to a change in depreciation that has an effect in the current period and/or in subsequent periods. Statistical models and calculations (regression analysis) covering a reference period of 24 months are used to calculate a vehicle's future value as accurately as possible.

Residual values of the current running fleet are reviewed at least yearly (twice a year for the entities with more than 5,000 vehicles, one in each semester). It is performed at a local level through a revaluation process which is reviewed and approved at Group level. The local sales force/market analysts also include additional scenarios in the calculation to take into account elements that are not captured by the statistics. These scenarios include assumptions such as possible decreases of diesel vehicles prices, concentration mix of vehicles and local factors.

Current residual value embedded in the contract is compared with the expected market value on a car-by-car basis taking into account concentration mix of vehicle makes and models, fuel type and other local market specificities. The Group also considered centrally assumptions which could affect future sales proceeds linked to the lack of market data on used electric vehicle sales. This resulted in management applying an additional stress on the expected sales proceeds of Battery Electric Vehicles (BEV) and Plug-In Hybrids (PHEV).

In accordance with IAS 8, a residual value is treated as an accounting estimate. Revision of the expected residual values can result in one of three outcomes for the prospective depreciation over the remaining life of the contract:

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

"Leasing contract costs – depreciation" is comprised of both regular depreciation costs and movement in the calculation for fleet depreciation which is analysed in each entity during the fleet revaluation process.

Used vehicles prices have continued to drive high profit from the used car sales activity throughout 2023 but, as previously predicted, the used car market has started to normalise in the first semester of 2023 with a further decline observed in the second semester of 2023.

This assessment continues to result in a reduction in depreciation costs of EUR 553.2 million and represents partial recognition of estimated future used car profits.

Due to decrease in depreciation mentioned above, the used car sales margin has been impacted by the increase in net book value of the vehicles. The impact for the vehicles sold in 2023 was EUR 312.2 million.

Sensitivity analysis on expected sales proceeds

+Increase/-decrease in expected sales proceeds per vehicle	Income statement net Impact *(in EUR million)*
-EUR 1,000	(138.1)
+EUR 1,000	122.3

The impacts of the sensitivity analysis are not linear.

5.2 Estimated impairment of goodwill

In determining whether goodwill is impaired requires an estimation of the value in use of the groups of cash generating units to which the goodwill assets have been allocated. The key assumptions calculating the value in use are those regarding discount rates, growth rates and other expected changes in cash flows. The estimates and assumptions used are disclosed in note 3.5.6 of these consolidated financial statements.

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated presented in note 3.5.7 of these consolidated financial statements. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. The Group uses a five-year business plan for each of the CGUs or group of CGUs identified. The business plans used incorporated assumptions relevant to the current economic climate such as fleet growth, used car market and credit risk.

Based on all the assumptions made by the Group, impairment of goodwill was identified in the German subsidiary Fleetpool Holding GmbH for EUR 23.7 million (see note 16 for further detail).

For goodwill, sensitivity tests are carried out to measure the impact on each CGU's recoverable value based on certain assumptions. At 31 December 2023, sensitivities to variations in the cash flows and discount rates were measured.

According to the results in these tests:

- a decrease in operating cash flows by 10% compared to management's estimates would lead to a decrease of 4% in recoverable value and would not generate any additional impairment;
- an increase of 50 basis points applied to all discount rates estimated by management would lead to a decrease of 13% in recoverable value and would not generate any additional impairment.

5.3 Impairment of rental fleet

In the annual assessment of whether there is any indication that an asset may be impaired, the Group considers both external as well as internal sources of information. If such indication for impairment exists, an analysis is performed to assess whether the carrying value of the asset or cash generating unit under an operating lease exceeds the recoverable amount, being the higher of the fair value less costs to sell and the value in use. The value in use is determined at the present value of the future cash flows expected to be derived from the object or cash generating unit. The management closely monitors residual values, which are reviewed internally at least each financial year, due to it being an important input in determining value in use. The original residual values within internal systems will be compared to the revised residual values expected at contract termination, following a review. The results of this exercise will be used to assess the level of exposure, reserves held and potential impairment required. To prevent impairment on residual values, each country completes a minimum of one annual review of pricing under the supervision of the Group to ensure that assumptions used in pricing reflect expected future market conditions, thus ensuring residual values are predicted with a reasonable degree of accuracy and on a consistent basis going forward.

At the end of 2023, an impairment provision of EUR 67.2 million was recognised for the rental fleet of the Group's Turkish subsidiaries. As Turkey is a hyperinflation economy, under the requirements of IAS 29 "Financial Reporting in Hyperinflationary Economies" non-monetary balances at the end of the period are restated to reflect a price index that is current at the balance sheet date. In applying this to the non-monetary book value balance of rental fleet the Group have used the Consumer Price Index (CPI) as announced by the Turkish Statistical Institute as the price index. However, for the leasing contracts originated in Turkey, despite the continued increase carrying amount of vehicles in line with IAS 29, the actual market value of these vehicles and used vehicles started to decline in Q4 2023 after all-time high prices, which resulted in an indicator of impairment. Using a discounted cash flow model, with the recoverable amount determined by value in use, the Turkish subsidiaries rental fleet has been impaired down to the recoverable amount.

5.4 Fair value of derivatives and other financial instruments

The fair value of certain financial instruments is determined by using valuation techniques. The Group uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. The Group has used discounted cash flow analysis for various available-for-sale financial assets that are not traded in active markets. Such assets do not present material amounts in the financial statements.

5.5 Impairment losses on lease receivables

Details about the methodology in measuring ECL for finance lease receivables and trade receivables from operating lease contracts are provided in the note 22. Expected credit losses are reassessed at each reporting date and reflect all reasonable information that is available at the reporting date. Judgement is required from management for applying appropriate models and setting assumptions for the measurement of ECL. The methodology, assumptions and data, including any forecasts of future economic conditions, macroeconomic impacts and the Group's provision matrix are reviewed regularly by management in determining the expected credit losses and the write-off of receivables.

5.6 Pension benefits

The present value of the pension obligations depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate, inflation, expected return on plan assets, salary rises and mortality rates. Any changes in these assumptions will impact the carrying amount of pension obligations, but the discount rate is the most significant factor that will change year on year.

The Group determines the appropriate discount rate at the end of each year. This is the interest rate that is used to determine the present value of estimated future cash outflows expected to be required to settle the pension obligations. In determining the appropriate discount rate, the Group considers the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension obligation.

If the discount rate used were to differ by +0.5% from management's estimates, the carrying amount of pension obligations would be an estimated EUR 2.7 million lower.

Further details are provided in note 31 "Retirement benefit obligations and long-term benefits".

5.7 Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide current and deferred tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group assumes in the estimates that all tax positions that are not yet final will be examined by tax authorities, that have all relevant information available. The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are analysed and will impact the income tax and deferred tax provisions in the year in which such determination is made.

5.8 Own damage reserve

The own damage reserve is based on estimations with respect to incurred but not reported claims. Techniques applied are statistical modelling based on empirical data and assumptions on future claim development, policyholder behaviour and inflation. The assumptions may differ from the actual data as a result of changes in economic and market conditions.

5.9 Revenue recognition

Income related to lease services is recognised over the term of the contract based on historical statistics and on assumptions regarding expected service costs. The assumptions may differ from the actual data as a result of changes in economic and market conditions and are periodically back tested and adjusted if considered necessary. For details in relation to the accounting of revenue recognition, please refer to note 3.5.20.

5.10 Other provisions

For litigation, when there is a legal or constructive obligation and it is more likely than not that there will be an outflow of benefits which can be measured reliably, the best estimate of the future outflow of resources has been recognised. In extremely rare situations where no reliable estimate can be made yet on claims expected, no provision will be recognised in the balance sheet but information about a contingent liability will be disclosed.

Note 6 Segment information

Following the acquisition of LeasePlan, a new leadership team has been appointed where the members of the Executive Committee hold supervisory responsibilities for various geographical regions and countries (see Section 2.1.2.4 of this Universal Registration Document).

The Group's segmentation remains unchanged in this disclosure and has the same geographical regions as those in the Group annual financial statements at 31 December 2022:

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

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

The performance of the operating segments is assessed based on a measure of revenue and profit before tax as presented in the consolidated financial statements. None of the Group's customers represent more than 10% of the total revenue.

Revenue and profit before tax

Sales between segments are carried out at arm's length. The revenue from external parties reported to the Board of Directors is measured in a manner consistent with that in the income statement. There has been no inter-segment revenue for year ending 31 December 2023.

Figures presented below have been restated for the impacts of IFRS 17 in the segment of Western Europe for the period ended 31 December 2022.

	Year ended 31 December 2023		Year ended 31 December 2022	
(in EUR million)	**Profit before tax**	**Revenue from external customers**	**Profit before tax**	**Revenue from external customers**
Western Europe	787.2	14,609.8	1,262.9	8,784.2
Nordic	136.3	1,456.0	108.4	1,015.4
Central & Eastern Europe	295.7	1,985.1	229.6	1,148.4
LatAm, Africa, Asia & Rest of world [1]	76.5	832.8	65.3	466.8
TOTAL	**1,295.7**	**18,883.7**	**1,666.1**	**11,414.8**

	Year ended 31 December 2023	Year ended 31 December 2022
(in EUR million)	**Revenue from external customers**	**Revenue from external customers**
Leasing contract revenues	8,033.7	4,803.9
Service revenues	4,391.2	2,657.4
Proceeds of cars sold	6,458.8	3,953.6
TOTAL	**18,883.7**	**11,414.8**

Other disclosures

(in EUR million)	Year ended 31 December 2023 Rental fleet	Total assets	Net financial debt [2]
Western Europe	38,648.7	57,371.7	38,008.8
Nordic	3,613.9	4,209.0	1,766.6
Central & Eastern Europe	5,653.9	6,367.0	4,025.3
LatAm, Africa, Asia & Rest of world	1,848.7	2,313.4	1,613.8
TOTAL	**49,765.2**	**70,261.1**	**45,414.5**

(in EUR million)	Year ended 31 December 2022 Rental fleet [1]	Total assets [1]	Net financial debt [1] [2]
Western Europe	19,040.2	25,588.6	17,278.7
Nordic	1,863.1	2,080.6	101.6
Central & Eastern Europe	2,235.8	2,472.7	1,379.7
LatAm, Africa, Asia & Rest of world	940.5	1,160.4	831.8
TOTAL	**24,079.6**	**31,302.3**	**19,591.8**

Revenue from external customers and rental fleet by countries with Revenues in excess of EUR 1 billion are detailed below:

(in EUR million)	Year ended 31 December 2023 Revenue from external customers	Year ended 31 December 2022 Revenue from external customers	Year ended 31 December 2023 Rental fleet [1]	Year ended 31 December 2022 Rental fleet [1]
France	3,003.1	2,260.4	8,139.0	5,495.9
Italy	2,198.8	1,257.6	6,303.0	2,532.1
UK	2,004.0	1,116.4	5,520.3	2,326.7
Germany	1,925.1	1,092.4	4,084.1	2,282.1
Spain	1,553.2	820.1	3,967.0	1,959.8
Netherlands	1,726.9	686.0	5,389.9	1,528.4
Belgium	1,157.3	680.6	3,340.5	1,604.6
Other Countries [1]	5,315.3	3,501.3	13,021.4	6,350.1
	18,883.7	**11,414.8**	**49,765.2**	**24,079.6**

(1) Including balances of disposal groups classified as held for sale in the year ending 31 December 2022
(2) Net financial debt is defined as the sum of Borrowings from financial institutions (non-current and current), together with any related derivatives and obligations under finance leases, minus cash and cash equivalents, as presented in the Group's consolidated balance sheet

Note 7 Discontinued operations

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

On 20 April 2023 and on 30 October 2023, the Group completed the disposal of its subsidiaries ALD Russia and ALD Belarus to JSC Tsk respectively. The sale has received clearance from the relevant regulatory authorities. Both entities operated a 13,400 funded fleet, representing less than 1% of ALD's fleet. ALD Russia and ALD Belarus were classified as held for sale in the Group's consolidated financial statements ending 31 December 2022.

The impacts of all sales are recorded in the income statement as at 31 December 2023 under the caption of "Result after tax from discontinued operations".

Financial information relating to the discontinued operation is set out below

(in EUR million)	2023
ASSETS	
External revenue	208.9
External expenses	(175.7)
Income tax expenses	(6.2)
Net results from operating activities	**27.1**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**92.8**
Net cash inflow/(outflow) from operating activities	44.2
Net cash inflow/(outflow) from investing activities	4.4
Net cash inflow/(outflow) from financing activities (1)	(81.0)
Exchange gains/(losses) on cash and cash equivalents	(8.2)
Net movement in cash and balances with bank	**(40.6)**
CASH AND CASH EQUIVALENTS SOLD AS PART OF THE DISCONTINUED OPERATION	**52.2**

(1) Including intercompany dividend distribution

Details of the sale of the subsidiary

(in EUR million)	
Disposal consideration received (cash)	442.0
Carrying amount of net assets sold	(462.4)
Loss on sale before income tax and reclassification of foreign currency translation reserve	**(20.3)**
Reclassification of foreign currency translation reserve	(80.2)
Income tax expense	(4.0)
Loss on sale after income tax	**(104.6)**
Net result for the period from operating activities of the discontinued operation	**27.1**
Result after tax from discontinued operations	**(77.6)**
The net cash flows generated from the sale of subsidiary are as follows:	
Cash received from the sale of the discontinued operations	442.0
Cash sold as a part of discontinued operations	(52.2)
Net cash inflow on the date of disposal	**389.8**
Basic earnings per share from discontinued operations (in cents)	0.02
Diluted earnings per share from discontinued operations (in cents)	0.02

Note 8 Revenues and cost of revenues

8a Leasing contract margin

	Year ended 31 December	
(in EUR million)	**2023**	**Restated 2022 (1)**
Leasing contract revenue - operating leases	7,795.3	4,757.2
Interest income from finance lease	90.4	36.1
Other interest income	148.0	10.6
Leasing contract revenues	**8,033.7**	**4,803.9**
Leasing contract costs - depreciation	(5,685.7)	(3,433.1)
Leasing contract costs - financing:		
Interest charges on loans from financial institutions (2)	(445.2)	(177.6)
Interest charges on deposits	(169.0)	–
Interest charges on issued bonds	(225.3)	(38.2)
Other interest charges	(205.2)	(28.3)
Total interest charges	(1,044.7)	(244.1)
Leasing contract costs - depreciation and financing	**(6,730.4)**	**(3,677.2)**
Derivatives not in hedges	(152.0)	(1.6)
Hedge ineffectiveness - fair value hedges	(35.5)	–
Hedge ineffectiveness - cash flow hedges	1.5	(0.2)
Unrealised gains/losses on derivative financial instruments	(186.0)	(1.8)
Unrealised Foreign Exchange Gains or Losses	4.5	(3.6)
Hyperinflation - net monetary gain	140.1	59.9
Total Unrealised gains/losses on financial instruments and other	**(41.4)**	**54.5**
LEASING CONTRACT MARGIN	**1,261.9**	**1,181.2**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" to insurance subsidiaries
(2) Including interest charges from central banks

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

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

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

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

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

Used vehicles prices have continued to drive high profit from the used car sales activity throughout 2023 but, as previously predicted, the used car market has started to normalise in the first semester of 2023 with a further decline observed in the second semester of 2023.

This assessment continues to result in a reduction in depreciation costs of EUR 553.2 million and represents partial recognition of estimated future used car profits.

Total interest charges have increased significantly in the year ending 31 December 2023. "Interest charge on loans from financial institutions" has increased with the acquisition of LeasePlan, which has external funding arrangements and borrowing from central bank institutions as part of its banking operations. The new charge of "Interest charges on deposits" is also a result of interest paid on fixed term savings deposits, raised by LeasePlan in the Netherlands and in Germany. "Interest charges on issued bonds" has increased due to the issuance of new EMTN bonds in the year to finance the operations of the combined group, while the increase in "Other interest charges" are due to the additional asset-backed securitisation funding acquired on acquisition of LeasePlan. For more details of the funding changes from the acquisition of LeasePlan see note 29 "Borrowings from financial institutions, Bonds and notes issued".

Leasing contract margin is negatively impacted by the mark to market loss of EUR 201.9 million on LeasePlan derivatives that are not hedged for accounting purposes. The Group's activities are principally related to vehicle leasing and Fleet Management. The Group accepts and offers lease contracts to clients at both fixed and floating interest rates, for various periods and in various currencies. For a major part of the funding of the LeasePlan cars, the Group has entered into borrowings from external parties or issued notes to third parties. To mitigate the Group exposure towards future movements in interest rates and currency exchange rates the Group have entered into interest rate swaps and cross currency swap and forward arrangements. While as a result of these arrangements the Group mitigates interest rate risk and currency risk from an economic perspective, these derivatives do not always qualify for hedge accounting from an accounting perspective that due to the accounting treatment of derivative financial instruments exposes the Group to some volatility in its income statement. For more details see note 4 "Financial Risk Management" and note 19 "Derivative financial instruments".

The "Hyperinflation – net monetary gain" in the "Unrealised gains/losses on financial instruments and other" line in the income statement, includes the gain for the consumer price index inflation applied to the book value of the Turkish subsidiaries fleet of vehicles, share capital and retained earnings. This uplift in book value of the vehicles has resulted in an impairment of EUR 67.2 million for year ending 31 December 2023 (2022: nil) and additional depreciation on the inflationary increase of EUR 33.7 million that have been included within the "Leasing contract costs – depreciation" line in the income statement, so overall the net impact on the Leasing contract margin amount is EUR 39.2 million. For further detail see note 5 "Critical accounting estimates and judgements".

8b Service margin

	Year ended 31 December	
(in EUR million)	**2023**	**Restated 2022 (1)**
Services revenue	4,391.2	2,657.4
Cost of services revenues	(3,037.0)	(1,942.3)
Services margin	**1,354.2**	**715.1**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" to insurance subsidiaries

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

Services margin for the year ended 31 December 2023 includes an amount of EUR 84.4 million related to insurance and reinsurance services.

8c Used Car Sales result

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Proceeds of cars sold	6,458.8	3,953.6
Cost of cars sold (1)	(6,109.3)	(3,205.9)
Used Car Sales result	**349.5**	**747.6**

(1) Cost of cars sold represents the written down value of the vehicle and any additional disposal costs

Due to decrease in depreciation mentioned above, the used car sales margin has been impacted by the increase in net book value of the vehicles. The impact for the vehicles sold in 2023 was EUR 312.2 million.

8d Revenues

Revenues that are included within the margins analysed in 8a, 8b and 8c are shown in the following table. They are analysed into Revenues derived from the Rental activity and Proceeds of Cars sold at the end of the leasing period.

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Services Revenues	**4,391.2**	**2,657.4**
Leasing contract revenue - operating leases	7,795.3	4,757.2
Interest revenue	238.4	46.7
Leasing contract revenues	**8,033.7**	**4,803.9**
Sub-Total - Revenues from Rental Activity	**12,424.9**	**7,461.3**
Proceeds of Cars Sold	6,458.8	3,953.6
TOTAL REVENUES	**18,883.7**	**11,414.8**
TOTAL REVENUES EXCLUDING INTEREST INCOME	**17,006.3**	**10,495.2**

Note 9 Impairment charges on receivables

(in EUR million)	Note	Year ended 31 December 2023	2022
Impairment		(168.6)	(125.2)
Reversal of impairment (1)		97.9	79.1
Impairment charges on receivables		**(70.7)**	**(46.1)**

(1) Reversal of impairment represents doubtful receivables recovered in the year and the movement in IFRS 9 provision

Note 10 Operating expenses

Staff expenses

The breakdown of staff expenses is as follows:

(in EUR million)	Year ended 31 December 2023	Restated 2022 (1)
Wages and salaries	(659.3)	(418.4)
Social security charges	(120.8)	(76.0)
Defined benefit post-employment costs	(4.3)	(0.8)
Other staff costs	(151.7)	(22.5)
TOTAL	**(936.1)**	**(517.8)**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" to insurance subsidiaries

The average number of staff employed (including temporary staff) by the Group during the year was 12,505 (2022: 7,154). At year-end, the full time equivalent number of staff employed by the Group was 14,578 (2022: 7,529).

The breakdown of the components of the defined benefit pension cost is identified in note 31.

General and administrative expenses

The breakdown of general and administrative expenses is as follows:

(in EUR million)	Year ended 31 December 2023	Restated 2022 (1)
Professional services expenses	(210.6)	(150.7)
Facilities	(176.3)	(69.1)
Marketing and sales	(34.8)	(13.9)
Other general and administrative expenses	(97.7)	(64.5)
TOTAL	**(519.5)**	**(298.1)**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" to insurance subsidiaries

Depreciation and amortisation expenses

(in EUR million)	Notes	Year ended 31 December 2023	2022
Depreciation of other property and equipment	14	(34.7)	(20.2)
Depreciation of intangible assets	17	(59.3)	(25.5)
Depreciation of right of use assets (1)	15	(42.0)	(21.0)
TOTAL		**(136.0)**	**(66.7)**

(1) Excluding vehicles

Ayvens continues to invest in IT as part of the Group's commitment to be the preferred choice for mobility solutions within the market. There has been a specific focus on digital solutions in order to further enhance customer experience, including fleet manager and driver web portals as well as investment in the development of new flexible products for the Group's customers.

Increase throughout all lines of operating expenses is mainly due to scope changes related to the acquisition of LeasePlan on 22 May 2023 (see note 2 for further details).

Note 11 Other income/(expense)

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Fair value gain on the investment in equity instruments	10.9	–
Dividend income from equity instruments	0.9	–
Impairment of goodwill	(23.7)	–
Impairment of disposal group	–	(50.6)
Other income/(expenses)	(2.1)	–
TOTAL	**(14.0)**	**(50.6)**

This caption includes the positive fair value adjustment on the investment in equity instruments related to SG Fleet Group and Constellation Group, the dividend income from these investments and the impairment of goodwill (see note 16 for further details).

Note 12 Income tax expense

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Current tax	(355.0)	(225.5)
Deferred tax	(19.0)	(220.4)
Income tax expense	**(374.0)**	**(445.9)**

Increase in current tax in 2023 is attributable to contribution of LeasePlan to taxable profits from the date of the acquisition and taxation of the capital gains as a result of the intra group operations.

Deferred tax variation in 2023 is mainly caused by the following movements in temporary differences between accounting and tax bases of assets and liabilities:

- release of purchase price allocation adjustments to assets and liabilities of LeasePlan with deferred tax impact of EUR +37.6 million in the income statement;
- movement in fair value of derivatives of LeasePlan EUR +25.3 million;
- increase in tax losses of EUR +33.3 million (including movement in tax losses of newly acquired entities of LeasePlan).

The deferred tax charge/credit relating to components of other comprehensive income is as follows:

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Cashflow hedges	25.7	(12.0)
Debt instruments at fair value through OCI	(1.2)	2.2
Remeasurement of retirement benefit	1.0	(0.4)
Deferred tax charged to OCI	**25.5**	**(10.2)**

Effective tax rate reconciliation

(in EUR million)	Year ended 31 December 2023	2022
Profit before tax	**1,295.7**	**1,666.1**
Standard tax rate in France	25.83%	25.83%
Tax expense at standard rate	(334.6)	(430.3)
Tax calculated at domestic tax rates applicable to profits in the respective countries	28.6	46.4
Tax effects of:		
Associates' results reported net of tax	1.7	0.5
Income not subject to tax	(14.7)	(11.8)
Expenses not deductible for tax purposes	(12.8)	(30.2)
Utilisation of previously unrecognised tax losses	2.6	–
Tax losses for which no deferred income tax asset was recognised	(6.5)	(1.4)
Changes in the measurement of deferred tax assets/liabilities	(25.1)	0.7
Adjustment in respect of prior years	9.5	(6.9)
Other [(1)]	(22.7)	(12.9)
TOTAL	**(374.0)**	**(445.9)**
Effective rate of income tax	28.87%	26.76%

(1) Regional taxes based on the productive activities (increase is due to inclusion of LeasePlan entities in the Group's scope)

Year on year change in the measurement of deferred tax is mainly attributable to an increase in tax rate in the Group's subsidiaries in Turkey whilst adjustment in respect of prior years has been driven by the change in Turkish tax legislation which now permits the entities to adjust their financial statements for inflation for tax purposes.

Of the tax calculated at domestic rates applicable to profits in the respective countries in 2023, the major contributors are Ireland, Luxembourg, Germany, Italy, UK and Hungary where effective tax rates are lower or higher than in France (with applicable tax rates of 12.5%, 7.61%, 32.28%, 24%, 23.5% and 9% respectively).

Net deferred tax variation

The gross movement on the net deferred tax account is as follows:

(in EUR million)	Year ended 31 December 2023	2022
Net deferred tax liabilities at 1 January	**(547.0)**	**(322.9)**
Income statement charge	(19.0)	(220.4)
Tax charged/(credited) directly to equity	23.1	(12.4)
Hyperinflation adjustment (FTA) charged directly to equity	–	(9.4)
Exchange differences	54.9	2.5
Scope changes [(1)]	(491.8)	(8.0)
Transfer to assets held for sale	0.0	24.6
Other	**(0.6)**	**(1.0)**
Net deferred tax liabilities at 31 December	**(980.4)**	**(547.1)**

(1) Mainly relates to the acquisition of LeasePlan on 22 May 2023. See note 2 for further details

Deferred income tax by nature

(in EUR million)	Year ended 31 December 2023	2022
Accelerated tax depreciation	(1,300.5)	(777.5)
Provisions	110.8	104.7
Impairment losses	30.2	25.4
Tax losses	219.2	55.7
Fair value gains	9.1	(8.8)
Retirement benefit obligation	6.1	2.2
Other timing differences	(55.2)	51.2
Net deferred tax asset/(liability)	**(980.4)**	**(547.1)**

Tax losses

The Group performs an annual review of its capacity to use tax loss carry-forwards, taking into account the tax system applicable to each tax entity concerned and a realistic forecast of its tax results. For this purpose, the tax results are determined based on the projected performance of the businesses. The tax results also take into consideration the accounting and tax adjustments (including the reversal of the deferred tax assets and liabilities based on temporary differences) applicable to the entities and jurisdictions concerned. These adjustments are determined on the basis of historical tax results and on the entity's tax expertise. An extrapolation of the tax result is performed from 2024 on and over a timeframe considered reasonable and depending on the nature of the activities carried out within each tax entity.

The tax losses carried forward for the year are attributable to:

(in EUR million)	Year ended 31 December 2023	2022
Netherlands	74.1	–
France	46.7	24.6
Italy	27.6	–
India	26.3	–
Norway	12.9	10.0
Greece	8.8	5.7
Chile	8.6	3.9
Belgium	7.0	8.7
UK	6.4	–
Others	0.9	2.8
TOTAL	**219.2**	**55.7**

Increase of EUR 144.2 million in tax losses is attributable to the acquisition of LeasePlan. Most of the entities utilised the strategy of accelerated depreciation which led to the recognition of fiscal losses and deferment of tax liabilities. No significant unrecognised accumulated tax losses have been incurred over the last two financial years.

Expected recovery periods of the losses carried forward can be illustrated as follows:

(in EUR million)	Year ended 31 December 2023	2022
Within 1 year	9.2	10.0
Within 1-5 years	10.3	1.2
More than 5 years	–	–
Without expiry	199.6	44.4
TOTAL	**219.2**	**55.7**

Note 13 Rental fleet

(in EUR million)	Rental fleet
At 1 January 2022	
Cost	29,917.0
Accumulated depreciation & impairment	(8,205.7)
Carrying amount as at 1 January 2022	**21,711.3**
Year ended 31 December 2022	
Opening net book amount	21,711.3
Additions	9,554.0
Disposals	(3,102.1)
Scope changes	340.8
Depreciation charge	(3,573.6)
Transfer to inventories	(814.5)
Transfer to assets qualified as held-for-sale	(852.3)
Hyperinflation adjustment	121.1
Currency translation differences	(157.4)
Closing net book amount as at 31 December 2022	**23,227.4**
At 31 December 2022	
Cost	31,771.7
Accumulated depreciation & impairment	(8,544.4)
Carrying amount as at 31 December 2022	**23,227.4**
Year ended 31 December 2023	
Opening net book amount	23,227.4
Additions	18,426.0
Disposals	(5,660.7)
Scope changes	21,405.3
Depreciation charge	(6,030.2)
Impairment	(67.7)
Transfer to inventories	(1,664.8)
Hyperinflation adjustment	299.7
Currency translation differences	(169.8)
Closing net book amount as at 31 December 2023	**49,765.2**
At 31 December 2023	
Cost	66,498.0
Accumulated depreciation & impairment	(16,732.8)
Carrying amount as at 31 December 2023	**49,765.2**

Minimum undiscounted lease payments receivable on operating leases are as follows:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Within 1 year	4,871.5	766.1
Between 1 and 2 years	4,951.7	1,768.3
Between 2 and 3 years	5,565.3	2,557.0
Between 3 and 4 years	4,491.4	2,003.8
Between 4 and 5 years	1,389.0	531.1
Later than 5 years	144.7	27.2
TOTAL	**21,413.6**	**7,653.5**

As at 31 December 2023 and 2022, all the carrying amounts represent owned vehicles that are intended to be leased.

Impairments

The hyperinflation adjustment reflects the consumer price index inflation applied to the book value of the Turkish subsidiaries fleet of vehicles (see note 3 for more details). As a result of this inflation being above the recoverable amount for the Turkish fleet of vehicles there has been an impairment of EUR 67.2 million for the year ending 31 December 2023. In the year ending 31 December 2022 there was no impairment on the "Rental fleet". See note 5 "Impairment of rental fleet".

Residual values

Used vehicles prices have continued to drive high profits from the used car sales activity in 2023. This has resulted in an upward adjustment of the residual values of the rental fleet and a reduction in depreciation costs compared to the original contract depreciation of EUR 553.2 million in the year ending 31 December 2023 (2022: 422.4 million) which also represents partial recognition of estimated future used car sales profits.

Asset-backed securitisation transactions

The Group concluded a number of asset-backed securitisation programmes which involve the sale of future lease instalment receivables and, in some cases, related residual value receivables originated by various Group subsidiaries to special purpose companies which are included in the consolidated financial statements of the Group. For further details on the securitisation transactions and transferred assets reference is made to the note 29. As a result of this sale, net book value of securitised operating lease assets amount to EUR 6,062 million at 31 December 2023, (EUR 2,173 million at 31 December 2022) and present value of transferred lease receivables derived from these assets is EUR 6,286 million (EUR 2,313 million at 31 December 2022). The transferred lease receivables cannot be sold.

Note 14 Other property and equipment

Other property and equipment

(in EUR million)	Land	Property	Equipment	Total
At 1 January 2022				
Cost	4.5	66.0	103.3	173.8
Accumulated depreciation & impairment		(35.8)	(53.0)	(88.8)
Carrying amount as at 1 January 2022	**4.5**	**30.2**	**50.3**	**85.0**
Year ended 31 December 2022				
Opening net book amount	4.5	30.2	50.3	85.0
Additions	–	5.9	34.9	40.9
Disposals	(0.0)	(0.9)	(12.4)	(13.3)
Depreciation charge	–	(5.8)	(14.4)	(20.2)
Transfer to assets qualified as held-for-sale	(0.0)	(2.6)	(1.5)	(4.1)
Scope changes	7.0	1.5	0.9	9.4
Currency translation differences	–	(0.0)	(0.6)	(0.7)
Closing net book amount as at 31 December 2022	**11.4**	**28.3**	**57.2**	**96.9**
At 31 December 2022				
Cost	11.4	67.9	114.4	193.7
Accumulated depreciation & impairment		(39.5)	(57.3)	(96.8)
Carrying amount as at 31 December 2022	**11.4**	**28.3**	**57.2**	**96.9**
Opening net book amount	11.4	28.3	57.2	96.9
Additions	–	3.6	73.3	76.9
Disposals	–	(0.7)	(37.1)	(37.8)
Depreciation charge	–	(6.9)	(29.4)	(36.3)
Transfer to assets qualified as held-for-sale	–	0.0	(0.0)	0.0
Scope changes	0.8	4.5	89.3	94.6
Hyperinflation adjustment (1)	–	–	(0.0)	(0.0)
Currency translation differences	–	0.0	0.0	0.0
Closing net book amount as at 31 December 2023	**12.2**	**28.9**	**153.2**	**194.2**
At 31 December 2023				
Cost	12.2	81.4	331.0	424.6
Accumulated depreciation & impairment		(52.5)	(177.9)	(230.4)
Carrying amount as at 31 December 2023	**12.2**	**28.9**	**153.2**	**194.2**

(1) Hyperinflation adjustment relating to Company vehicles

The title to the other property and equipment is not restricted and these assets are not pledged as security for liabilities.

At 31 December 2022 and 2023 there was no impairment on the “Other property and equipment”.

Note 15 Right-of-use assets and lease liabilities

(in EUR million)	Right-of-use assets (vehicles and equipment)	Right-of-use assets (property leases)	Lease liabilities
As at 1 January 2022	–	117.3	121.4
Additions	40.9	21.3	63.5
Disposals	(1.0)	(11.6)	(12.6)
Depreciation charge	(27.6)	(25.7)	-
Transfer to assets held for sale	–	(2.8)	(2.8)
Scope changes	17.1	5.2	18.4
Interest	–	-	1.3
Payments	–	-	(71.1)
Currency translation differences	**–**	**(0.9)**	**(0.9)**
As at 31 December 2022	**29.4**	**102.8**	**117.2**
As at 1 January 2023	**29.4**	**102.8**	**117.2**
Additions	18.7	42.6	64.1
Disposals	(25.8)	(17.5)	(44.3)
Depreciation charge	(17.2)	(51.8)	-
Scope changes	4.3	148.1	162.9
Interest	–	–	3.4
Payments	–	–	(51.9)
Currency translation differences	**0.0**	**0.9**	**0.9**
As at 31 December 2023	**9.4**	**225.2**	**252.3**

Amounts recognised in the consolidated balance sheet

The consolidated balance sheet shows the above amounts for right-of-use leases and lease liabilities. These property leases are generally for office spaces and car storage and range from 1 to 12 years while the vehicle leases are for vehicles leases to customers and range from three to five years.

Lease liabilities balance and maturity analysis:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Not later than one year	66.2	38.7
1-2 years	55.1	21.5
2-3 years	43.2	19.0
3-4 years	34.7	15.2
4-5 years	25.5	10.5
Later than five years	40.6	17.4
Total	265.3	122.3
Effect of discounting	(13.0)	(5.1)
Lease liability	**252.3**	**117.2**

Amounts recognised in the income statement

The income statement shows the following amounts relating to lease. The cost of leases other than short term leases less than 12 months, variable leasing costs and leases of low value assets are allocated between the depreciation of right-of-use assets and a finance charge representing the unwind of the discount on lease liabilities.

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Depreciation of right-of-use assets [(1)]	(69.0)	(53.3)
Interest expense	(4.1)	(1.3)
Income from sub-leasing right-of-use assets	1.7	1.5
Expense relating to short term leases less than 12 months, variable leasing costs and leases of low value	(11.8)	(7.4)

(1) See note 10 for further details

Amounts recognised in the consolidated cash flow statement

For the year ended 31 December 2023, the total amount of cash paid in respect of leases recognised on the consolidated balance sheet is EUR 51.9 million (2022: EUR 71.1 million).

Note 16 Goodwill

(in EUR million)	Goodwill
At 1 January 2022	
Cost	576.0
Accumulated impairment	–
Carrying amount as at 1 January 2022	**576.0**
Year ended 31 December 2022	
Opening net book amount	576.0
Impairment	(2.7)
Transfer to assets qualified as held-for-sale	(26.6)
Scope changes	71.9
Closing net book amount as at 31 December 2022	**618.6**
At 31 December 2022	
Cost	621.3
Accumulated impairment	(2.7)
Carrying amount as at 31 December 2022	**618.6**
Year ended 31 December 2023	
Opening net book amount	618.6
Impairment	(23.7)
Scope changes (1)	1,396.0
Closing net book amount as at 31 December 2023	**1,990.9**
At 31 December 2023	
Cost	2,014.6
Accumulated impairment	(23.7)
Carrying amount as at 31 December 2023	**1,990.9**

(1) See note 2 for further details

Goodwill by cash-generating units

(in EUR million)	As at 1 January 2023	Addition	Impairment	As at 31 December 2023
France	212.0	–	–	212.0
Germany	35.2	–	–	35.2
Germany (Fleetpool)	53.0	–	(23.7)	29.3
Italy	50.2	–	–	50.2
Spain	128.0	–	–	128.0
UK	22.6	–	–	22.6
Benelux	56.9	–	–	56.9
Nordics Hub	18.3	–	–	18.3
South Eastern Europe Hub	9.5	–	–	9.5
North Eastern Europe Hub	1.4	–	–	1.4
Central Europe Hub	31.5	–	–	31.5
LeasePlan	–	1,396.0	–	1,396.0
TOTAL	**618.5**	**1,396.0**	**(23.7)**	**1,990.9**

On an annual basis, the Group performs an impairment test for each cash-generating unit (CGU) to which goodwill has been allocated.

An impairment loss is recognised in the income statement if the carrying amount of CGU, including its allocated goodwill, is higher than its recoverable amount. This impairment loss is then allocated first to reduce the carrying amount of goodwill.

The recoverable amount of cash-generating unit is calculated using the most appropriate method, generally the discounted cash flow (DCF). Cash flows were projected on actual financial results and the 5-year business plans, for which management has assessed and approved the reasonableness of its assumptions by examining the causes of differences between past cash flow projections and actual cash flows.

A discount rate was applied which is built up of a risk-free interest, a market premium multiplied by a market specific beta.

In 2023, the Group booked an impairment of goodwill in the German subsidiary Fleetpool Holding GmbH for EUR 23.7 million. While the volume of active contracts in Fleetpool remained stable over 2023, difficult local procurement conditions, logistical issues in the management of the stock of vehicles, and difficulties in the German subscription market led to a deterioration of the Company's financial prospects, materially delaying the expansion plan. Several mitigating initiatives have now been undertaken to accelerate the integration of Fleetpool's operations and technology with other Group entities.

The Group has performed additional "stressed" scenario for the future cashflow projections. The scenario had the following stresses:

- 10% decrease in expected fleet growth in 2024-2028;
- 10% reduction in proceeds from used car sales in 2024 and 2025.

Historically, the greatest reduction in the Group's sales proceeds on a per vehicle basis was just over 7% in the 2009 financial crisis compared to the pre-crisis levels.

Based on the assumptions made by the Group, even with these severe stresses, no need for impairment of goodwill, other than goodwill in Fleetpool Holding GmbH, has been identified in 2023. There was an impairment of goodwill for the amount of EUR 2.7 million in 2022. It related to the ALD Russia subsidiary, which was subsequently sold in 2023.

The key assumptions used for value-in-use calculations in 2023 and 2022 are as follows:

Assumptions in 2023 and 2022

	Discount Factor 2023	Discount Factor 2022	Perpetuity rate (2023 and 2022)
France	10.6%	10.0%	2.0%
Germany	10.6%	10.0%	2.0%
Italy	14.2%	12.1%	2.0%
Spain	12.2%	10.6%	2.0%
UK	10.7%	10.0%	2.0%
Benelux	10.6%	10.0%	2.0%
Nordics Hub	15.3%	13.6%	2.0%
South Eastern Europe Hub	25.5%	21.8%	2.0%
North Eastern Europe Hub	10.6%	10.0%	2.0%
Central Europe Hub	20.2%	19.2%	2.0%

On 22 May 2023, the Group completed the acquisition of LeasePlan (see note 2 for detail). Purchase price allocation exercise was completed shortly after the end of the reporting period and there was EUR 1,396 million of goodwill recognised on acquisition which is yet to be allocated to cash generating units. LeasePlan business continues to be integrated into the Group and the management will finalise allocation of the goodwill in the first semester of 2024 to the relevant CGUs.

Climate-related matters

The Group constantly monitors the latest government legislation in relation to climate-related matters. At the current time, no legislation has been passed that will impact the Group. The Group will adjust the key assumptions used in value-in-use calculations and sensitivity to changes in assumptions, should a change be required.

Note 17 Other intangible assets

(in EUR million)	Software (internally generated)	Software licences (external)	Customer relationships	Assets under construction	Other	Total
At 1 January 2022						
Cost	79.8	90.3	10.0	18.8	4.8	203.6
Accumulated amortisation and impairment	(39.6)	(71.2)	(3.8)	–	(0.3)	(114.8)
Carrying amount as at 1 January 2022	**40.2**	**19.1**	**6.1**	**18.8**	**4.5**	**88.7**
Year ended 31 December 2022						
Opening net book amount	40.2	19.1	6.1	18.8	4.5	88.7
Additions	31.1	12.9	–	13.0	11.3	68.3
Divestments	–	(4.2)	–	–	(11.8)	(16.0)
Amortisation	(13.0)	(10.2)	(2.1)	–	(0.3)	(25.5)
Transfer to assets qualified as held-for-sale	(0.4)	(0.2)	–	–	–	(0.6)
Scope changes	1.7	0.4	10.3	–		12.4
Currency translation differences	(0.8)	0.0	–	–	–	(0.8)
Closing net book amount as at 31 December 2022	**58.8**	**17.9**	**14.4**	**31.9**	**3.7**	**126.6**
At 31 December 2022						
Cost	104.6	84.6	20.3	31.9	3.7	245.0
Accumulated amortisation and impairment	(45.8)	(66.7)	(5.9)	–	(0.0)	(118.4)
Carrying amount as at 31 December 2022	**58.8**	**17.9**	**14.4**	**31.9**	**3.7**	**126.6**
Year ended 31 December 2023						
Opening net book amount	58.8	17.9	14.4	31.9	3.7	126.6
Additions (1)	71.1	16.2	279.0	112.8	0.1	479.3
Divestments	(0.0)	(2.1)	–	(18.5)	(3.6)	(24.1)
Impairment	(1.6)	–	-	–	–	(1.6)
Amortisation	(54.8)	(10.9)	(13.3)	–	(4.8)	(83.8)
Scope changes (1)	36.0	18.0	(0.0)	143.8	9.6	207.4
Currency translation differences	0.3	(0.1)	–	–	0.0	0.2
Closing net book amount as at 31 December 2023	**109.7**	**39.0**	**280.1**	**270.0**	**5.1**	**703.9**
At 31 December 2023						
Cost	475.9	152.7	299.3	270.0	9.8	1,207.7
Accumulated amortisation and impairment	(366.2)	(113.7)	(19.2)	–	(4.7)	(503.8)
Carrying amount as at 31 December 2023	**109.7**	**39.0**	**280.1**	**270.0**	**5.1**	**703.9**

(1) Additions for Customer Relationships and scope changes relate to acquisition of LeasePlan (see note 3 for further details)

LeasePlan's Next Generation Digital Architecture programme, launched in 2019 to deliver a harmonized and standardized global digital architecture, was scaled down to 3 entities after the signature of the acquisition MoU in January 2022. The Group started a thorough review of this programme immediately after the acquisition closing. In the context of the LeasePlan purchase price allocation, taking into account the significant delay in deployment and the articulation with rest of the IT architecture, the Group decided to stop new developments, while re-using assets of value and leveraging with ALD's strong back-office systems. As a result, at the date of the acquisition, this intangible asset was marked down by EUR 203 million (net book value as at end 2023: EUR 262 million).

Note 18 Investments in associates and jointly controlled entities

Name	Country of incorporation	Activity	Type of equity investment	Carrying value (EUR million)	% Ownership
ALD Automotive SA Morocco	Morocco	Leasing	Associate	9.5	35%
LeasePlan Emirates L.L.C.	Emirate of Abu Dhabi	Leasing	Joint venture	17.1	49%
Flottenmanagement GmbH	Austria	Leasing	Joint venture	2.0	49%
PLease S.C.S.	France	Leasing	Joint venture	28.1	99%

On 1 October 2022, ALD signed an agreement to acquire the remaining shares in Nedderfeld 95 Immobilien Gmbh & Co.KG, such that it became a 100% subsidiary. Until this point the 35% interest was accounted for using equity method.

	As at 31 December					
	2023			2022		
(in EUR million)	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Balance as at 1 January	**7.9**	**–**	**7.9**	**7.9**	**–**	**7.9**
Share of result for the year	1.4	5.0	6.4	1.7	–	1.7
Dividends paid	(0.0)	(6.3)	(6.3)	–	–	–
Currency translation differences	0.2	(0.1)	0.1	(0.4)	–	(0.4)
Scope changes	–	48.7	48.7	(1.2)	–	(1.2)
Balance as at 31 December	**9.5**	**47.2**	**56.7**	**7.9**	**–**	**7.9**

The summarised statement of comprehensive income below does not represent the proportionate share of entity, but the actual amount included for the material interests in investments accounted for using the equity method.

	Year ended 31 December					
	2022			2022		
(in EUR million)	Associates	Joint Ventures	Total	Associates	Joint Ventures	Total
Income Statement						
Revenues	63.3	172.0	235.3	61.2	–	61.2
Direct costs	(53.6)	(145.0)	(198.6)	(51.3)	–	(51.3)
Gross operating income	**9.7**	**27.0**	**36.7**	**9.8**	**–**	**9.8**
Total operating costs	(4.6)	(15.0)	(19.6)	(4.5)	–	(4.5)
Other income/costs	(0.6)	-	(0.6)	(0.9)	–	(0.9)
Income tax	(0.5)	(1.0)	(1.5)	0.3	–	0.3
Profit for the period	**4.0**	**11.0**	**15.0**	**4.8**	**–**	**4.8**
Total comprehensive income at 100%	4.0	11.0	15.0	4.8	–	4.8
Group share of profit for the year	**1.4**	**5.0**	**6.4**	**1.7**	**–**	**1.7**

The summarised financial information below does not represent the proportionate share of the entity, but the actual amount included in the separate financial statements of the material interests in investments accounted for using the equity method.

(in EUR million)	2023 Associates	2023 Joint Ventures	2023 Total	2022 Associates	2022 Joint Ventures	2022 Total
	As at 31 December					
Balance Sheet						
Current assets	26.0	28.0	54.0	20.0	–	20.0
Non-current assets	149.1	397.1	546.2	120.9	–	120.9
Current liabilities	(61.1)	(112.3)	(173.4)	(65.0)	–	(65.0)
Non-current liabilities	(86.8)	(245.6)	(332.4)	(53.3)	–	(53.3)
Equity/Net assets at 100%	**27.2**	**67.2**	**94.4**	**22.6**	**–**	**22.6**
Group Carrying value	**9.5**	**47.2**	**56.7**	**7.9**	**–**	**7.9**

The loans to investments accounted for using the equity method are accounted for at amortised cost (less impairment) and the maturity analysis is as follows:

(in EUR million)	2023 Associates	2023 Joint Ventures	2023 Total	2022 Associates	2022 Joint Ventures	2022 Total
	As at 31 December					
Loan to associates and joint ventures						
Balance as at 1 January	**–**	**–**	**–**	**–**	**–**	**–**
Addition	2.0	–	2.0	–	–	–
Repayment	–	(39.0)	(39.0)	–	–	–
Scope changes	–	78.5	78.5	–	–	–
Balance as at 31 December	**2.0**	**39.5**	**41.5**	**–**	**– –**	

Credit facilities of EUR 39.5 million (2022: Nil) have been advanced to investments accounted for using the equity method of which EUR 39.5 million was drawn down on (2022: Nil) as at 31 December 2023.

Note 19 Derivative financial instruments

Derivative instruments that are measured at fair value on a recurring basis are included in the caption "Derivative financial instruments" in the consolidated balance sheet and are made up as follows:

	Year ended 31 December 2023			Year ended 31 December 2022		
(in EUR million)	Notional amounts	Assets	Liabilities	Notional amounts	Assets	Liabilities
Cash flow hedges						
Interest rate swaps	2,999.4	24.1	11.5	1,630.3	61.6	0.0
Foreign exchange swaps	519.4	2.7	91.9	491.0	20.8	44.5
Total derivatives in hedge	**3,518.8**	**26.7**	**103.4**	**2,121.3**	**82.3**	**44.5**
Interest rate swaps	31,332.8	235.3	392.1	3,452.9	46.6	44.5
Foreign exchange swaps	4,042.9	121.2	150.3		–	–
Total derivatives not in hedge	**35,375.7**	**356.5**	**542.4**	**3,452.9**	**46.6**	**44.5**
TOTAL	**38,894.5**	**383.3**	**645.8**	**5,574.2**	**128.9**	**89.0**
Less non-current portion:						
Interest rate swaps – hedged		24.1	11.5		61.6	0.0
Foreign exchange swaps – hedged		2.2	52.2		13.1	34.3
Interest rate swaps – not hedged		157.2	353.4		44.3	43.8
Foreign exchange swaps – not hedged		43.1	54.6		–	–
Total non-current portion		**226.6**	**471.7**		**118.9**	**78.1**
CURRENT PORTION		**156.6**	**174.1**		**10.0**	**10.9**

Upon the acquisition of LeasePlan, fair value hedging was in place (through the use of interest rate swaps) as part of the Treasury risk management policy to mitigate exposure to changes in fair value of recognised liabilities, driven by the impact of the interest rate risk component of debt capital market transactions (publicly issued fixed rate bonds). As part of a periodic review of hedging strategy to comply with risk objectives, the Group decided to revoke these fair value hedge designations on 1 October 2023. Before de-designation, any fair value changes were recognised in the income line item "Unrealised gains/losses on financial instruments and other" and the amortisation of the impact on de-designation, that will be smoothed over the residual lifetime of the debt are included in the same income statement line item and amounted to EUR 38 million for the year ending 31 December 2023.

The impact on the income statement of derivatives is summarised below:

	Year ended 31 December	
(in EUR million)	2023	2022
Derivatives not in hedges	(152.0)	(1.6)
Hedge ineffectiveness - fair value hedges	(35.5)	–
Of which:		
• Hedging instruments fair value movement	32.7	–
• Financial liabilities fair value movement	(68.2)	–
Hedge ineffectiveness – cash flow hedges	1.5	(0.2)
Unrealised gains/(losses) on derivative financial instruments	**(186.0)**	**(1.8)**

Note 20 Other financial assets

(in EUR million)	As at 31 December 2023	2022
Investment in debt securities	329.4	219.1
Investment in equity securities	35.0	18.7
Long-term investments	223.5	280.1
Guarantee deposits	414.5	14.2
Other	8.8	5.6
TOTAL	**1,011.2**	**537.7**
Current portion	766.5	331.6
Non-current portion	244.7	206.0

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

Investment in equity securities includes the interest in SG Fleet Group and the interest in Constellation Automotive Holdings S.a.r.l. Refer to note 26 "Financial Instruments" for more information on the method of valuation and related assumptions. No impairment or expected credit loss has been booked for the period ending 31 December 2023 and 2022.

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

The guarantee deposits mainly include:

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

Note 21 Inventories

(in EUR million)	As at 31 December 2023	2022
Inventories – gross value	832.4	407.3
Valuation allowance	(25.8)	(11.9)
Inventories net	**806.6**	**395.3**

Inventories are stated at the lower of cost or net realisable value. The allowance represents the impact of the write down to the lower net realisable value for vehicle inventories on transfer from rental fleet or if held for over 90 days.

Note 22 Lease receivables from clients

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

(in EUR million)	As at 31 December 2023	2022 [(1)]
Amounts receivable under finance lease contracts	2,282.3	727.2
Provision for impairment of receivables under finance lease contracts	(22.6)	(11.6)
Of which		
• provision for doubtful receivables	(6.8)	(6.0)
• provision for sound receivables [(2)]	(15.8)	(5.6)
Trade receivables	2,545.9	1,327.8
Provision for impairment of trade receivables	(239.4)	(174.6)
Of which		
• provision for doubtful receivables	(217.3)	(151.7)
• provision for sound receivables [(2)]	(22.1)	(22.9)
Provision for customer disputes	(21.0)	(19.6)
TOTAL RECEIVABLES	**4,545.2**	**1,849.1**

(1) See note 3.2 for further details
(2) Include forward looking provision

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

Expected Credit Losses

The below table presents the analysis of receivables which are in and out of scope of the simplified approach of IFRS 9 for sound customers. The Group considers some specific receivable types as out of scope (see note 3).

	As at 31 December 2023			As at 31 December 2022		
(in EUR million)	In scope	Out of scope	Total	In scope	Out of scope	Total
Amounts receivable under finance lease contracts	2,233.4 [(1)]	49.0 [(2)]	2,282.3	714.3 [(1)]	12.8 [(2)]	727.2
Provision for impairment of receivables under finance lease contract [(3)]	(15.8)	(6.8)	(22.6)	(5.6)	(6.0)	(11.6)
Trade receivables	1,512.4	1,033.5 [(2)]	2,545.9	651.5	676.3 [(2)]	1,327.8
Provision for impairment of trade receivables [(3)]	(22.1)	(217.3)	(239.4)	(22.9)	(151.7)	(174.6)
Provision for customer disputes	–	(21.0)	(21.0)	–	(19.6)	(19.6)
TOTAL RECEIVABLES	**3,707.9**	**837.4**	**4,545.2**	**1,337.3**	**511.8**	**1,849.1**

(1) Including remaining capital
(2) These amounts represent doubtful and non-lease receivables
(3) Includes forward looking provision

Based on the receivables which are in the scope, as at 31 December 2023 the ALD sound receivables amount to EUR 1,483.5 million (2022: 1,365.8 million) with a provision of EUR 25.5 million (2022: 28.5 million) and the newly acquired LeasePlan sound receivables amount to EUR 2,262.2 million with a provision of EUR 12.3 million.

For ALD entities the loss allowance as at 31 December 2023 and 31 December 2022 was determined as follows for both trade and finance lease sound receivables:

Provision matrix as at 31 December 2023

(in EUR million)	Not past due	0-30 days past due	31-60 days past due	61-90 days past due	>90 days past due	Total
Loss rate	1%	3%	9%	7%	15%	
Gross carrying amount of receivables in IFRS 9 scope	1,251.0	167.3	33.0	12.5	19.7	1,483.5
Loss Allowance	(14.3)	(4.5)	(2.8)	(0.9)	(3.0)	(25.5)
Net carrying amount of receivables in IFRS 9 scope	**1,236.7**	**162.8**	**30.2**	**11.6**	**16.8**	**1,458.0**

Provision matrix as at 31 December 2022

(in EUR million)	Not past due	0-30 days past due	31-60 days past due	61-90 days past due	>90 days past due	Total
Loss rate	1%	4%	8%	16%	22%	
Gross carrying amount of receivables in IFRS 9 scope	1,187.7	120.3	30.6	5.6	21.6	1,365.8
Loss Allowance	(16.2)	(4.4)	(2.3)	(0.9)	(4.7)	(28.5)
Net carrying amount of receivables in IFRS 9 scope	**1,171.6**	**115.9**	**28.3**	**4.7**	**16.9**	**1,337.3**

For newly acquired LeasePlan entities the loss allowance as at 31 December 2023 was determined as follows for both trade and finance lease sound receivables:

	As at 31 December 2023				
(in EUR million)	Banks	Corporate	Small and Medium Enterprises	Private	Total
Loss rate	0%	0%	1%	1%	
Gross carrying amount of receivables in IFRS 9 scope	7.7	1,406.0	790.9	57.7	2,262.2
Loss Allowance	(0.0)	(2.5)	(9.2)	(0.6)	(12.3)
Net carrying amount of receivables in IFRS 9 scope	**7.7**	**1,403.5**	**781.6**	**57.1**	**2,249.9**

The movement in impairment of finance lease receivables is as follows:

	As at 31 December	
(in EUR million)	2023	2022
Balance at 1 January	(11.6)	(13.0)
Purchased credit impaired receivables (1)	(1.3)	–
Net Impairment charges (2)	0.2	0.1
Receivables written off	2.3	1.0
Scope changes (3)	(12.0)	–
Other and currency translation differences	(0.2)	0.2
Balance at 31 December	**(22.6)**	**(11.6)**

(1) The observable credit loss on credit impaired purchased receivables on acquisition of LeasePlan entities
(2) Includes reversal of provision due to receivables written off
(3) Includes acquisition of LeasePlan entities, excluding purchased credit impaired receivables

Information on maturity of sound finance lease receivables

The amounts presented in the tables below include loans and finance receivables by Basel II portfolio that are not past due and that are past due but not individually impaired.

	Year ended 31 December 2023					
	Loans and receivables to customers					
(in EUR million)	Banks	Corporates	Small and medium enterprises	Credit to individuals	Very small companies	Total
Amounts not past due	8.4	1,149.9	624.5	84.7	157.9	2,025.3
Amounts including past due between 1 to 30 days	0.1	22.7	36.4	1.7	11.4	72.4
Amounts including past due between 31 to 60 days	0.2	8.0	11.3	0.2	2.9	22.5
Amounts including past due between 61 to 90 days	–	1.6	4.8	0.1	2.5	8.9
Amounts including past due between 91 to 180 days	0.3	97.4	0.1	0.1	1.6	99.5
Amounts including past due between 181 days to 1 year	–	2.6	–	0.0	0.6	3.2
Amounts including past due over 1 year	–	1.1	–	0.0	0.4	1.5
TOTAL	**9.0**	**1,283.3**	**677.1**	**86.7**	**177.3**	**2,233.4**

	Year ended 31 December 2022					
	Loans and receivables to customers					
(in EUR million)	Banks	Corporates	Small and medium enterprises	Credit to individuals	Very small companies	Total
Amounts not past due	7.1	385.0	30.9	55.4	170.8	649.2
Amounts including past due between 1 to 30 days	0.3	16.2	13.0	0.1	5.0	34.7
Amounts including past due between 31 to 60 days	0.0	1.3	1.8	0.0	1.5	4.6
Amounts including past due between 61 to 90 days	0.1	0.8	2.1	0.0	0.5	3.5
Amounts including past due between 91 to 180 days	0.3	6.6	1.1	0.1	3.4	11.4
Amounts including past due between 181 days to 1 year	0.1	0.3	0.5	0.0	2.1	3.0
Amounts including past due over 1 year	0.2	5.0	0.7	0.0	2.0	7.9
TOTAL	**8.1**	**415.1**	**50.1**	**55.8**	**185.3**	**714.3**

The increase in amounts past due is related to the acquisition of LeasePlan, which has also increased the amounts not past due relating to increased remaining capital for finance leases.

A full description of the impairment policy is contained in the Credit risk measurement section of the note 4 “Financial Risk Management”.

The movement in impairment of trade receivables is as follows:

	As at 31 December	
(in EUR million)	2023	2022
Balance at 1 January	(174.6)	(171.8)
Purchased credit impaired receivables [(1)]	(39.4)	0.0
Net Impairment charges [(2)]	(70.9)	(46.1)
Receivables written off	44.6	47.9
Transfer of disposal groups to assets held for sale	0.0	5.6
Scope changes [(3)]	(0.9)	(10.6)
Other and currency translation differences	1.9	0.3
Balance at 31 December	**(239.4)**	**(174.6)**

(1) The observable credit loss on credit impaired purchased receivables on acquisition of LeasePlan entities
(2) Includes reversal of provision due to receivables written off
(3) Includes acquisition of LeasePlan entities, excluding purchased credit impaired receivables

The maturity analysis is as follows:

(in EUR million)	As at 31 December 2023	2022
Trade receivables not overdue	2,134.1	986.0
Past due up to 90 days	226.4	144.1
Past due between 90-180 days	27.6	23.9
Past due over 180 days	157.8	173.8
TOTAL	**2,545.9**	**1,327.8**

The improvement in the past due over 180 days maturity profile is due to higher focus on collection procedures, outsourcing of payment collections and direct debit payments implemented by Group entities.

Finance lease contracts

The amounts receivable from clients include finance lease receivables, which can be analysed as follows:

Gross investment in finance leases, with remaining maturities

(in EUR million)	As at 31 December 2023	2022
Less than one year	611.9	194.0
1-2 years	523.2	122.5
2-3 years	403.0	88.1
3-4 years	211.1	45.9
4-5 years	88.6	10.5
More than 5 years	34.4	1.6
Gross investment in finance lease payments	**1,872.0**	**462.5**
Unguaranteed residual value	635.3	300.8
Unearned finance income	(225.0)	(36.2)
Net investment in finance leases	**2,282.3**	**727.2**

Net investment in finance leases, with remaining maturities

(in EUR million)	As at 31 December 2023	2022
Current	746.0	221.4
Non-current	1,536.4	505.8
Net investment in finance leases	**2,282.3**	**727.2**

Asset securitisation

A part of the finance lease assets is encumbered (securitised) because of the asset backed securitisation transactions concluded by the Group. The total value of the securitised finance lease assets amounts to EUR 4,256.2 million (2022: EUR 1,727.1 million). For further details on the transactions refer to note 29 of the consolidated financial statements

Collateral

In the event of legal proceeding taken against a customer that is in default, the vehicle would be recovered and as such the fair value of that vehicle less costs to recover would be considered collateral and reduce significantly any loss on default.

Note 23 Receivables from credit and other institutions

	As at 31 December	
(in EUR million)	**2023**	**2022**
Amounts receivable from credit institutions	545.0	–
Loans and receivables from related parties	2,504.5	1,253.0
Loans to joint ventures and associates	41.6	–
Other [(1)]	12.3	3.7
TOTAL	**3,103.4**	**1,256.8**

(1) Mainly accrued interest on loans receivable

These financial assets are all recorded at amortised cost and only held with financial institutions that have an investment grade credit rating. Receivables from credit institutions include amounts from Dutch and foreign banks with fixed or determinable payments, where banking operations were acquired on acquisition of LeasePlan. Loans and receivables from related parties are those due from Societe Generale and inter-group in nature. As such the low-risk exemption has been applied or out of scope where inter-group in nature and no expected credit loss has been applied to these balances.

For loans to joint ventures and associates, refer to note 18 that provides the movement analysis. These were acquired as part of the LeasePlan acquisition and therefore ther was no balance as at 31 December 2022.

Note 24 Other receivables, prepayments and contract assets

	As at 31 December	
(in EUR million)	**2023**	**Restated 2022 [(1)]**
VAT and other taxes	852.8	388.1
Prepaid motor vehicle tax and insurance premiums	236.2	117.4
Reclaimable damages	16.3	10.1
Prepaid expenses and accrued income	645.0	424.4
Reinsurance contract assets [(2)]	52.3	10.3
Insurance contract assets [(2)]	0.8	0.7
Rebates from dealers and manufacturers	612.3	249.8
Other	535.3	158.6
TOTAL	**2,951.0**	**1,359.3**

(1) See note 3.2 for details regarding the restatement due to initial application of IFRS 17 "Insurance Contracts" and IFRS 9 "Financial Instruments" to insurance subsidiaries
(2) See note 32 for further details

Balances written-off from other receivables were not significant for the year ending 31 December 2023 and 2022.

The Expected Credit Losses for Rebates and bonuses and commission receivable, Reclaimable damages, Reinsurance assets and Insurance Contract assets amount to EUR 8 million. These credit losses are based on observable events during the period.

Note 25 Cash and cash equivalents

(in EUR million)	As at 31 December 2023	2022
Cash and balances at central banks	3,535.6	–
Cash at bank and on hand	370.8	195.9
Short-term bank deposits	90.6	57.3
Cash and cash equivalents excl. bank overdrafts	**3,997.0**	**253.1**
Bank overdrafts	(315.3)	(129.5)
Cash and cash equivalents, net of bank overdrafts	**3,681.6**	**123.6**
Cash at bank and short-term bank deposits attributable to disposal group held for sale (1)	–	92.8
Balance as at 31 December 2023 for the purpose of the statement of cash flows	**3,681.6**	**216.4**

(1) Relating to ALD Russia and ALD entities sold as per antitrust requirements

All cash and balances at central banks are available at call except for the mandatory reserve deposits at the Dutch Central Bank. These reserve cash deposits are the so-called minimum reserves required to be held with respective national banks for successive periods of four to five weeks as part of the monetary policy of the European Central Bank. Thanks to cash reserve requirements, banks depend on the European Central Bank's liquidity-providing mechanism for their liquidity needs. The mandatory reserve deposits amounting to EUR 107.3 million (2022: EUR 99 million) form part of "Cash and balances at central banks".

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

The average interest rate on the outstanding cash and balances at central banks is 3.8% (2022: 2.0%).

Cash and cash equivalent amounts are only held with financial institutions that have an investment grade credit rating, so the low-risk exemption has been applied and no expected credit loss has been applied to these balances.

The Group has pledged part of its short-term deposits to fulfil collateral requirements. Refer to note 29 for further details.

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Note 26 Financial instruments

For financial assets and liabilities which are traded on an active market, such as listed investments or listed debt instruments, fair value is determined by reference to market value. For non-traded financial assets and liabilities, fair value is calculated using discounted cash flows, considered to be reasonable and consistent with those that would be used by a market participant, and based on observable market data where available (for example forward exchange rate or interest rate), unless carrying value is considered to approximate fair value.

Where discounted cash flow models based on management's assumptions are used, the resulting fair value measurements are considered to be at level 3 in the fair value hierarchy, as defined in IFRS 13 Fair Value Measurement, as they depend to a significant extent on unobservable valuation inputs.

All derivatives that have been designated into hedge relationships have been separately disclosed.

The Company's financial assets and liabilities are categorised as below. Where the financial instrument does not include fair value information, it is due to the carrying amount being a reasonable approximation of fair value.

Financial assets

As at 31 December 2023 *(in EUR million)*	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial assets measured at FVTPL					
Derivative financial instruments in hedge	26.7		26.7		26.7
Derivative financial instruments not in hedge	356.5		356.5		356.5
Investment in equity securities	35.0	19.6		15.4	35.0
Financial assets measured at FVOCI					
Investment in debt securities	245.5	245.5			245.5
Financial assets measured at amortised cost					
Cash and cash equivalents	3,997.0				–
Investment in debt securities	83.9	83.9			83.9
Other financial instruments	646.8				–
Lease receivables from clients	4,545.2		4,545.2		4,545.2
Receivables from credit and other institutions	3,061.9				
Loans to associates and jointly controlled entities	41.5		41.5		41.5
TOTAL	**13,040.0**	**349.0**	**4,970.0**	**15.4**	**5,334.4**

As at 31 December 2022 *(in EUR million)*	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial assets measured at FVTPL					
Derivative financial instruments in hedge	82.3		82.3		82.3
Derivative financial instruments not in hedge	46.6		46.6		46.6
Investment in equity securities	18.7	18.7		–	18.7
Financial assets measured at FVOCI					
Investment in debt securities	219.1	219.1			219.1
Financial assets measured at amortised cost					
Cash and cash equivalents	253.1				–
Other financial instruments	299.9				–
Lease receivables from clients	1,849.1		1,849.1	–	1,849.1
Receivables from credit and other institutions	1,256.8				
TOTAL	**4,025.7**	**237.8**	**1,978.1**	**–**	**2,215.9**

Financial liabilities

As at 31 December 2023 *(in EUR million)*	Carrying Value	Fair Value Level 1	Fair Value Level 2	Fair Value Level 3	Fair Value Total
Financial liabilities measured at FVTPL					
Derivative financial instruments in hedge	103.4		103.4		103.4
Derivative financial instruments not in hedge	542.4		542.4		542.4
Financial liabilities measured at amortised cost					
Trade and other payables	2,560.4		2,560.4	–	2,560.4
Deposits	11,784.7		11,822.4		11,822.4
Borrowings from financial institutions	21,488.4		21,488.4	–	21,488.4
Bonds issued	16,138.3	6,902.8	9,246.4	–	16,149.2
TOTAL	**52,617.7**	**6,902.8**	**45,763.5**	**–**	**52,666.3**

As at 31 December 2022 *(in EUR million)*	Carrying Value	Fair Value Level 1	Level 2	Level 3	Total
Financial liabilities measured at FVTPL					
Derivative financial instruments in hedge	44.5		44.5		44.5
Derivative financial instruments not in hedge	44.5		44.5		44.5
Financial liabilities measured at amortised cost					
Trade and other payables	1,045.8		1,045.8	–	1,045.8
Borrowings from financial institutions	14,571.1		14,571.1	–	14,571.1
Bonds issued	5,303.4	3,460.9	1,727.1		5,188.0
TOTAL	**21,009.3**	**3,460.9**	**17,433.0**	**–**	**20,893.9**

Valuation techniques

Level 1 – for the equity instruments measured at this level, the Group has used the current bid price for the equity instrument in a quoted market while for financial asset debt securities the Group has used the quoted government bond price in an active market.

Level 2 - loans to associates and jointly controlled entities have been fair valued using a discounted cashflow model using market observable inputs for the discount rate while the key inputs used in valuing the derivative hedge and hedging instruments are directly observable inputs including forward exchange rates, yield curves and spot rates. For details on lease receivables fair value measurement see note 22.

Level 3 – the Group have an equity investment in Constellation Automotive Holdings S.a.r.l., where the discounted cashflow valuation model has a significant part of the inputs that 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 be expected to purchase the asset or liability.

For each level there has been no change to the valuation techniques used during the period. For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year. There were no transfers between the different levels during the current reporting or prior period.

Other financial assets and liabilities not measured at fair value have a carrying amount which is a reasonable approximation of fair value, due to being short-term in nature.

The movements in the fair value of the level 3 financial assets and liabilities are shown as follows:

Level 3 financial asset *(in EUR million)*	2023
At 1 January	
Net profit/(loss) recorded in the income statement	(1.0)
Change in scope	16.4
At 31 December	**15.4**

In May 2023, LeasePlan transferred part of the shares in Constellation Automotive Holdings S.a.r.l. to Lincoln Financing Holdings Pte. Limited (former shareholder of LeasePlan), reducing the carrying amount of the equity instrument to EUR 15.4 million.

The Group does not consider that a significant change in the estimates for the inputs would materially impact the fair value for the Group.

Note 27 Shareholders' equity

Share capital and share premium

In December 2022 the Group successfully completed its capital increase (rights issue) in order to finance the cash component of the LeasePlan acquisition in 2023 (see note 2).

At 31 December 2023, the authorised capital amounted to EUR 1,225.4 million (2022: EUR 848.6 million), divided into 816,960,428 ordinary shares with a nominal value of EUR 1.50 each.

At 31 December 2023, share premium amounted to EUR 3,819.4 million (2022: EUR 1,327.9 million).

On 22 May 2023, the Group completed a share issue for 251,215,332 ordinary shares with a nominal value of EUR 1.50 each.

This issue represented 30.75% of the total ordinary shares of the Group at the transaction date. The newly created Group shares were issued to finance the share component of the acquisition of LeasePlan. As required under IFRS 3, the share component is measured based on the fair value of the Group's shares of EUR 11.43 each at the Completion Date. Based on this, the share component of the acquisition amounts to EUR 2,871.4 million. The share premium includes the amount paid in excess of the nominal value of the share capital. All shares issued by the Group have been fully paid.

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

Other equity instruments

Other Equity Instruments in the consolidated balance sheet and statement of changes in equity are split as follows:

(in EUR million)	AT1 Capital	Warrants	Treasury shares	Total
Balance as at 1 January 2022	**–**	**–**	**(13.2)**	**(13.2)**
Acquisition of treasury shares	–	–	(5.4)	(5.4)
Issue of treasury shares to employees	–	–	2.4	2.4
Balance as at 31 December 2022	**–**	**–**	**(16.2)**	**(16.2)**
Issue of warrants	–	128.1	–	128.1
Acquisition of treasury shares	–	–	(4.9)	(4.9)
Issue of treasury shares to employees	–	–	2.8	2.8
Proceeds from AT1 capital	750.0	–	–	750.0
Balance as at 31 December 2023	**750.0**	**128.1**	**(18.2)**	**859.9**

AT1 capital with Societe Generale

At the closing date of the acquisition of LeasePlan, ALD issued EUR 750 million of Additional Tier 1 (AT1) and EUR 1,500 million of Tier 2 debt (see note 2) which were fully subscribed by Societe Generale for regulatory capital purposes.

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

Interest coupon in the year ending 31 December 2023 on these AT1 capital securities amounts to EUR 45 million. In the year ending 31 December 2023 an amount of EUR 7.8 million was paid out of the retained earnings. The remaining interest of EUR 37.2 million is payable on 30 June 2024.

Warrants

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

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

Treasury Shares

At General Meeting held in prior years, the Group was authorised to purchase its own shares for the purposes of attributing, covering and paying off any scheme for the allocation of free shares, employee savings scheme and any other form of allocation to employees and executive directors of the Company or of companies related to it under the conditions set out in applicable legislative and regulatory provisions, in particular in terms of sharing in the benefits of the Company's expansion, the allocation of free shares, all schemes for employee shareholding and to carry out all hedging operations relating to the said employee shareholding schemes. Treasury shares held by the Group amount to 1,268,887 shares at 31 December 2023 (2022: 1,173,902 shares). Treasury shares do not have any voting rights attached to them.

Translation reserve

Translation reserves in 2023 have been positively impacted by:

- the restatement effect on equity, recorded in this reserve, due to the hyperinflation accounting applied in the Turkish subsidiaries from 2022 (2023: +EUR 71 million and 2022: +EUR 59.3 million);
- sale of ALD's subsidiaries in Russia and Norway (2023: +EUR 80 million). See note 7 for further detail.

Other reserves

Other reserves in the consolidated balance sheet and statement of changes in equity are split as follows:

(in EUR million)	Hedging reserve (1)	Actuarial gain/ (loss) reserve (1)	Share-based payments	Total
Balance as at 1 January 2022	**(8.9)**	**(1.2)**	**13.4**	**3.4**
Changes in cash flow hedges	45.4	–	–	45.4
Changes in fair value of debt instruments	(15.2)	–	–	(15.2)
Remeasurement of post-employment benefit obligations	–	2.2	–	2.2
Share-Based payments	–	–	2.9	2.9
Issue of treasury shares to employees	–	–	(2.4)	(2.4)
Other (2)	9.0	–	(8.9)	0.1
Balance as at 31 December 2022	**30.3**	**1.0**	**5.1**	**36.4**
Changes in cash flow hedges	(64.9)	–	–	(64.9)
Changes in fair value of debt instruments	8.4	–	–	8.4
Remeasurement of post-employment benefit obligations	–	(3.1)	–	(3.1)
Share-Based payments	–	–	3.3	3.3
Issue of treasury shares to employees	–	–	(2.8)	(2.8)
Balance as at 31 December 2023	**(26.2)**	**(2.1)**	**5.5**	**(22.8)**

(1) Net of tax
(2) Reclassification between equity components

The change in fair value of the debt instruments is designated as part of the cash flow hedge and as such the fair value movement has been included in equity rather than the income statement.

Non-controlling interests

Non-controlling interests in the consolidated balance sheet and statement of changes in equity are as follows:

(in EUR million)	Total
Balance as at 1 January 2022	**33.8**
Currency translation differences	(0.6)
Net income	4.7
Dividends	(9.9)
Scope change	8.9
Balance as at 31 December 2022	**36.8**
Currency translation differences	0.1
Net income (1)	27.9
Dividends	(8.6)
Scope change	506.2
Dividend payment on AT1 capital	(36.9)
Balance as at 31 December 2023	**525.6**

(1) Including AT1 interest coupon EUR 21.8 million from the acquisition date till 31 December 2023

At the date of acquisition of LeasePlan, on 22 May 2023, the acquired net assets of LeasePlan include AT1 capital for EUR 513 million recorded in scope change line (including EUR 18.4 million of accrued interest) which was previously issued by LeasePlan Corporation N.V. in 2019. These capital securities qualify as an equity instrument and are undated, deeply subordinated, resettable and callable. Redemption is discretionary to LeasePlan Corporation N.V. five years after the issue date, unless permitted by applicable banking regulations or on each interest payment date thereafter at their prevailing principal amount, together with unpaid interest. There is a fixed interest coupon of 7.375% *per annum*, payable semi-annually.

Interest on the AT1 capital issued by LeasePlan Corporation N.V. is non-cumulative and fully at the discretion of the Group so any failure by the issuer to pay interest or the prevailing principal amount when due in respect of the capital securities shall not constitute an event of default and does not give holders any right to demand repayment of the prevailing principal amount.

Interest coupon in the year ending 31 December 2023 on these AT1 capital securities amounts to EUR 40.2 million of which an amount of EUR 36.9 million was paid. The remaining part of EUR 3.3 million is payable in May 2024.

Note 28 Share-based payments

In 2023, three new equity-settled share-based payment plans were approved by the Board of Directors. The plans are designed to provide long-term incentives for selected employees across the Group to deliver long-term shareholder returns. Under the plans, participants are granted free shares in the parent company ALD SA which will only vest if certain performance and service conditions are met. Participation in the plan is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Shares are granted under the plans for no consideration and carry no dividend or voting rights. Prior to approval of the plans, ALD SA did not hold any shares bound to be distributed to its employees, therefore ALD SA can either issue new shares or acquire its own shares on the market between the grant date and vesting date in order to settle the obligation to its employees.

Summary of 2023 long-term incentives plans approved by ALD Board of Directors

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

Summary of 2022 long-term incentives plans approved by ALD Board of Directors

	Plan 9	Plan 10.A	Plan 10.B
Date of Board Meeting	29 March 2022	29 March 2022	29 March 2022
Total number of shares granted	409,602	12,720	12,723
Vesting date	31 March 2025	31 March 2025	31 March 2026
Holding period end date	no holding period	30 September 2025	30 September 2026
Fair value (in EUR)	9.5	9.51	9.51
Number of employees in the plan	374	6	6

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

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

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

At 31 December 2023, 728 employees (600 employees as at 31 December 2022) benefit from the long-term incentives plans.

The following table shows the shares granted and outstanding at the beginning and end of the reporting period.

	Number of shares
As at 1 January 2022	**866,973**
Granted during the year	435,045
Vested during the year	(240,996)
Forfeited during the year	(32,255)
As at 31 December 2022	**1,028,767**
As at 1 January 2023	**1,028,767**
Granted during the year	433,267
Vested during the year	(373,694)
Forfeited during the year	(45,251)
As at 31 December 2023	**1,043,089**

For equity settled share-based payments, the fair value of these instruments, measured at the grant date, is spread over the vesting period and recorded in shareholders' equity under retained earnings and other reserves. At each accounting date, the number of these instruments is revised in order to take into account vesting conditions and adjust the overall cost of the plan as originally determined. Expenses recognised under Staff expenses from the start of the plan are then adjusted accordingly.

Expenses recorded in the income statement

(in EUR million)	31 December 2023	31 December 2022
NET EXPENSES FROM FREE SHARE ALD PLANS	**(3.2)**	**(2.9)**

Cash settled share based payments

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

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

The expense during the year ended 31 December 2023 is included in the "Staff expenses" and is not material to the Group.

Note 29 Borrowings from financial institutions, bonds and notes issued

(in EUR million)	As at 31 December 2023	2022
Bank borrowings	13,123.6	10,613.1
Tier 2 subordinated debt	1,500.0	–
Non-current borrowings from financial institutions	**14,623.6**	**10,613.1**
Bank overdrafts	315.3	129.5
Bank borrowings	6,537.3	3,828.5
Tier 2 subordinated debt	12.2	–
Current borrowings from financial institutions	**6,864.9**	**3,958.0**
Total borrowings from financial institutions	**21,488.4**	**14,571.1**
Bonds and notes-originated from securitisation transactions	2,870.9	1,123.4
Bonds and notes-originated from EMTN and other programmes	10,070.3	2,450.0
Bonds and notes - fair value adjustment	(163.8)	–
Non-current bonds and notes issued	**12,777.3**	**3,573.4**
Bonds and notes-originated from securitisation transactions	1,385.4	603.7
Bonds and notes-originated from EMTN and other programmes	2,053.9	1,126.3
Bonds and notes - fair value adjustment	(78.4)	–
Current bonds and notes issued	**3,360.9**	**1,729.9**
Total bonds and notes issued	**16,138.3**	**5,303.4**
TOTAL BORROWINGS FROM FINANCIAL INSTITUTIONS AND BONDS	**37,626.7**	**19,874.5**
Non-current deposits	4,041.5	–
Current deposits	7,743.2	–
TOTAL DEPOSITS (1)	**11,784.7**	**26.3**
Total non-current financial debt	31,442.5	14,186.5
Total current financial debt	17,969.0	5,688.0
TOTAL FINANCIAL DEBT	**49,411.5**	**19,874.5**

(1) *Savings deposited by customers with the Group's licensed bank in the Netherlands and Germany*

Societe Generale funding

Following an increase in external funding and acquisition of LeasePlan, the share of funding raised through Societe Generale has decreased to 32.9% as at 31 December 2023 (2022: 69.0%).

Most of the funding provided by the Societe Generale is granted through Societe Generale Luxembourg and Societe Generale Paris. SG Luxembourg and SG Paris funds ALD Group Central Treasury which then grants loans in different currencies to the Group subsidiaries and holding companies. The total amount of loans granted by SG Luxembourg and Societe Generale Paris amounted to EUR 15,087.9 million at 31 December 2023 (2022: 12,158 million) with an average maturity of 2.1 years excluding maturity of the subordinated debt (see below).

The remaining SG funding is provided either by local SG branches or subsidiaries. As at 31 December 2023, the total amount of loans granted to the Group by Societe Generale, including local branches and subsidiaries, was EUR 16,236.4 million (2022: EUR 13,711 million).

Included in SG funding is Tier 2 subordinated debt which has been issued at a variable rate of (Euribor 3-month +336bps margin) and has a 10 year maturity with a non-cancellable period of 5 years. As the instrument qualifies as a debt instrument measured at amortised cost, interest is accounted for using the effective interest rate method. Debt issue costs were deducted from the initial fair value of the liability. Tier 2 subordinated debt has been partially used to fund the acquisition of LeasePlan (EUR 615.5 million).

Tier 1 subordinated debt (AT1 capital) qualifies as an equity instrument under IFRS. For further information on Tier 1 debt, see note 27.

External funding

Local external banks and third parties provide 43.3% of total funding, representing EUR 21,390.2 million at 31 December 2023 (2022: 31.0% at EUR 6,614 million). An amount of EUR 5,252.0 million or 10.6% of total funding is provided by external banks. The residual external funding EUR 16,138.3 million has been raised through asset-backed securitisations and unsecured bonds (8.6% and 24.0% respectively of the total funding).

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

Deposits represent 23.9% of the total funding (EUR 11,784.7 million at 31 December 2023). For further information, see section “Deposits” below.

Maturity of borrowings

	As at 31 December	
(in EUR million)	**2023**	**2022**
Less than 1 year	6,864.9	3,958.0
1-5 years	12,923.8	10,456.3
Over 5 years	1,699.7	156.8
TOTAL BORROWINGS	**21,488.4**	**14,571.0**

Currencies of borrowings

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

	As at 31 December	
(in EUR million)	**2023**	**2022**
Euro	15,616.0	9,852.4
UK Pound	2,389.8	2,153.0
Danish Krone	625.7	455.8
Swedish Krona	440.2	349.7
Norwegian Krona	163.3	–
Turkish Lira	0.3	–
Other currencies	2,253.1	1,760.0
TOTAL BORROWINGS	**21,488.4**	**14,571.0**

Bonds and notes originated from EMTN and other programmes

EMTN programme

Within this programme, the Group has the following outstanding bonds issued as at 31 December 2023:

Issue date	**Maturity date**	**Amount** *(in EUR million)*	**Rate**
ALD			
July 2019	July 2023	500	0.375%
October 2020	October 2023	600	0.375%
February 2021	February 2024	500	0.000%
February 2022	March 2026	700	1.250%
July 2022	July 2027	500	4.000%
October 2022	October 2025	750	4.750%
January 2023	January 2027	750	4.250%
February 2023	February 2025	500	Euribor 3M +0.55
June 2023	February 2025	600	Euribor 3M +0.55
October 2023	October 2025	1000	Euribor 3M +0.65
October 2023	October 2028	1000	4.875%
November 2023	November 2026	500	4.375%
LEASEPLAN(1)			
March 2019	March 2024	500	1.380%
April 2020	April 2025	500	3.500%
February 2021	February 2026	1000	0.250%
September 2021	September 2026	1000	0.250%
May 2022	May 2025	750	2.130%

(1) Excluding private placements

Maturity of bonds – EMTN and other programmes

(in EUR million)	**As at 31 December 2023**	**2022**
Less than 1 year	1,975.6	1,126.3
1-5 years	9,844.0	2,450.0
Over 5 years	62.5	–
TOTAL BONDS	**11,882.1**	**3,576.3**

Currencies of bonds – EMTN and other programmes

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

(in EUR million)	**As at 31 December 2023**	**2022**
Euro	10,766.9	3,576.3
Swedish Krona	36.6	–
Norwegian Krona	317.7	–
Other currencies	760.9	–
TOTAL BONDS	**11,882.1**	**3,576.3**

In LeasePlan, a number of fixed rate bonds were included in a fair value hedge whereby the bonds (hedged items) are measured at amortised cost and are constantly being adjusted for gains/losses attributable to the risk being hedged. As part of a periodic review of hedging strategy to comply with risk objectives, the Group decided to revoke these fair value hedge designations on 1 October 2023. Before de-designation any fair value changes were recognised in the income line item 'Unrealised gains/losses on financial instruments and other' and the amortisation of the impact on de-designation, that will be smoothed over the residual lifetime of these bonds and included in the same income statement line item, amounted to EUR 38 million for the year ending 31 December 2023.

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

The following debt securities are currently issued:

Programme and special purpose company	Deal type	Country	Currency	Amount (in million)(1)	Set up/Renewal date
ALD Funding Limited	Private	UK	GBP	414	February 2023
Axus Finance NL B	Private	The Netherlands	EUR	500	June 2023
Axus Finance SPRL	Private	Belgium	EUR	400	June 2022
FCT Red & Black Auto Lease France 1	Public	France	EUR	123	October 2021
FCT Red & Black Auto Lease France 2	Public	France	EUR	500	June 2023
Bumper BE NV/SA No. 01	Public	Belgium	EUR	293	October 2021
Bumper FR 2022-1 FCT	Public	France	EUR	380	April 2022
Bumper NL 2020-1 B.V.	Public	The Netherlands	EUR	85	June 2020
Bumper NL 2022-1 B.V.	Private	The Netherlands	EUR	450	October 2022
Bumper NL 2023-1 B.V.	Private	The Netherlands	EUR	500	September 2023
Bumper UK 2021-1 Finance PLC	Public	UK	GBP	43	March 2021
Bumper DE S.A. 2023-1	Public	Germany	GBP	434	February 2023

(1) Transaction outstanding amount at 31 December 2023

The interest outstanding at the balance sheet date was EUR 135.8 million (2022: 27.1 million).

Maturity of bonds and notes-originated from securitisation transactions

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

	As at 31 December	
(in EUR million)	**2023**	**2022**
Less than 1 year	1,385.4	603.7
1-5 years	2,870.9	1,079.2
Over 5 years	–	44.2
TOTAL SECURITISATION PROGRAMME	**4,256.2**	**1,727.1**

Currencies of bonds and notes-originated from securitisation transactions

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

	As at 31 December	
(in EUR million)	**2023**	**2022**
Euro	3,730.0	1,260.4
UK Pound	526.2	466.7
TOTAL SECURITISATION PROGRAMME	**4,256.2**	**1,727.1**

Transferred assets and associated liabilities

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

(in EUR million)	**Receivables from clients (finance and operating leases)**	**Cash collateral deposited**	**Total**
At 31 December 2023			
Carrying amount of transferred assets	6,061.8	69.3	6,137.5
Carrying amount of associated liabilities [1]			(4,256.2)
Net carrying amount position			**1,881.3**
Fair value of transferred assets	6,286.3	69.3	6,362.0
Fair value of associated liabilities [1]			(4,256.2)
Net fair value position as at 31 December 2023			**2,105.8**
At 31 December 2022			
Carrying amount of transferred assets	2,182.6	23.3	2,205.9
Carrying amount of associated liabilities [1]			(1,727.1)
Net carrying amount position			**478.8**
Fair value of transferred assets	2,334.3	23.3	2,357.6
Fair value of associated liabilities [1]			(1,727.1)
Net fair value position as at 31 December 2022			**630.5**

(1) Bonds and notes originated from asset-backed securitisation transactions

Deposits

Saving deposits raised by LeasePlan Bank amount to EUR 11.8 billion of which 31.7% are 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 maturity analysis of these deposits is as follows:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Deposits [1]	11,729.2	–
Payables related to deposits	55.5	–
TOTAL	**11,784.7**	**–**
of which:		
Less than 1 year	7,743.2	–
1-5 years	3,925.0	–
Over 5 years	116.6	–

(1) Including EUR 104.1 million of deposits from self-funded clients

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

	Year ended 31 December	
	2023	**2022**
Three months or less	1.60%	–
Longer than three months, less than a year	2.71%	–
Longer than a year, less than 5 years	1.53%	–

The interest of the on-demand accounts is set monthly. The interest outstanding at the balance sheet date was EUR 55.5 million.

Undrawn borrowing facilities

At 31 December 2023, the Group has undrawn committed borrowing facilities of EUR 1.95 billion (2022: EUR 1.0 billion).

Guarantees given

A guarantee at first demand has been granted to ING Luxembourg for an amount of EUR 50 million on behalf of Axus Luxembourg SA, under the condition negotiated in the frame of the distribution agreement concluded with this financial institution.

A guarantee at has been granted to Peugeot SA for an amount of EUR 20 million on behalf of Fleetpool, under the condition negotiated in the frame of the distribution agreement concluded with this financial institution.

The Group has issued guarantees to the total value of EUR 364.8 million of which EUR 363.0 million is related to residual value guarantees issued to clients.

Note 30 Changes in liabilities arising from financing activities

Changes in liabilities arising from financing activities are shown in the table below.

(in EUR million)	Balance as at 1 January 2023	Financing cash flows	Interest accrued	Movement in fair value	Foreign exchange adjustment	Scope changes	Other non-cash movements	Balance as at 31 December 2023
Overdraft	129.5	157.6	–	–	1.5	26.6	–	315.3
Borrowings from financial institutions excl. overdraft	14,441.6	3,868.2	63.9	–	101.0	2,698.5	–	21,173.1
Bonds and notes issued	5,303.4	1,366.3	68.8	68.2	12.2	9,319.3	0.0	16,138.3
Deposits	–	451.9	31.2	–	–	11,301.7	–	11,784.7
Lease liabilities	117.2	(52.0)	3.4	–	0.9	163.0	19.7	252.3

(in EUR million)	Balance as at 1 January 2022	Financing cash flows	Interest accrued	Movement in fair value	Foreign exchange adjustment	Scope changes	Other non-cash movements	Balance as at 31 December 2022
Overdraft	228.4	(97.3)	–	–	(1.6)	–	–	129.5
Borrowings from financial institutions excl. overdraft	13,620.2	652.6	5.3	–	(65.1)	291.9	(63.3)	14,441.6
Bonds and notes issued	4,668.7	639.4	21.2	–	(25.9)	–	(0.0)	5,303.4
Lease liabilities	121.4	(71.1)	–	–	(0.9)	19.7	48.1	117.2

Note 31 Retirement benefit obligations and long-term benefits

Overview

The Group operates a number of defined contribution and defined benefit pension plans with the most significant plans being in France, Belgium, Germany, Italy and Switzerland. It also operates post-employment benefit plans, the majority of which are unfunded, where the Group meets the benefit payment obligation as it falls due. The post-employment benefit plans are for legally required termination indemnities, which are payable at either the retirement date or the date the employee leaves the Group. The amount of the benefit depends on the length of service of the employee at the dismissal or retirement date.

The main defined contribution plans provided to employees of the Group are located in France. They include state pension plans and other national pension plans such as ARRCO and AGIRC, as well as pension schemes put in place by some entities of the Group for which the only commitment is to pay annual contributions (PERCO).

The Group has sponsored defined benefits plans that are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. In the plans, pensions generally do not receive inflationary increases once in payment.

Defined contribution plan

The charge for the year for defined contribution pension plans (net of amounts capitalised) was EUR 3.5 million (2022: EUR 0.7 million).

Defined benefit pension plans and post-employment plans

Characteristics of plans

The majority of the defined benefit pension plans are unfunded. The assets of these plans are held separately from those of the Group, in independently administered funds, in accordance with statutory requirements or local practice in the relevant jurisdiction. The responsibility for the governance of the funded retirement benefit plans, including investment and funding decisions, lies with the Trustees of each scheme.

Contributions

Employer contributions are made in accordance with the terms of each plan and may vary from year to year. Employer contributions made to funded pension plans in the year ended 31 December 2023 were EUR 3.3 million (2022: EUR 0.6 million). The Group expects to contribute EUR 2.4 million to its pension plans in 2024.

Components of the cost of the defined benefits

	Year ended 31 December	
(in EUR million)	**2023**	**2022**
Current service cost including social security contributions	2.2	0.6
Employee contributions	(0.2)	(0.2)
Net interest	0.4	–
Components recognised in income statement	*2.3*	*0.5*
Actuarial gains and losses due to assets (1)	0.4	1.6
Actuarial gains and losses due to changes in demographic assumptions	(0.4)	-
Actuarial gains and losses due to changes in economical and financial assumptions	0.7	(6.3)
Actuarial gains and losses due to experience	3.4	1.9
Components recognised in unrealised or deferred gains and losses	*4.1*	*(2.7)*
TOTAL COMPONENTS OF THE COST OF THE DEFINED BENEFITS	**6.5**	**(2.2)**

(1) Actuarial gains and losses due to assets from which the actuarial gains and losses due to assets included in the net interest cost is deducted

Balance sheet

A summary of the net pension plan assets and retirement benefit obligations on the consolidated balance sheet is as follows:

	As at 31 December	
(in EUR million)	**2023**	**2022**
A – Present value of defined benefit obligations	60.0	17.3
B – Fair value of plan assets	(51.9)	(13.8)
C – Asset ceiling		
D = A - B + C = DEFICIT OF FUNDED PLANS RECORDED IN THE BALANCE SHEET	**8.2**	**3.6**
E - Present value of unfunded defined benefit obligations	9.8	
D + E = TOTAL DEFICIT RECORDED IN THE BALANCE SHEET	**18.0**	**3.6**

Post-employment benefit plans include annuity payments, end-of-career indemnities as well as mixed plans (cash balance). Annuity payments are added to pension plans paid by state and mandatory benefit plans.

The present values of defined benefit obligations have been valued by independent qualified actuaries on an annual basis.

Movement analysis

Changes in the present value of defined benefit obligations:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Balance at 1 January	**17.3**	**21.0**
Current service cost including social security contributions	2.1	0.6
Employee contributions	0.4	–
Net interest	1.8	0.2
Actuarial gains and losses due to assets	1.0	-
Actuarial gains and losses due to changes in demographic assumptions	(0.4)	-
Actuarial gains and losses due to changes in economical and financial assumptions	0.7	(6.3)
Actuarial gains and losses due to experience	3.2	1.9
Benefit payments	(8.0)	(0.2)
Change in scope	51.6	–
Transfers and others		0.1
Balance at 31 December	**69.8**	**17.3**

Changes in fair value of plan assets and separate assets:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Balance at 1 January	**13.8**	**14.6**
Expected return on plan assets	1.5	0.1
Actuarial gains and losses due to assets	(0.4)	
Actuarial gains and losses due to experience	(0.2)	(1.6)
Foreign exchange adjustment	0.6	–
Employee contributions	0.6	0.2
Employer contributions to plan assets	3.3	0.6
Benefit payments	(7.3)	(0.1)
Change in scope	40.0	–
Balance at 31 December	**51.9**	**13.8**

Pension plan assets

Funds only contain quoted investments, the breakdown of the plan assets is as follows:

	As at 31 December	
	2023	2022
Bonds	17.6%	34.0%
Equities	17.3%	41.0%
Money market instruments	1.5%	4.0%
Property	4.2%	0.0%
Other	59.4%	21.0%

The fair value of assets is used to determine the funding level of the plans to enable them to be sufficient to cover the benefits that have accrued to Group members after allowing for expected increases in future earnings and pensions. The actual returns on plan and separate assets were:

	As at 31 December	
(in EUR million)	2023	2022
Plan assets	0.9	(1.5)
Separate assets		–

The assumptions on return on assets are presented in the following section. The expected return on plan assets is determined by considering the current level of expected returns on risk free investments (primarily government bonds), the historical level of the risk-free premium associated with the respective asset classes and the expectations for future returns on each asset class. The expected return for each asset class was then weighted based on the target asset allocation to develop the expected long-term rate of return on assets. The expected returns of the individual plans have been weighted based on the fair value of the assets of the plans to determine the average expected return on plan assets.

Actuarial assumptions by geographical area

The principal assumptions used to determine the actuarial present value of benefit obligations and pension charges and credits are detailed below (shown as weighted averages):

	As at 31 December	
	2023	2022
Discount rate		
Europe	3.5%	3.5%
Long-term inflation		
Europe	2.3%	2.3%
Future salary increase		
Europe	0.4%	1.5%
Average remaining working lifetime of employees (in years)		
Europe	9.4	12.3
Duration (in years)		
Europe	9.5	9.5

The assumptions described above have been applied on post-employment benefit plans.

The assumptions by geographical area are averages weighted by the present value of the liabilities (DBO). The yield curves used to discount the liabilities are corporate AA yield curves (source: Merrill Lynch) observed in the end of October for GBP and EUR, and corrected at the end of December if the decrease in discount rates had a significant impact. Inflation rates used are the long-term targets of the central banks of the monetary areas above.

Sensitivity analysis

Significant actuarial assumptions for the determination of pension plan liabilities are the discount rate, inflation rate and salary increase. The sensitivity analysis below has been provided by local actuaries on an approximate basis based on changes in the assumptions occurring at the end of the year, assuming that all other assumptions are held constant, and the effect of interrelationships is excluded. The effect on plan liabilities is as follows:

	As at 31 December	
(in percentage of item measured)	**2023**	**2022**
Variation of +0.5% in discount rate		
Impact on the present value of defined benefit obligations at 31 December, N	-3.9%	-5.7%
Variation of +0.5% in long-term inflation		
Impact on the present value of defined benefit obligations at 31 December N	2.5%	2.3%
Variation of +0.5% in future salary increases		
Impact on the present value of defined benefit obligations at 31 December N	2.8%	9.3%

The disclosed sensitivities are averages of the variations weighted by the present value of defined benefit obligations.

Maturity breakdown of future payments

The expected maturity analysis of undiscounted post-employment benefits is:

	As at 31 December	
(in EUR million)	**2023**	**2022**
N+1	3.3	0.4
N+2	4.5	0.5
N+3	3.6	1.2
N+4	5.0	0.8
N+5	5.6	0.9
N+6 to N+10	29.0	8.3

Other long-term benefits

Some entities of the Group may award their employees other long-term benefits, like long-term deferred variable remunerations, time saving accounts (French Term) *Comptes Epargne Temps* or long service awards. They are different from post-employment benefits and termination benefits, which are not fully due within twelve months following the financial year during which the services are rendered by the employees.

The net balance of other long-term benefits recorded in the balance sheet as at 31 December 2023 is EUR 16.2 million (2022: EUR 10.3 million). The total amount of charges for other long-term benefits in the income statement for the period ending 31 December 2023 is EUR 1.9 million (2022: EUR 1.1 million).

Note 32 Provisions

The Group provisions are split as below for General and Damage risk provisions recognised under IAS 37 and insurance provisions recognised in accordance with IFRS 17.

(in EUR million)	As at 31 December 2023	2022
Damage risk and Legal & other	302.4	136.9
Insurance contracts	607.1	164.4
TOTAL	**909.5**	**301.3**

(in EUR million)	Damage risk	Legal & Other	Total
At 1 January 2023	**80.5**	**56.4**	**136.9**
Scope changes	48.6	87.2	135.8
Charge to income statement	15.8	26.3	42.1
Utilised and released	(7.7)	(5.2)	(12.9)
Reclass	0.2	(0.2)	–
Currency translation differences	0.0	0.5	0.5
At 31 December 2023	**137.5**	**165.0**	**302.4**
Current	68.4	83.3	151.7
Non-current	69.0	81.7	150.7
At 31 December 2023	**137.5**	**165.0**	**302.4**

(in EUR million)	Damage risk	Legal & Other	Total
At 1 January 2022	**220.5**	**61.2**	**281.7**
Charge to income statement	62.1	3.4	65.5
Utilised and released	(43.2)	(3.1)	(46.3)
Reclass	11.1	(3.7)	7.4
Change policy	(170.3)	–	(170.3)
Currency translation differences	0.2	(1.4)	(1.2)
At 31 December 2022	**80.5**	**56.4**	**299.8**
Current	32.1	13.4	45.5
Non-current	48.4	43.0	91.4
At 31 December 2022	**80.5**	**56.4**	**136.9**

Damage risk

The provision for damage risk is the 'best estimate' expected expenditure required to settle the present obligations to repair the damage at the reporting date based on IBNR and IBNER (see policy note 3.5.17). The majority of damage service provisions are expected to be recovered or settled within 12 months.

Legal & Other

Litigation provisions have been set up to cover legal and administrative proceedings that arise in the ordinary course of business. These provisions are not employee related. Legal provisions depend on court proceedings, so no assumptions related to future events have been disclosed.

Other provisions mainly consists of provisions for profit sharing arrangements that the Group have with manufacturers, dealers and customers; indemnities to be paid at the end of contracts with agents/brokers; and various VAT litigation with various tax authorities.

Insurance provisions

The insurance provision breaks down as follows:

	As at 31 December 2023			As at 31 December 2022		
(in EUR million)	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Insurance liabilities	(606.6)	52.3	(554.3)	(164.0)	10.3	(153.7)
Insurance asset	0.8	(0.5)	0.3	0.7	(0.5)	0.2
Net Insurance provisions	**(605.9)**	**51.9**	**(554.0)**	**(163.2)**	**9.8**	**(153.4)**

Reconciliation of the remaining coverage and incurred claims components

The following table provides a reconciliation of the net insurance liability for all insurance products issued by the Group:

	Liabilities for remaining coverage		Liabilities for incurred claims		
(in EUR million)	Excluding loss component	Loss component	Estimates of the present value of future cash flows	Risk adjustment	Total
Insurance contract liabilities as at 1 January 2023	21.2	(0.2)	(181.0)	(4.0)	(164.0)
Insurance contract assets as at 1 January 2023	2.3	–	(1.6)	(0.0)	0.7
Net insurance contract (net assets/(liabilities) as at 1 January 2023	**23.6**	**(0.2)**	**(182.6)**	**(4.0)**	**(163.2)**
Insurance contract liabilities	(1.7)	(3.2)	(385.9)	(13.0)	(403.7)
Insurance contract assets	–	–	–	–	–
Net insurance liabilities on acquisition	**(1.7)**	**(3.2)**	**(385.9)**	**(13.0)**	**(403.7)**
Insurance revenue	433.4	–	–	–	433.4
Insurance expenses	(15.9)	(5.5)	(307.2)	(7.1)	(335.6)
Incurred claims and other expenses	–	–	*(425.1)*	*(8.4)*	*(433.5)*
Losses on onerous contracts and reversals of those loses	–	*(5.5)*	–	–	*(5.5)*
Insurance acquisition cash flows amortisation	*(15.9)*	–	–	–	*(15.9)*
Changes to liabilities for incurred claims	–	–	*118.0*	*1.2*	*119.2*
Insurance result	**417.5**	**(5.5)**	**(307.2)**	**(7.1)**	**97.8**
Insurance finance expenses	–	(0.0)	(8.0)	–	(8.0)
Effect of movements in exchange rates	12.0	(0.1)	4.1	(0.0)	16.0
TOTAL CHANGES IN THE STATEMENT OF COMPREHENSIVE INCOME	**429.5**	**(5.6)**	**(311.1)**	**(7.1)**	**105.8**
Premiums received/paid	(408.4)	–	–	–	(408.4)
Claims and other expenses paid	–	–	261.4	–	261.4
Insurance acquisition costs	2.1	–	–	–	2.1
TOTAL CASH FLOWS	**(406.3)**	**–**	**261.4**	**–**	**(144.9)**
Other movements	–	–	0.2	–	0.2
Net insurance contract (net assets/(liabilities) as at 31 December 2023)	**45.1**	**(9.0)**	**(617.9)**	**(24.1)**	**(605.9)**
Insurance contract liabilities as at 31 December 2023	42.3	(9.0)	(615.9)	(24.0)	(606.6)
Insurance contract assets as at 31 December 2023	2.8	–	(2.0)	(0.0)	0.8
NET INSURANCE CONTRACT (NET ASSETS/ (LIABILITIES) AS AT 31 DECEMBER 2023)	**45.1**	**(9.0)**	**(617.9)**	**(24.1)**	**(605.9)**

Reinsurance reconciliation of the remaining coverage and incurred claims components

The following table provides a reconciliation of the reinsurance liability for reinsurance contracts issued by the Group:

	Liabilities for remaining coverage	Liabilities for incurred claims		
(in EUR million)	Remaining coverage	Estimates of the present value of future cash flows	Risk adjustment	Total
Reinsurance contract liabilities as at 1 January 2023	(0.5)	–	–	(0.5)
Reinsurance contract assets as at 1 January 2023	0.4	9.7	0.2	10.3
Net Reinsurance contract (net assets/(liabilities) as at 1 January 2023	**(0.1)**	**9.7**	**0.2**	**9.8**
Reinsurance contract liabilities	–	–	–	–
Reinsurance contract assets	1.4	32.2	1.2	34.8
Net Reinsurance contract assets on Acquisition	**1.4**	**32.2**	**1.2**	**34.8**
Reinsurance expenses	(2.6)	–	–	(2.6)
Claims recovered	14.9	1.4	1.2	17.6
Effect of changes in the risk of reinsurers non-performance	–	0.0	–	0.0
Changes that relate to past service - adjustments to insurred claims	–	(9.0)	0.0	(9.0)
Net income/(Expenses) from Reinsurance contracts held	**12.4**	**(7.6)**	**1.2**	**5.9**
Finance income from reinsurance contracts held	–	0.4	–	0.4
TOTAL CHANGES IN THE STATEMENT OF COMPREHENSIVE INCOME	**12.4**	**(7.2)**	**1.2**	**6.3**
Premiums paid	1.0	–	–	1.0
Recoveries from reinsurance	–	(1.4)	–	(1.4)
TOTAL CASH FLOWS	**1.0**	**(1.4)**	**–**	**(0.5)**
Other movements	1.4	(0.0)	0.0	1.4
Net reinsurance contract (net assets/(liabilities) as at 31 December 2023)	**16.1**	**33.2**	**2.6**	**51.9**
Reinsurance contract liabilities as at 31 December 2023	(0.5)	–	–	(0.5)
Reinsurance contract assets as at 31 December 2023	16.5	33.2	2.6	52.3
NET REINSURANCE CONTRACT (NET ASSETS/(LIABILITIES) AS AT 31 DECEMBER 2023)	**16.1**	**33.2**	**2.6**	**51.9**

Note 33 Trade and other payables

(in EUR million)	As at 31 December 2023	2022
Trade payables	2,560.4	1,045.8
Deferred leasing income [(1)]	732.1	363.7
Other accruals and other deferred income[(2)]	1,060.2	611.5
Advance lease instalments received	808.6	448.3
Accruals for contract settlements	472.8	214.9
VAT and other taxes	332.1	243.6
Other	68.4	0.7
TRADE AND OTHER PAYABLES	**6,034.7**	**2,928.6**

(1) Deferred leasing income relates to maintenance and tyre revenue which is profiled in line with historical maintenance expenditure in order to match revenue and costs
(2) Including EUR 30.9 millions of contingent consideration for the acquisition of LeasePlan

The majority of the trade and other payables and deferred income, except for deferred leasing income, have a remaining maturity of less than one year. The increase in other is primarily attributable to cash collateral deposited for derivative financial instruments and originates from Credit Support Annexes (CSAs) to International Swaps and Derivatives Association (ISDA) master agreements.

Other accruals and other deferred amounts owed contain accruals for a number of different staff expenses, including for the variable remuneration. The accrual for variable remuneration also contains the liability for Phantom Share Units ("PSUs") in LeasePlan. The variable remuneration award for the Identified Staff consists of a direct payment in cash and a deferred payment in cash and Phantom Share Units (PSUs). The PSUs represent the underlying value of the Company shares which entitle the participant to a payment in cash after a specified period and are recognised as cash-settled share-based payment arrangement. The PSU part of the deferred award is revalued annually by estimating the Company's equity value for determining the fair value of the outstanding PSU awards. Liabilities recognised for PSUs are measured at the estimated fair value. The accrual for variable remuneration also contains the liability for Phantom Share Units ("PSUs"). The fair value of the accrual is EUR 23.9 million as at 31 December 2023. As this obligation was purchased as part of the LeasePlan acquisition in the year there was no impact to the Group in 2022.

Note 34 Dividends

A dividend related to the period ended 31 December 2022 for an amount of EUR 598.9 million (EUR 1.06 per share) was paid to ALD shareholders on 2 June 2023 of which the dividend paid to Societe Generale was EUR 456.9 million (2022: a dividend relating to 31 December 2021 of EUR 435.2 million (EUR 1.08 per share) was paid to ALD shareholders on 1 June 2022 of which the dividend paid to Societe Generale was EUR 348.3 million). A dividend related to the period ended 31 December 2023 for an amount of EUR 7.8 million was paid to AT1 capital holders (see note 27 for further details).

Note 35 Earnings per share

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

In 2023, weighted average number of shares outstanding in the computation of diluted earnings per share includes the number of shares to be issued for the warrants at no consideration adjusted for deduction of the ordinary shares that would be purchased in the open market using the expected proceeds.

The Group is authorised to purchase its own shares for the purposes of attributing, covering and paying off any scheme for the allocation of free shares, employee savings scheme and any other form of allocation to employees and executive directors of the Company or of companies related to it under the conditions set out in applicable legislative and regulatory provisions. Rights to free ordinary shares granted to employees will be settled with treasury shares under the long-term incentives employee plans. Treasury shares are included in the calculation of diluted earnings per share assuming all outstanding rights will vest.

Basic earnings per share

	As at 31 December	
	2023	Restated 2022
Net income Group share (in EUR million)	816.2	1,215.5
Result after tax from discontinued operations (in EUR million)	77.6	–
Attributable remuneration to AT1 capital holders (in EUR million)	(45.0)	–
Net income from continuing operations Group share (in EUR million)	**848.8**	**1,215.5**
Weighted average number of ordinary shares with voting rights (in thousands)	711,058	451,995
Basic earnings per share from continuing operations (in cents)	**1.19**	**2.69**
Net income Group share (in EUR million)	816.2	1,215.5
Attributable remuneration to AT1 capital holders (in EUR million)	(45.0)	–
Net income Group share (in EUR million)	**771.2**	**1,215.5**
Weighted average number of ordinary shares with voting rights (in thousands)	711,058	451,995
Basic earnings per share (in cents)	**1.08**	**2.69**

Diluted earnings per share

	As at 31 December	
	2023	Restated 2022
Net income from continuing operations Group share (in EUR million)	**848.8**	**1,215.5**
Weighted average number of ordinary shares (in thousands)	722,914	453,169
Diluted earnings per share from continuing operations (in EUR)	**1.17**	**2.68**
Net income Group share (in EUR million)	**771.2**	**1,215.5**
Weighted average number of ordinary shares (in thousands)	722,914	453,169
Diluted earnings per share (in cents)	**1.07**	**2.68**

Note 36 Related parties

Identity of related parties

Related party transactions relate mainly to transactions with companies of the Societe Generale ("SG"), the Group majority shareholder, and transactions with companies of TDR Capital as a result of the acquisition of LeasePlan (see note 2 for further details). There was no material change in the nature of the transactions conducted by the Group with related parties from prior year. All business relations with Societe Generale are handled at normal market conditions.

Key management compensation

Key management includes the following membxers of the Executive Committee: Chief Executive Officer, three Deputy Chief Executive Officers, Chairman of the Board and the Board directors.

The compensation paid or payable to key management for employee services is shown below:

	As at 31 December	
(in EUR million)	**2023**	**2022**
Salaries and other short-term employment benefits	2.3	2.8
Post employment benefits	–	0.4
Attendance fees for the Board members	0.4	0.3
Other long-term benefits	0.8	1.1
TOTAL	**3.4**	**4.6**

Sales of goods and services

SG and its subsidiaries are customers of the Group. The Group leases to SG and its subsidiaries a fleet of 7,683 vehicles across 20 countries. Rentals have been priced at normal market conditions. More than 65% of the total fleet leased to Societe Generale is leased by ALD France. Rental paid by Societe Generale for the year ending 31 December 2023 amounted to EUR 19.5 million (2022: EUR 19.8 million). The amount outstanding as at 31 December 2023 amounted to EUR 1.4 million (2022: EUR 0.5 million).

TDR Capital has a controlling interest in Constellation Automotive Group, which had a controlling interest in British Car Auction (BCA) and CN Group B.V. The Group sells ex-lease vehicles on an arm's length basis under a long-term service agreement. The result of transactions with Constellation Automotive Holdings for the year ending 31 December 2023 is not material at the Group level. As at 31 December 2023 a balance is owed from Constellation Automotive Holdings of EUR 0.7 million.

Purchases of goods and services

Information Technology ("IT") Services

The Group has a contract with SG Global Services Centre (India), with which the Group subcontracts IT services including development, maintenance and support of international applications. The Group also subcontracts some technical infrastructure services to SG, mainly in France. The overall amount of IT services subcontracted to SG and its subsidiaries for the year ending 31 December 2023 amounts to EUR 29.8 million (2022: EUR 23.0 million). The amount outstanding as at 31 December 2023 amounted to EUR 0.5 million (2022: EUR 0.3 million).

Premises

Some Group entities share premises with SG or with SG business divisions in some countries (mainly France and Denmark which represent around 96% of the total rentals paid to SG). Rentals have been priced at arm's length and amounted to EUR 0.8 million for the year ending 31 December 2023 (2022: EUR 0.6 million).

Brokerage

SG retail and corporate banking network sells long term rental contracts to customers on behalf of the Group against a commission for each contract sourced. In the year ending 31 December 2023, around 20,000 contracts have been signed through the SG distribution network in three different countries. The rental contract brokerage's commission paid to SG by ALD France represented EUR 3.0 million for the year ended 31 December 2023, (2022: EUR 3.3 million).

Third Party Liabilities (TPL) Insurance policy

ALD Italy has subscribed to a TPL insurance policy for part of their fleet through Sogessur, the Car insurance company of Societe Generale. Sogessur acts as a frontier and is reinsured through ALD Re, the reinsurance company of the Group. Insurance premiums have been fixed at arm's length. The overall amount of insurance premium paid by the Italy subsidiary to Sogessur for the year ending 31 December 2023 amounted to EUR 47.0 million (2022: EUR 54.4 million). There are no outstanding balances at the year end.

Corporate services

Societe Generale, as a shareholder, provides ALD Group with the following intercompany corporate services:

- providing support and advice regarding general secretary, tax or compliance matters at a holding level;
- performing periodical audits in order to verify the effectiveness of governance, risk management, and permanent control;
- supervising the Human Resources Departments of the subsidiaries.

These Corporate services provided by SG have been subject to compensation of EUR 8.2 million (estimated) in the year ending 31 December 2023 (2022: EUR 8.5 million).

In addition, for the year ending 31 December 2023, there were 78 employees seconded from SG (2022: 57) to the Group. For certain employees, they remained on the payroll of SG and were re-billed to the Group, which amounted to re-billing for staff seconded of EUR 17.0 million in the year ending 31 December 2023 (2022: EUR 14.9 million). The amount outstanding as at 31 December 2023 amounted to EUR 1.0 million (2022: EUR 1.0 million).

Loans with related parties

Societe Generale and its affiliates provide the Group with funding either through the Group Treasury centre or directly to Group subsidiaries at a market rate (see note 30). 32.9% of the Group's funding was provided through SG representing EUR 16,236.4 million as of 31 December 2023 (2022: 69% representing EUR 13,710.8 million).

SG also provides bank guarantees on behalf of the Group and its subsidiaries in relation to external funding. Overall guarantees released by Societe Generale amounted up to EUR 1,702.8 million as of 31 December 2023 (2022: EUR 1,569.5 million).

SG also provides the Group with derivatives instruments which have a nominal amount of EUR 5,259.28 million, and are represented on the balance sheet as at 31 December 2023 for a total amount of EUR 65.8 million in assets and EUR 92.0 million in liabilities (2022: nominal of EUR 1,336.3 million, with EUR 45.0 million in assets and EUR 1.5 million in liabilities).

The Group has long-term cash deposits with SG for a total of EUR 180.9 million as at 31 December 2023 (2022: EUR 269.6 million). These deposits will roll-out in approximately 3 years' time and will not be renewed.

The Group has short-term deposits with SG for a total of EUR 2,512.3 million as at December 2023 (2022: EUR 1,253.9 million).

All business relations with investments accounted for using the equity method are in the ordinary course of business and are handled on normal market terms. As at 31 December 2023, an amount of EUR 41.5 million is provided as loans to investments accounted for using the equity method (see note 18).

Tax consolidation agreement

ALD Automotive Italia SRL had joined SG tax consolidation group in Italy in 2016. This regime allows the determination of a single IRES taxable base comprised of the taxable income and losses of each of the participating entities.

Note 37 Auditors' fees

	2023					2022			
(in EUR million)	Ernst & Young	Deloitte	KPMG	Other	Total	Ernst & Young	Deloitte	Other	Total
Audit services	4.0	3.7	6.9	0.1	14.7	2.2	1.9	0.3	4.4
Audit related services	0.1	0.0	0.3		0.5	0.1	0.1	–	0.2
Other (non-audit) services	0.1	0.0		0.3	0.4	–	–	–	–
TOTAL AUDIT FEES	**4.2**	**3.8**	**7.2**	**0.4**	**15.6**	**2.3**	**2.0**	**0.3**	**4.6**

Note 38 Commitments

The Group has entered into commitments relating to the forward purchase of property and equipment under operating lease and rental fleet amounting to EUR 9.5 billion (2022: EUR 6.3 billion) as at the balance sheet date. 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.

Note 39 Events after the reporting period

The Group has completed the sale of its subsidiary LeasePlan Russia to Expo Capital Liz, a local company active in the automotive and leasing sector on 26 February, 2024. The sale of LeasePlan Russia, representing a funded fleet of 3,500 vehicles, has received clearance from the relevant Russian regulatory authorities. At the date of the acquisition of LeasePlan (22 May, 2023), as part of the Purchase Price Allocation exercise, the Group recorded an impairment of EUR -28.5 million to the equity of LeasePlan Russia in line with the estimated future sales proceeds in the context of the Russian regulatory constraints. The sale resulted in a gain on disposal of EUR 4.8 million in Ayvens' income statement in 2024 contributing to the total loss in the shareholders' equity of EUR -23.7 million. With this sale, the Group is no longer present in Russia.

In March 2024, Ayvens obtained the Declaration of No-Objection (DNO) from both the European Central Bank and the Dutch National Bank. The DNO allows the Group to merge ALD and LeasePlan's activities together and is an important step forward in the journey towards integration to become "one". Consequently, the shares of almost all LeasePlan entities will be transferred in a phased approach from LeasePlan Corporation N.V. to ALD SA. Once this is completed, ALD SA will, directly or indirectly, own all operating entities, ultimately allowing it to simplify and streamline the corporate governance, processes and business activities, particularly in the 20 overlapping countries where both entities are present.

Note 40 Scope of consolidation

	As at 31 December	
(in %)	**2023**	**2022**
ALD International SA	**Parent company**	**Parent company**
Consolidated companies under global integration	**interest %**	**interest %**
ALD Autoleasing D GmbH – GERMANY [(1)]	100.00	100.00
ALD Automotive A/S - DENMARK	100.00	100.00
ALD Automotive AB - SWEDEN	100.00	100.00
ALD Automotive AG – SWITZERLAND	100.00	100.00
ALD Automotive D.O.O. BEOGRAD - SERBIA	100.00	100.00
ALD Automotive D.O.O. ZA. Operativni i Financijski Leasing – CROATIA [(1)]	100.00	–
ALD Automotive for Cars Rental and Fleet Management S.A.E. - EGYPT	100.00	100.00
ALD Automotive Fuhrparkmanagement und Leasing GmbH - AUSTRIA	100.00	100.00
ALD Automotive Group Limited – UK [(1)]	100.00	100.00
ALD Automotive SA – BRAZIL	100.00	100.00
ALD Automotive Magyarorszag Autopark - kezelo es Finanszirozo KFT – HUNGARY [(1)]	100.00	100.00
ALD Automotive Operational Leasing DOO – SLOVENIA	100.00	100.00
ALD Automotive Polska Sp z o.o. – POLAND	100.00	100.00
ALD Automotive Private Limited – INDIA	100.00	100.00
ALD Automotive SA de CV – MEXICO	100.00	100.00
ALD Automotive SA Lease of Cars - GREECE	100.00	100.00
ALD Automotive SAU – SPAIN [(1)]	100.00	100.00
ALD Automotive SRO – CZECH REPUBLIC	100.00	100.00
ALD Automotive Turizm Ticaret Anonim Sirketi – TURKEY	100.00	100.00
ALD Fleet SA de CV SOFOM ENR	100.00	100.00
ALD International SAS & CO KG [(1)]	100.00	100.00
ALD Re Designated Activity Company – IRELAND	100.00	100.00
Axus Finland OY	100.00	100.00
ALD Automotive Italia SRL	100.00	100.00
Axus Luxembourg SA	100.00	100.00
Axus Nederland BV [(1)]	100.00	100.00
AXUS SA NV – BELGIUM [(1)]	100.00	100.00
ALD Automotive Ukraine Limited Liability Company	100.00	100.00
Temsys – France [(1)]	100.00	100.00
ALD Automotive Algerie SPA	99.99	99.99
ALD Automotive SRL – ROMANIA	80.00	80.00
NF Fleet A/S – DENMARK	80.00	80.00
NF Fleet OY – FINLAND	80.00	80.00
NF Fleet AB – SWEDEN	80.00	80.00
NF Fleet AS – NORWAY	80.00	80.00
ALD Automotive Eesti AS – ESTONIA	75.01	75.01
ALD Automotive SIA – LATVIA	75.00	75.00
UAB ALD Automotive – LITHUANIA	75.00	75.00
ALD Automotive EOOD – BULGARIA	100.00	100.00
ALD Automotive Limitada – CHILE	100.00	100.00
ALD Automotive Peru S.A.C.	100.00	100.00
ALD Mul Mobility Services Malaysia SND. BHD. – MALAYSIA	60.00	60.00
UK FFM	50.10	50.10

	As at 31 December	
(in %)	2023	2022
ALD International SA	**Parent company**	**Parent company**
ALD Automotive LLC (Belarus)	100.00	100.00
ALD Automotive Euro Leasing B.V.	50.10	50.10
Soluciones De Renting Movilidad S.L.	100.00	100.00
Fleetpool Holding GmbH	100.00	100.00
ALD Automotive SAS – COLOMBIA	100.00	100.00
ALD Automotive Slovakia S.R.O	100.00	100.00
ALD Automotive OOO – RUSSIA (2)	–	100.00
ALD Automotive AS – NORWAY (2)	–	100.00
SG ALD Automotive Sociedade Geral de Comercio e Aluguer de Benz sa – Portugal (2)	–	100.00
Merrion Fleet Management Limited (2)	–	100.00

	As at 31 December	
(in %)	2023	2022
ALD International SA	**Parent company**	**Parent company**
Consolidated companies under global integration	**interest %**	**interest %**
LeasePlan Brasil Ltda.	100.00	–
LeasePlan Danmark A/S, Denmark	100.00	–
LeasePlan Deutschland GmbH	100.00	–
LeasePlan Digital B.V.	100.00	–
LeasePlan Fleet Management N.V.	100.00	–
LeasePlan Fleet Management (Polská) Sp. z.o.o.	100.00	–
LeasePlan Fleet Management Services Ireland Limited	100.00	–
LeasePlan France S.A.S.	100.00	–
LeasePlan Hellas S.A.	100.00	–
LeasePlan Hungária Gépjárműpark Kezelö és Finanszírozó Zártkörű Részvénytársaság	100.00	–
LeasePlan India Private Limited	100.00	–
LeasePlan Italia S.p.A.	100.00	–
LeasePlan México S.A. de C.V.	100.00	–
LeasePlan Nederland N.V.	100.00	–
LeasePlan Norge A/S	100.00	–
LeasePlan Österreich Fuhrparkmanagement GmbH	100.00	–
LeasePlan Portugal Comércio e Aluguer de Automóveis e Equipamentos Unipessoal Lda.	100.00	–
LeasePlan Romania S.R.L.	100.00	–
LeasePlan Rus LLC	100.00	–
LeasePlan (Schweiz) AG, Switzerland	100.00	–
LeasePlan Service Center	100.00	–
LeasePlan Servicios S.A.	100.00	–
LeasePlan Slovakia s.r.o.	100.00	–
LeasePlan Sverige AB	100.00	–
LeasePlan Otomotive Servis ve Ticaret A.Ş.	100.00	–
LeasePlan UK Limited	100.00	–
Euro Insurances Designated Activity Company	100.00	–
LeasePlan Finance B.V.	100.00	–
LeasePlan Global B.V.	100.00	–
LeasePlan Česká republika s.r.o. (2)	–	–
LeasePlan Finland Oy (2)	–	–
LeasePlan Luxembourg S.A. (2)	–	–
LeasePlan USA, Inc. (2)	–	–

Consolidated companies under equity method

	As at 31 December	
(in %)	**2023**	**2022**
ALD Automotive SA Maroc	35.00	35.00
PLease S.C.S Flottenmanagement GmbH [(3)]	99.30	–
LeasePlan Emirates Fleet Management – LeasePlan Emirates LLC1	49.00	–
Flottenmanagement GmbH	49.00	–

(1) Including subsidiaries
(2) ALD's subsidiaries in Russia, Belarus, Portugal, Ireland, Norway (except NF Fleet) and LeasePlan's subsidiaries in the USA, Czech Republic, Finland and Luxembourg (see note 7)
(3) PLease is a Société en Commandite Simple (S.C.S.) under French law, whereby the Group is one of the partners. PLease is governed by a Steering Committee and a Strategy Committee whereby the Group can nominate two of the four members of each committee. In the Steering Committee, decisions require a majority of its member votes and in the Strategy Committee decisions can only be taken unanimously

6.3 Statutory auditors' report on the consolidated financial statements

Statutory auditors’ report on the consolidated financial statements

Year ended 31 December 2023

This is a translation into English of the statutory auditors’ report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of Englishspeaking users.

This statutory auditors’ report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of ALD,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of ALD for the year ended 31 December 2023.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at 31 December 2023 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited nonaudit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments – Key Audit Matters

In accordance with the requirements of Articles L. 8239 and R. 8237 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Revaluation of the vehicles' residual value

Risk identified	Our response
The rental fleet represents around 71% of the Group's total balance sheet as at 31 December 2023, with a net value of € 49.8 billion, taking into account an accumulated depreciation of € 16.7 billion, as mentioned in Note 13 "Rental Fleet" to the consolidated financial statements. Rental fleet vehicles are depreciated on a straight-line basis according to the terms specified in Note 5.1 " Fleet revaluation" to the consolidated financial statements. The depreciation period used is the estimated contract duration; the residual value corresponds to the estimated resale value of the vehicles at the end of the contract. These residual values are defined for each vehicle at the beginning of the lease agreement and are reviewed at least annually to reflect changes in prices in the used vehicle market. Calculations are based on a statistical approach. Any difference between the re-estimated residual value and the initial residual value constitutes a change in estimate and is depreciated on a straight-line basis over the remaining life of the contract. We considered the revaluation of the residual values to be a key audit matter as: • it is based on a statistical approach, • it integrates assumptions and requires management's judgment, particularly in the current context of used car market and uncertainties related to the price of used electric vehicles, which the proportion in the current fleet continues to grow.	We familiarized ourselves with the process used by the Group to reevaluate the residual value. We examined the efficiency of the key controls set up by local and central management, in particular those used to determine the assumptions and parameters used for the revaluation. Assisted by our IT experts we tested the general IT-controls covering the applications used in the fleet revaluation process. Our work also consisted in: • Analyzing the appropriateness of the statistical model and the main assumptions and parameters used as at 31 December 2023; • Testing that information used for the residual values calculation comes from the fleet management system and testing data security key controls; • Comparing that accounting information comes from the calculation results; • Testing, on a sample basis, the accounting treatment of changes in estimates of residual values; Verifying that the estimates adopted are based on documented methods that comply with the principles set out in the notes to the consolidated financial statements.

Evaluation of deferred revenue related to the vehicles' fleet maintenance

Risk identified	Our response
ALD invoices its maintenance revenue on a straight-line basis over the term of the lease. As disclosed in Note 3.5.20 "Revenue recognition" to the consolidated financial statements, in order to record the revenue based on a model reflecting the transfer of control of the services provided, the revenue resulting from the maintenance and tyres are deferred to be recorded at the same rate as the expected costs based on the standard maintenance cost curve. The Group's entities evaluate the maintenance revenue to be deferred using a mathematical sequence that models the standard cost curve of a lease. As indicated in Note 33 to the consolidated financial statements, deferred leasing revenue represents nearly € 732.1 million in the ALD Group's financial statements as at 31 December 2023. We considered the valuation of deferred maintenance revenue to be a key audit matter as: • it is an estimation and it is based on the modeling of a mathematical sequence; • it represents a significant amount of the Group's balance sheet.	Our audit response consisted in evaluating the process used to determine the provisions for deferred maintenance revenue and the performance of substantive tests. Our work consisted in: • performing analytical procedures to understand the variances of the deferred revenue account between the 2023 financial exercise and the previous one; • examining the consistency of the calculation model implemented and the main parameters used with historical accounting data; • comparing, on a sample basis, the data used for the calculation with that from the fleet management system of entities; • recalculating the amount of deferred maintenance revenue, based on a sample of leases; • analyzing, at the level of the most significant group entities, the statistical data relating to the rate of recognition of costs on past due contracts; • verifying that the estimates adopted are based on documented methods that comply with the principles set out in the note to the consolidated financial statements.

Impairment tests on goodwill

Risk identified	Our response
The recognition of external growth transactions leads the Group to record goodwill on the assets side of its consolidated balance sheet. As indicated in Note 5.2 "Estimated impairment of goodwill" to the consolidated financial statements, goodwill is subject to impairment tests performed annually or more frequently that compare their accounting value with a value in use generally calculated based on the discounting of the CGU's or groups of CGUs' future cash flows. The cash flows are based on the five-year business plans of each UGT or UGT group. Within the Group, each of the most significant countries that are managed independently represent one UGT (France, Spain, Italy for example), the other countries are groups by poles covering homogeneous geographical areas. As at 31 December 2023, the net value of balance sheet goodwill stood at € 1,990.8 million, as indicated in Note 16 to the consolidated financial statements. We considered the valuation of goodwill to be a key audit matter due to the judgement involved regarding the models used, the financial forecasts, the parameters retained for the calculations, and the importance of the total amount of goodwill accumulated over successive external growth transactions.	Our audit response consisted in examining the processes set up by the Group to identify the potential decrease of values and the need to impair goodwill. This work also consisted of: • an analysis of the valuation methods used to calculate values in use; • the input of our valuation specialists to assess the main assumptions retained for the calculation models and their sensitivity; • a consistency check for the future discounted cash flows used for the impairment tests with the financial trajectories prepared by ALD's management and the market reporting; • a verification that the impairment test results and sensitivity to certain parameters were correctly transcribed in the notes to the consolidated financial statements.

Fair value assessment of identifiable assets acquired and liabilities assumed from the LeasePlan group

Risk identified	Our response

On 22 May 2023, ALD acquired LeasePlan group for an initial amount estimated at € 4,896.7 million.
As described in Note 2.1 "Acquisition of LeasePlan" to the consolidated financial statements, and in accordance with IFRS3 "Business Combinations", the company has assessed the fair value of identifiable assets acquired and liabilities assumed at the date of acquisition and has recognized goodwill of € 1,396 million.
As part of the purchase accounting, the following items were particularly revalued at fair value, according to the valuation methods described in Note 2.1 to the consolidated financial statements:
• Lease assets valued at € 22,806 million
• Intangible assets valued at € 486 million, including € 279 million in customer relationships.
We considered the valuation of the fair value of identifiable assets acquired and liabilities assumed - and the resulting goodwill - as a key audit point given the significant nature of the transaction and the estimates that management was called upon to exercise to perform the accounting treatment of the acquisition.
	In the context of this acquisition and with the involvement of our valuation specialists, our work mainly consisted of:
	• examining the legal documentation relating to the scope and financial conditions of this acquisition;
	• understanding the organization set up by the group as part of this acquisition, particularly with regard to internal control;
	• assessing the competence and objectivity of independent experts who participated in the valuation work as part of the purchase accounting;
	• analyzing LeasePlan's accounting rules and methods, particularly based on the specific audit procedures conducted by local auditors on the data used for the fair valuation of acquired assets and assumed liabilities;
	• assessing the reasonableness of the methods used and the key assumptions retained for the fair value assessment of identifiable assets acquired and liabilities assumed, and in particular:
	  ◦ analyzing the valuation terms of the rental fleet, software and customer relationships;
	  ◦ reconciling future cash flows with the group's overall business plan;
	  ◦ analyzing the allocation of these discounted future cash flows to the bookends of the identifiable assets acquired and liabilities assumed;
	• analyzing the overall consistency of the allocation of the purchase price and the resulting net goodwill.
	• verifying the arithmetic accuracy of the calculations;
	• finally, assessing the appropriateness of the information provided in Note 2.1 to the consolidated financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

We have no matters to report as to the fair presentation and the consistency with the consolidated financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest that the consolidated nonfinancial statement required by Article L. 2251021 of the French Commercial Code (*Code de commerce*) is included in the information relating to the Group given in the management report, it being specified that, in accordance with Article L. 82310 of said Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of presentation of the consolidated financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the presentation of the English translation, examined by the Board of Directors, of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 45112, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in European Delegated Regulation (EU) No. 2019/815 of 17 December 2018. As it relates to consolidated financial statements, our work includes verifying that the tagging of the English translation of the consolidated financial statements complies with the format defined in the above-mentioned delegated regulation.

On the basis of our work, we conclude that the presentation of the English translation of the consolidated financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

Due to the technical limitations inherent to the block-tagging of the consolidated financial statements according to the European single electronic format, the content of certain tags of the notes may not be rendered identically to the English translation of the accompanying consolidated financial statements.

Furthermore, we have no responsibility to verify that the English translation to the consolidated financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers)* agree with that on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ALD by the annual general meeting held on 3 June 2013 for DELOITTE & ASSOCIES and on 7 November 2001 for ERNST & YOUNG et Autres.

As at 31 December 2023, we were in the eleventh year for DELOITTE & ASSOCIES and twenty-third year for ERNST & YOUNG et Autres of total uninterrupted engagement, including eleven years since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated financial statements.

As specified in Article L. 823101 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the consolidated financial statements.
- Assesses the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 82210 to L. 82214 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 12 April 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	**ERNST & YOUNG et Autres**
Pascal Colin	Vincent Roty

6.4 Information on the individual financial statements of ALD SA

6.4.1 Development of activity in 2023 for ALD SA

On 22 May 2023, ALD completed the acquisition of 100% of LeasePlan, paid through a combination of cash and ALD SA shares. This transformative acquisition represents a step-change which positions the combined group as the leading global sustainable mobility player.

In 2023, 6 entities were sold as part of the corrective measures agreed with the anti-trust authorities (ALD's subsidiaries in Portugal, Norway, Ireland and LeasePlan's subsidiaries in Luxembourg, Finland and the Czech Republic), as well as ALD's subsidiaries in Russia and Belarus, due to the geopolitical tensions.

In the context of the integration of LeasePlan and for the purpose of the rationalization of the Group's structure, ALD SA has directly acquired some ALD subsidiaries which were previously held via a sub-holding company.

This organigram rationalization will continue in 2024 with the direct acquisition of LeasePlan subsidiaries. Following the closing of the acquisition of LeasePlan, ALD SA became a Financial Holding Company, a regulated institution supervised by the European Central Bank and subject to new requirements, including capital requirements.

At the closing date of the acquisition of LeasePlan, ALD SA issued Additional Tier 1 (" AT1 ") instruments for EUR 750 million and Tier 2 subordinated debt for EUR 1,500 million which were fully subscribed by Societe Generale.

As part of its EUR 15 billion bond issuance program, ALD SA issued a total of EUR 4,350 million in 2023 and redeemed EUR 1,100 million, bringing the bond stock to EUR 6,800 million at the end of 2023, compared with EUR 3,550 million at the end of 2022, an increase of 92%.

6.4.2 Presentation of the annual financial statements of ALD SA

The annual financial statements for the financial year ended 31 December 2023 were prepared in accordance with the presentation rules and evaluation methods specified by the regulations in force.

No notable change in the evaluation method and presentation method occurred during the financial year.

6.4.3 Explanation of the economic and financial results of ALD SA

Pursuant to the financial year ended 31 December 2023.

6.4.3.1 Income statement

Turnover increased by EUR 19,265 thousand on the previous year. This increase can largely be attributed to the rise in revenues, which in turn is due to the increase in the delivery and production of IT projects. Thanks to these new projects, the company was able to generate additional sales and increase its revenues.

Operating expenses for the year amounted to EUR 307,987 thousand compared to EUR 263,677 thousand in 2022. This increase is explained by the costs of acquisitions and integration costs in relation to LeasePlan.

Financial income at EUR 1,567,139 thousand compared to EUR 398,126 thousand in 2022. This change is explained by a higher level of dividends from subsidiaries and sub-subsidiaries than in the previous year, given the direct ownership of subsidiaries, and by the increase in interest income.

Non-recurring items amounted to a loss of EUR 22,628 thousand, compared with a loss of EUR 2,031 thousand in 2022, due to the sale of the Russian and Belorussian subsidiaries, the loss being due to the net book value being higher than the sale price.

Income tax for the year amounted to EUR -17,612 thousand compared to EUR -25,471 thousand in 2022. Corporate income tax decreased. This tax is paid by subsidiaries that are fiscally integrated with their parent company ALD SA.

Net profit after tax for the 2023 financial year stood at a of EUR 1,410,076 thousand compared with EUR 293,833 thousand for the previous financial year. This increase in income was impacted by the exceptional increase in dividends.

6.4.3.2 Assets

As at 31 December 2023, the balance sheet total stood at EUR 18,600,625 thousand compared with EUR 7,272,315 thousand at 31 December 2022.

Non-current assets amounted to EUR 18,495,643 thousand compared to EUR 7,171,062 thousand at the end of the previous financial year. This increase reflects the acquisition of subsidiaries and the increase in financial loans to finance the new business.

Current assets stood at EUR 114,982 thousand at 31 December 2023 compared to EUR 101,252 thousand at the end of the previous financial year.

6.4.3.3 Liabilities

The amount of equity rose from EUR 3,093,317 thousand at 31 December 2022 to EUR 6,621,434 thousand at 31 December 2023. On 22 May 2023, the Group completed a share issue for 251,215,332 ordinary shares with a nominal value of EUR 1.5 each. This issue represented 30.75% of the total ordinary shares of ALD at the transaction date. The newly created ALD shares were issued to finance the share component of the acquisition of LeasePlan.

Financial debts increased to EUR 11,061,612 thousand from EUR 4,030,807 thousand at the end of 2022. ALD SA has issued AT1 subordinated debt for EUR 750 million and Tier 2 subordinated debt for EUR 1,500 million.

Operating liabilities amounted to EUR 142,325 thousand as at 31 December 2023, compared to EUR 126,930 thousand as at 31 December 2022.

6.4.3.4 Off-balance sheet

The ALD Group provided guarantees and counter-guarantees on behalf of its subsidiaries in the event of external financing or property leases of a total amount of EUR 177,348 thousand in 2023.

6.4.4 Payment terms

6.4.4.1 Suppliers

6.4.4.1.1 Invoices due, received and not settled at the reporting date of the financial year

(in EUR thousand)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total
Number of invoices concerned	76	13	6	16	111
Total amount including VAT of invoices concerned	2,972	98	81	175	3,326
Total amount including VAT of credit notes and advances paid	(165)	(4)	(72)	(126)	(367)
Net total amount including VAT of invoices concerned	2,807	94	9	49	2,959
Percentage of total number of purchases including VAT for the financial year	1%	0%	0%	0%	1%

6.4.4.1.2 Invoices excluded from 6.4.4.1.1 relating to debt and disputed receivables not recognised

Number of invoices excluded	None
Total amount including VAT of invoices excluded	None

6.4.4.1.3 Reference payment terms used

Statutory payment delays used for calculating late payment	Date of invoice end of month +45 days/Date of invoice end of month +45 days/60 days date of invoice
Contractual payment delays used for calculating late payment	Upon receipt of invoice/Invoice date +15, 30, 45 end of month/Invoice date +5, 7, 8, 10, 12, 14, 15, 20, 30, 40, 45, 50, 60 days

6.4.4.2 Customers

6.4.4.2.1 Invoices issued and not settled at the reporting date of the financial year

(in EUR thousand)	1 to 30 days	31 to 60 days	61 to 90 days	91 days or more	Total
Number of invoices concerned	15	9	5	124	153
Total amount including VAT of invoices concerned	57	132	67	4,570	4,826
Total amount including VAT of credit notes and advances paid	(2)	(22)	0	(698)	(722)
Net total amount including VAT of invoices concerned	55	110	67	3,872	4,104
Percentage of total number of sales including VAT for the financial year	0%	0%	0%	4%	4%

6.4.4.2.2 Invoices excluded from (A) relating to debt and disputed receivables not recognised

Number of invoices excluded	**None**
Total amount including VAT of invoices excluded	None

6.4.4.2.3 Reference payment terms used

Statutory payment delays used for calculating late payment	**Date of invoice +30 days**
Contractual payment delays used for calculating late payment	Date of invoice +30 days

6.4.5 Table of financial results for ALD SA

The table below, specified by Article R. 225-102 subparagraph 2 of the French Commercial Code *(Code de commerce)*, shows the financial results for the Company over the last five financial years.

Type of information *Established in EUR*	**Financial year 2023**	**Financial year 2022**	**Financial year 2021**	**Financial year 2020**	**Financial year 2019**
I. Capital at year-end					
a) Share capital *(in EUR thousand)*	1,225,441	848,618	606,155	606,155	606,155
b) Number of existing ordinary shares	565,745	404,410	404,410	404,410	404,410
c) Number of priority dividend shares (without voting rights) outstanding					
d) Maximum number of future shares to be created					
d-1) by conversion of bonds					
d-2) by exercise of subscription rights					
II. Profit (loss) for the period *(in EUR thousand)*					
a) Revenue excluding taxes	140,256	120,990	108,430	101,213	96,457
b) Profit before tax and expenses calculated	1,474,321	280,144	401,297	401,253	461,724
c) Income tax expense	(17,612)	(25,471)	(16,027)	18,487	13,862
d) Employee profit sharing due for the financial year					
e) Depreciation, amortisation and provisions	81,857	11,781	9,518	7,100	3,042
f) Earnings after tax and expenses calculated	1,410,076	293,833	407,806	375,667	444,820
g) Net income distributed in respect of the financial year	601,593	436,432	435,218	253,946	254,960
III. Earnings per share *(in EUR)*					
a) Earnings after tax but before expenses calculated	0.38	1.03	1.03	1.11	1.11
g) Earnings after tax and expenses calculated	0.40	1.01	1.01	0.93	1.10
c) Net ordinary dividend assigned to each share	0		0	0	0
IV. Personnel					
a) Average salaried workforce	158	187	137	124	118
b) Payroll expenditure for the financial year	20,620	22,212	12,720	11,299	7,528
c) Amounts paid in respect of social benefits for the financial year (social security, pensions, etc.) *(in EUR thousand)*	10,215	8,355	7,196	5,990	5,600

6.4.6 Proposed allocation of earnings of ALD SA

At the Shareholders' Meeting of 14 May 2024, the Board of Directors will propose an appropriation of Net income for the financial year ended 31 December 2023 of EUR 1,410,076 thousand as follows:

- a profit balance for the financial year: EUR 1,410,076 thousand;
- to which is added retained earnings of: EUR 242,553 thousand;
- forming a distributable profit of: EUR 1,652,629 thousand;
- dividend deducted from the distributable profit: EUR 383,971 thousand (representing EUR 0.47 per share);
- from which a legal reserve of EUR 47,237 thousand is drawn;
- balance of retained earnings: EUR 1,221,421 thousand.

Total amount distributed, based on capital of 816,960,428 shares as at 31 December 2023: EUR 383,971 thousand.

Regarding taxation, for individual shareholders resident for tax purposes in France, it should be noted that this dividend of EUR 0.47 per share is subject to income tax at a flat rate of 12.8% but may be taxed, according to the overall option specified in item 2 of Article 200 A of the French General Tax Code relating to shareholders, at the gradual income tax scale; in this case, the dividend is eligible for the deduction of 40% pursuant to Article 158-3-2° of the French General Tax Code.

The ex-dividend date will be 31 May 2024 with payment on 4 June 2024.

6.4.7 Sumptuary expenses and non-tax-deductible expenses of ALD SA

In accordance with the provisions of Articles 223 *quater* and 223 *quinquies* of the French General Tax Code, we inform you that the accounts for the past financial year include non-deductible sumptuary expenses of EUR 356 thousand relating to the non-deductible depreciation of the fleet held by ALD SA for its employees.

6.5 Individual financial statements

6.5.1 Assets

	2023 financial year			2022 financial year
Assets *(in EUR thousand)*	**Gross**	**Depreciation**	**Net**	**Net**
Capital subscribed not called (I)				
Start-up expenses				
Development expenses				
Concessions, patents and similar rights	76,813	43,213	33,600	23,258
Goodwill				
Other intangible assets				
Advances on intangible assets				
TOTAL INTANGIBLE ASSETS	**76,813**	**43,213**	**33,600**	**23,258**
Land				
Buildings				
Technical installations, equipment				
Other property, plant and equipment	4,912	3,079	1,833	2,049
Capital assets under construction	42,080		42,080	31,888
Advances and down-payments				
TOTAL PROPERTY, PLANT AND EQUIPMENT	**46,992**	**3,079**	**43,914**	**33,937**
Equity investments using the equity method				
Other equity investments	8,116,947	67,610	8,049,337	1,821,553
Receivables related to equity investments				
Other capitalised securities	6,185		6,185	
Loans	10,351,390		10,351,390	5,290,513
Other non-current financial assets	1,217		1,217	1,802
TOTAL NON-CURRENT FINANCIAL ASSETS	**18,475,739**	**67,610**	**18,408,129**	**7,113,868**
Total non-current assets (II)	**18,599,544**	**113,902**	**18,485,643**	**7,171,062**
Raw materials, supplies				
In the course of producing goods				
In the process of producing services				
Intermediate and finished products				
Goods				
TOTAL STOCK				
Advances and down payments made on orders				
Accounts receivable	60,500		60,500	37,241
Other receivables	17,241		17,241	30,854
Capital subscribed and called, not paid				
TOTAL RECEIVABLES	**77,741**		**77,741**	**68,095**
Investment securities	8,193		8,193	12,409
of which treasury shares:				
Cash at bank and on hand	6,519		6,519	4,075
TOTAL CASH AT BANK AND ON HAND	**14,713**		**14,713**	**16,484**
Prepaid expenses	22,528		22,528	16,674
Total current assets (III)	**114,982**		**114,982**	**101,252**
Loan issue costs to be spread (IV)				
Bond redemption premium (V)				
Translation differences – Assets (VI)				
GRAND TOTAL (I TO VI)	**18,714,527**	**113,902**	**18,600,625**	**7,272,315**

6.5.2 Liabilities

Liabilities *(in EUR thousand)*	**2023 financial year**	**2022 financial year**
Share or individual capital	1,225,441	848,618
of which paid: 0		
Share, merger, contribution premiums	3,668,001	1,327,940
Revaluation differences		
of which equity difference: 0		
Legal reserve	75,307	60,616
Statutory or contractual reserves		
Regulated reserves		
of which reserve for price fluctuations: 0		
Other reserves	56	56
of which reserve for the purchase of original works by artists: 0		
Total reserves	**75,363**	**60,672**
Retained earnings	242,553	562,255
Result of the financial year (profit or loss)	**1,410,076**	**293,833**
Investment subsidies		
Regulated provisions		
Total equity (I)	**6,621,434**	**3,093,318**
Proceeds from issues of equity securities	750,000	
Conditional advances		
Total other equity (II)	**750,000**	
Provisions for risks	318	552
Provisions for liabilities	7,243	6,736
Total provisions for risks and liabilities (III)	**7,561**	**7,288**
Convertible bond loans		
Other bond loans	6,886,251	3,576,297
Loans and debts with lending institutions	4,175,361	454,510
Miscellaneous financial debts and loans		
of which participating loans: 0		
TOTAL FINANCIAL DEBT	**11,061,612**	**4,030,807**
Advances and down payments received on current orders		
Accounts payable	91,776	111,371
Tax and social-security debts	10,346	6,461
Debts on capital assets and related accounts payable		
Other debts	40,203	9,098
TOTAL OPERATING DEBTS	**142,325**	**126,930**
Prepaid income	17,692	13,971
Total debts (IV)	**11,221,630**	**4,171,709**
Translation differences - Liabilities (V)		
GENERAL TOTAL – LIABILITIES (I TO V)	**18,600,625**	**7,272,315**

6.5.3 Income statement

Income statement *(in EUR thousand)*	2023 financial year France	2023 financial year Export	2023 financial year Total	2022 financial year
Sales of goods				
Production sold goods				
Production sold services	31,287	108,969	140,256	120,990
Net revenue	**31,287**	**108,969**	**140,256**	**120,990**
Stocked production				
Capitalised production				
Operating income				
Reversals of impairment and provisions, transfer of expenses			15,671	10,417
Other income			13	475
Total operating income (I)			**155,940**	**131,882**
Purchases of goods (including customs duties)				
Change in inventory (goods)				
Purchases of raw materials and other supplies (including customs duties)				(6,923)
Change in inventories (raw materials and supplies)				
Other purchases and external expenses			260,726	225,174
Taxes, duties and similar payments			154	1,827
Wages and salaries			20,620	22,212
Social security charges			10,215	8,355
Operating allocations				
Allocations to amortisation			8,355	7,567
Allocations to provisions			5,933	4,215
Other expenses			1,984	1,252
Total Operating Expenses (II)			**307,987**	**263,677**
Operating result			**(152,047)**	**(131,795)**
Profit allocated or loss transferred (III)				
Loss incurred or profit transferred (IV)				
Financial income from equity investments			1,669,238	398,970
Income from other securities and receivables from non-current assets			233,450	43,297
Other interest and similar income			283	
Reversals of provisions and transfers of expenses				
Positive exchange-rate differences			44	
Net income on sales of investment securities				1,270
Total financial income (V)			**1,903,014**	**443,536**
Financial allocations to impairment and provisions			67,569	
Interest and similar expenses			268,065	43,875
Negative exchange-rate differences			241	
Net expenditure on sales of investment securities				1,535
Total financial expenses (VI)			**335,874**	**45,410**
Financial profit/loss			**1,567,139**	**398,126**
Current result before tax (I - II + III - IV + V - VI)			**1,415,092**	**266,331**
Exceptional income on management transactions				
Exceptional income on capital transactions			102,039	2,815
Reversals of provisions and transfers of expenses				
Total exceptional income (VII)			**91,546**	**2,815**

Income statement *(in EUR thousand)*	2023 financial year France	Export	Total	2022 financial year
Exceptional expenses on management transactions			988	650
Exceptional expenses on capital transactions			123,679	134
Exceptional allocations to impairment and provisions				
Total exceptional expenses (VIII)			**114,174**	**784**
Exceptional result (VII - VIII)			**(22,628)**	**2,031**
Employee profit sharing (IX)				
Tax on profit (X)			(17,612)	(25,471)
Total income (I + III + V + VII)			**2,150,499**	**578,233**
Total expenses (II + IV + VI + VIII + IX + X)			**740,423**	**284,400**
PROFIT OR LOSS (TOTAL INCOME - TOTAL EXPENSES)			**1,410,076**	**293,833**

6.5.4 Appendix

General information

The following information constitutes the notes to the balance sheet before distribution for the financial year ended 31 December 2023 which totalled EUR 18,600,625 thousand with a profit of EUR 1,410,076 thousand.

The financial year has a duration of 12 months covering the period from 1 January 2023 to 31 December 2023.

The notes or tables below form an integral part of the annual financial statements.

ALD SA is a French limited company *(société anonyme)*. Its registered office is located at 1-3, rue Eugène et Armand Peugeot, Le Corosa, 92500 Rueil-Malmaison, France.

The Company is a subsidiary of Societe Generale (52.6% ownership) whose head office is located at 29 Bd Haussmann in the 9th arrondissement and which it is registered with the Paris Trade and Companies Registry under number 552 120 222 RCS PARIS.

The consolidated financial statements are presented in thousands of euros and values are rounded to the nearest thousand, unless otherwise indicated. In certain cases, rounding may cause non-material discrepancies in the lines and columns showing totals.

Accounting policies

The annual financial statements were closed in accordance with the provisions of the French Commercial Code *(Code de commerce)* and general chart of accounts ANC number 2020-01.

The general accounting conventions have been applied in compliance with the principle of prudence, in accordance with the basic assumptions:

- continuity of operations;
- permanence of the accounting policies from one financial year to another;
- independence of the financial years.

Additional information

Property, plant and equipment

Tangible items are valued at:

- their acquisition cost, which corresponds to the purchase price increased by ancillary expenses (goods acquired in return for payment);
- their production cost (goods produced);
- their market value (goods acquired free of charge).

Impairment is calculated according to the straight-line or diminishing-balance methods, according to their periods of use.

Technical installations	Straight-line	5 years
Installations, fixtures and fittings	Straight-line	5 years
Office and IT equipment	Straight-line	3 years
Office furniture	Straight-line	10 years
Servers	Straight-line	5 years
Software	Straight-line	3 years

Intangible assets

Intangible assets are valued at their acquisition cost after deduction of any discounts, rebates or settlement discounts, or at their production cost.

Impairment is booked when the current value of an asset is below the net carrying amount.

Impairment is calculated according to the straight-line or diminishing-balance methods, according to their periods of use.

Equity investments and other capitalised securities

Equity securities and other capitalised securities were valued at the price for which they were acquired, excluding acquisition costs.

In the case of disposals involving a group of securities of the same type conferring the same rights, the value of the securities sold has been estimated using the weighted average unit cost method.

Impairment is constituted when the inventory value is below the acquisition value.

Investment securities

The investment securities were valued at their acquisition cost, excluding acquisition expenses.

In the event of a sale of a set of securities of the same type conferring the same rights, the value of the securities sold has been estimated using the FIFO (first-in, first-out) method.

The securities were depreciated through a provision to take into account:

- listed securities, the average price during the last month of the financial year;
- unlisted securities, their probable trading value at the close of the financial year.

Receivables

Receivables are valued at their nominal value. An impairment loss is recognised when the inventory value is lower than the carrying amount.

Receivables are depreciated by means of a provision to consider the difficulties of collection which they are likely to give rise to.

Treasury shares

As at the date of this Universal Registration Document, the Company directly held 1,265,887 ALD shares, either for allocation to employees or as part of its liquidity contract (details available at www.ayvens.com, in the Investors section). None of these shares are held by its subsidiaries or by a third-party in its name.

Year	2021	2022	2023
Type of plan	Shares granted	Shares granted	Shares granted
Total number of shares granted	387,916	435,045	433,267
Fair value *(in EUR)*	10.72	9.51	8.31
Conditions of shares	Yes	Yes	Yes
Condition of presence	Yes	Yes	Yes

Compensation of Board of Directors and management bodies

The amount of directors' fees paid to directors of the Company during the 2023 financial year was EUR 331 thousand.

The compensation paid in 2023 to the corporate officers (Chairperson of the Board, Chief Executive Officer and the two Deputy CEOs) amounted to EUR 2.6 million.

Defined contribution plans

The defined contribution pension plans provided to employees of ALD SA are based in France. They include, in particular, the basic state pension scheme and the national employee pension plan, AGIRC-ARRCO.

The Company finances pension rights from its cash flow. The average age of ALD SA's active employees at 31 December 2023 was 38.8. No retirement occurred during the financial year. The provision for pension commitments at 31 December 2023 stood at EUR 0.22 thousand, including 47.8% of employer contributions.

Significant events of the year

Subsidiaries and equity interests

There were several significant events for ALD SA in 2023, including:

- Acquisition of LeasePlan

ALD acquired 100% of LeasePlan accounted for EUR 4,617 million in ALD SA statutory account? This amount is subject to an additional contingent consideration in cash.

The acquisition price covers:

- a cash component: EUR 1,828,500 thousands financed via a capital increase of EUR 1,212,311 thousands, completed in December 2022, and EUR 616,000 thousands of subordinated debt (Tier 2) fully subscribed by Societe Generale;
- a share component: 251,215,332 newly created ALD SA shares, representing 30.75% of the total Combined Group's shares after the completion of the Acquisition, and before the exercise of warrants. The value of this share component amounts to EUR 2,720,000 thousands, based on the Contribution Agreement;
- a warrant component: ALD SA has issued 26,310,039 warrants attached to ALD's shares (ABSA) for the benefit of LeasePlan's selling shareholders, so that their total shareholding would reach 32.91% in case of full exercise of warrants. According to French standards these warrants have been valued at a contingent consideration of EUR 69,640 thousand. The strike price is EUR 2.00, subject to the ALD share price reaching EUR 14.07;
- A contingent consideration of EUR 69.6 million. The earn-out amount to be paid by the Group is dependent on the achievement of pre-agreed regulatory optimisation targets. The maximum possible earn-out to be paid to the vendor is EUR 235 million. The earn-out mechanism will last until 31 December 2024, subject to an additional 6 month period in certain limited circumstances, with potential payments every quarter.

- Antitrust disposals

On 22 March 2023, ALD had entered into a share agreement to sell its subsidiaries in Ireland, Portugal and Norway, as well as LeasePlan's subsidiaries in Luxembourg, Finland and Czech Republic. These subsidiaries were all subsequently sold on 1 August 2023. These disposals were completed to honour the commitments made by ALD in the context of the clearance by the European Commission of the acquisition of LeasePlan, to address concentration risk in the countries concerned.

- Organigram rationalisation

Purchase of 10 ALD subsidiaries historically held via a sub-holding company. The rationalization of the Group's structure will continue in 2024.

- Sale of Russian and Belorussian subsidiaries :

  Due to the geopolitical situation in Ukraine, ALD SA sold its Russian and Belorussian subsidiaries, generating an exceptional result of EUR -21,641 thousand.

Dividends

All dividends received pursuant to the 2023 financial year came to EUR 1,669,238 thousand, corresponding to the payment of dividends on 2022 subsidiaries' results, as well as the payment of an exceptional dividend from part of the sale price of subsidiaries of internal holding companies. The dividend paid to shareholders in respect of profit for financial year 2022 was EUR 398,970 thousand corresponding to 50% of the 2022 group results.

Changes of methodology

During the financial year, there were no changes in methodology. Consequently, the financial years are comparable without any restatement.

6.5.5 Information on balance sheet and profit/loss

Capital assets

		Increases	
Frame A	**Gross value at the beginning of the financial year**	**Revaluation**	**Acquisitions and contributions**
Start-up and development expenses (I)			
Other intangible asset items (II)	58,651		18,163
Land			
Buildings			
Technical installations, equipment and industrial tools			
Other property, plant and equipment	2,640		132
	1,952		187
Capital assets under construction	31,888		21,225
Advances and down-payments			
Total (III)	**36,481**		**21,544**
Equity investments valued by the equity method			
Other equity investments	1,821,594		6,295,394
Other capitalised securities			
Loans and other non-current financial assets	5,292,315		5,066,477
Total (IV)	**7,113,909**		**11,361,871**
GRAND TOTAL (I + II + III + IV)	**7,209,040**		**11,401,578**

	Reductions			Revaluation
Frame B	**Transfer**	**Disposals**	**Gross value at the end of the financial year**	**Original value**
Start-up and development expenses (I)				
Other intangible asset items (II)			76,813	
Land				
Buildings				
• On clean soil				
• On other people's land				
• General installations, fixtures and fittings of buildings				
Technical installations, equipment and industrial tools				
Other property, plant and equipment				
• General installations, fixtures, miscellaneous fittings			2,772	
• Transport equipment				
• Office and IT equipment			2,139	
• Recoverable packaging and miscellaneous				
Capital assets under construction			42,080	
Advances and down-payments				
Total (III)			**46,992**	
Equity investments valued by the equity method				
Other equity investments			8,116,947	
Other capitalised securities				
Loans and other non-current financial assets			10,358,792	
Total (IV)			**18,475,739**	
GRAND TOTAL (I + II + III + IV)			**18,599,544**	

Depreciation charge

Situation and movements concerning impairment for the financial year

Capital assets subject to impairment
Frame A

	Start of financial year	Allocations	Reversal	End of financial year
Start-up and development expenses (I)				
Other intangible asset items (II)	35,393	7,820		43,213
Land				
Buildings				
• On own soil				
• On other land				
• General installations, fixtures				
Technical installations, equipment and tools				
Other property, plant and equipment				
• General installations, miscellaneous fixtures				
• Transport equipment	1,153	279		1,432
• Office equipment, IT and movables	1,391	255		1,646
• Recoverable packaging and miscellaneous				
Total property, plant and equipment (III)	**2,544**	**535**		**3,079**
GRAND TOTAL (I + II + III)	**37,936**	**8,355**		**46,292**

Frame B — **Breakdown of movements affecting the provision for accelerated depreciation**

	Allocations			Reversal			
Real estate	**Duration differential**	**Degressive mode**	**Exceptional tax depreciation**	**Duration differential**	**Degressive mode**	**Exceptional tax depreciation**	**End of financial year**
Established costs							
Other							
Land							
Buildings:							
own soil							
other soil							
Install.							
Other fixed assets:							
Technical inst.							
General inst.							
Transport equipment							
Office mat.							
Packaging							
Corpo.							
Acquired securities							
TOTAL	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Frame C	Start of financial year	Increase	Reductions	End of financial year
Loan issue costs to be spread				
Bond redemption premium				

Provisions and depreciation

Category of provisions	Start of financial year	Allocations	Reversal	End of financial year
Provisions for mining and oil deposits				
Investment provisions				
Provisions for price increases				
Accelerated tax depreciation				
• Of which exceptional increases of 30%				
Provisions foreign establishment before 01/01/92				
Provisions foreign establishment after 01/01/92				
Provisions for installation loans				
Other regulated provisions				
Total (I)				
Provisions for litigation	552	(0)	234	318
Development expenses				
Provisions for losses on forward markets				
Provisions for fines and penalties				
Provisions for foreign exchange losses				
Provisions for pensions	330	23		353
Provisions for tax				
Provisions for renewal of capital assets				
Provisions for major maintenance				
Provisions for social-security and tax expenses on leave to be paid	6,406	11,266	10,782	6,889
Other provisions for risks and liabilities				
Total (II)	**7,288**	**11,289**	**11,016**	**7,561**
Provisions on intangible assets				
Provisions on property and equipment				
Provisions on securities by the equity method				
Provisions on equity investment securities	41	67,569		67,610
Provisions on other non-current financial assets				
Inventory provisions				
Provisions on accounts receivable				
Other provisions for depreciation				
Total (III)	**41**	**67,569**		**67,610**
GRAND TOTAL (I + II + III)	**7,329**	**78,858**	**11,016**	**75,171**
Of which operational allocations and reversals		5,933		
Of which financial allocations and reversals		67,569		
Of which exceptional allocations and reversals				
impairment of investments in associates				

Statements of due dates of receivables and debts

A – Statement of receivables

Frame A	Gross amount	At a maximum of one year	Later than one year
Receivables related to equity investments			
Loans	10,351,390	1,417,602	8,933,788
Other long-term financial assets	1,217	1,217	
Total receivables related to fixed assets	**10,352,607**	**1,418,819**	**8,933,788**
Doubtful or disputed accounts receivable			
Other receivables	60,500	60,500	
Receivables representative of loaned securities			
Personnel and related accounts	43	43	
Social security and other social organisations	254	254	
State and other public authorities			
• Tax on profit	2,745	2,745	
• Value added tax	11,386	11,386	
• Other taxes	591	591	
• State - miscellaneous			
Groups and associates	2,223	223	2,000
Miscellaneous debtors			
Total receivables related to current assets	**77,741**	**75,741**	**2,000**
Prepaid expenses	22,528	22,528	
TOTAL RECEIVABLES	**10,452,877**	**1,517,089**	**8,935,788**
Loans granted during the financial year	10,529,600		
Repayments obtained during the financial year	5,538,802		
Loans and advances granted to associates			

B – Statement of liabilities

Frame B Statement of debts	Gross amount	At a maximum of one year	At more than one year and less than five years	At more than five years
Convertible bond loans				
Other bond loans	6,886,251	500,000	6,386,251	
Loans with lending institutions originally less than 1 year				
Loans with lending institutions originally more than 1 year	4,175,361	415,410	1,409,396	2,350,555
Miscellaneous financial debts and loans				
Accounts payable	91,776	91,776		
Personnel and related accounts	3,157	3,157		
Social security and other social organisations	1,777	1,777		
State and other public authorities				
• Tax on profit				
• Value added tax	5,318	5,318		
• Guaranteed bonds				
• Other taxes	93	93		
Debts on capital assets and related accounts payable				
Groups and associates	40,203	40,203		
Other debts				
Debt representative of borrowed securities				
Prepaid income	17,692	17,692		
TOTAL DEBTS	**11,221,630**	**1,075,428**	**7,795,647**	**2,350,555**
Loans subscribed during the financial year	10,426,633	Loans from natural person partners		
Loans repaid during the financial year	1,850,446			

Details of accrued expenses

Accrued expenses	**Amount**
Convertible bond loans	
Other bond loans	
Loans and debts with lending institutions	112,237
Miscellaneous financial debts and loans	
Advances and down payments received on current orders	
Accounts payable	81,024
Tax and social-security debts	10,346
Debts on capital assets and related accounts payable	
Other debts	40,203
TOTAL	**243,810**

Details of accrued income

	Amount
Receivables related to equity investments	
Other non-current financial assets	105,983
Trade receivables	42,390
Personnel and related accounts	
Social security and other social organisations	297
State and other public authorities	14,721
Other receivables	2,223
Cash at bank and on hand	
TOTAL	**165,614**

Proposed allocation of earnings

Proposed allocation of earnings	**31/12/23**
Retained earnings shown on the balance sheet for the financial year	242,553
Profit/loss for the financial year	1,410,076
Deductions from reserves	
TOTAL DISTRIBUTABLE AMOUNTS	**1,652,629**
Assignment to reserves:	
• legal	47,237
• other	
Dividends	383,971
Other distributions	
Retained earnings	1,268,658
TOTAL ALLOCATIONS	**1,652,629**

Prepaid expenses

Prepaid expenses	Operations	Financial	Exceptional
IT rental	3,537		
Software licence fees	994		
Financial data	1,161		
IT maintenance	1,242		
Rental expenses	448		
Maintenance of premises	68		
Professional fees	331		
Personnel other expenditure	23		
Events	146		
Discount on customer volume			
Interest on bond loans			
Interest on bond loans		14,578	
	7,950	**14,578**	

Prepaid income

Prepaid income	Operations	Financial	Exceptional
BCP 2019	425		
BCP 2021	2,670		
BCP 2022	2,235		
BCP 2023	11,362		
	17,692		

Number and nominal value of components of the share capital

	Number at the start of the financial year	Created during the financial year	Redeemed during the financial year	Number as at 31 December 2023	Par value
Ordinary shares	565,745,096	251,215,332		816,960,428	1.5
Amortised shares					
Priority dividend shares (without voting rights)					
Preferential shares					
Share capital					
Investment certificates					
TOTAL					

Changes in equity

Shareholders' equity	Opening	Increase	Reduct.	Distribut. Dividends	Appropriation of Net income N-1	Contributions and mergers	Closing
Share or individual capital	848,618	376,823					1,225,441
Share, merger, contribution premiums	1,327,940		3,116				1,324,824
Revaluation differences	2,343,177						2,343,177
Legal reserve	60,616	14,692					75,307
Statutory or contractual reserves							
Regulated reserves							
Other reserves	56						56
Retained earnings	562,255		14,692	598,843	293,833		242,553
Profit/loss for the financial year	293,833	1,410,076	293,833				1,410,076
Investment subsidies							
Regulated provisions							
TOTAL EQUITY	**3,093,318**	**1,801,591**	**311,641**	**598,843**	**293,833**		**6,621,434**

Subsidiaries and equity interests

Identification	Capital held			Address			
Company name	**SIREN**	**% holding**	**Number**	**Address**	**Postcode**	**City**	**Country**
ALD International		100.00	95	Nedderfeld	22529	Hamburg	
Fleetpool		100.00	3	Schanzenstraße	51063	Köln	
ALD Automotive		99.99		Plateau des Annasseurs	16050	Alger	
Temsys	351867692	99.99	15	Allées de l'Europe	92588	Clichy Cedex	
ALD MITSUBISHI UFJ LEASING MALAYSIA		60	5	Khoo Kay Kim, Seksyen 13	46200		Selangor
Skipr		17	18	Eugène Flagey			Brussels
BanSabadell		100	2	Carrer del Sena			Barcelona
Ford Fleet Management B.V.		50	60	Hoeksteen 60 Hoofddorp	2132MS		Amsterdam
ALD Automotive DOO		99	48	Bulevar Zorana Đindica	11070		Beograd
ALD BRAZIL		50	222	Rua Apeninos			São Paulo
ALD Automotive SAU		100	32	Carretera de Pozuelo, no.32	28220		Madrid
ALD Automotive SRO		100	527	U Stavoservisu 527/1	108 00		Prague
ALD Automotive Fuhrparkmanagement U		100	1	Rivergate, Handelskai 92,	1200		Vienna
ALD Automotive Italia SRL		100	187	Viale Luca Gaurico, 187	00143		Rome
ALD Automotive A/S		100	34	Helgeshøj Alle 34,	2630		Taastrup
Axus SA/NV		100	42	Avenue du Bourget, 42	1130		Brussels
ALD Automotive AB				Eldarvägen 6	18775		Taby

6.6 Statutory auditors' report on the financial statements

Year ended 31 December 2023

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of Englishspeaking users.

This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Annual General Meeting of ALD,

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying financial statements of ALD for the year ended 31 December 2023.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2023 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code *(Code de commerce)* and the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)* for the period from 1 January 2023 to the date of our report, and specifically we did not provide any prohibited nonaudit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

Justification of Assessments Key Audit Matters

In accordance with the requirements of Articles L. 8239 and R. 8237 of the French Commercial Code *(Code de commerce)* relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Equity investments evaluation

Risk identified	Our response
As at 31 December 2023, equity investments are recorded in the balance sheet for a net value amounting to M€ 8,049, representing 43% of total assets. As mentioned in the "Equity investments and other capitalised securities" note to the financial statements, equity investments are recognized at their acquisition cost at the date of entry. An impairment loss is recognized if the carrying value is lower than the gross value. The estimation of the carrying amount of these securities requires the exercise of management's judgment in determining future cash flow projections and the main assumptions used. Given the weight of equity securities on the balance sheet and the assumptions underlying their valuation, we considered the valuation of equity securities as a key audit matter with a risk of material misstatement.	We examined the procedures implemented by management to estimate the carrying amount of equity investments. Our work consisted mainly in verifying, on the basis of the information provided to us, that the estimate of these values, determined by management, is based on an appropriate method and the figures used. In addition, we performed the following procedures according to the concerned securities: • for valuations based mainly on historical data, compared the data used with the accounting data extracted from the annual financial statements and from the IT tool, in particular those relating to the net value of the concerned subsidiaries; • for valuations based on an estimate of the carrying value, assessed the consistency of revenue and margin rate projections with past performance, and the economic and financial context; • checked the consistency of the approach adopted by management of your company and the one adopted by the group in the context of the evaluation of goodwill; Finally, we have verified the appropriateness of the information provided in the notes to the financial statements.

Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders.

We attest the fair presentation and the consistency with the financial statements of the information relating to payment deadlines mentioned in Article D. 4416 of the French Commercial Code (*Code de commerce*).

Report on Corporate Governance

We attest that the section of the management report on corporate governance sets out the information required by Articles L. 225374, L. 221010, and L. 22109 of the French Commercial Code (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 22109 of the French Commercial Code *(Code de commerce)* relating to the remuneration and benefits received by, or allocated to the directors and any other commitments made in their favor, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your Company from companies controlled thereby, included in the consolidation scope. Based on these procedures, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your Company considered likely to have an impact in the event of a takeover bid or exchange offer, provided pursuant to Article L. 221011 of the French Commercial Code (*Code de commerce*), we have agreed this information to the source documents communicated to us. Based on these procedures, we have no observations to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the identity of the shareholders and holders of voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Format of presentation of the financial statements intended to be included in the annual financial report

We have also verified, in accordance with the professional standard applicable in France relating to the procedures performed by statutory auditors regarding the annual and consolidated financial statements prepared in the European single electronic format, that the presentation of the English translation, examined by the Board of Directors, of the financial statements intended to be included in the annual financial report mentioned in Article L. 45112, I of the French Monetary and Financial Code (*Code monétaire et financier*), prepared under the Chief Executive Officer's responsibility, complies with the single electronic format defined in European Delegated Regulation (EU) No. 2019/815 of 17 December 2018.

On the basis of our work, we conclude that the presentation of the English translation of the financial statements intended to be included in the annual financial report complies, in all material respects, with the European single electronic format.

We have no responsibility to verify that the English translation of the financial statements that will ultimately be included by your Company in the annual financial report filed with the AMF (*Autorité des marchés financiers)* agree with that on which we have performed our work.

Appointment of the Statutory Auditors

We were appointed as statutory auditors of ALD by the annual general meeting held on 3 June 2013 for DELOITTE & ASSOCIES and on 7 November 2001 for ERNST & YOUNG et Autres.

As at 31 December 2023, we were in the eleventh year for DELOITTE & ASSOCIES and twenty-third year for ERNST & YOUNG et Autres of total uninterrupted engagement, including eleven years since the securities of the Company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 823101 of the French Commercial Code *(Code de commerce)*, our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 82210 to L. 82214 of the French Commercial Code *(Code de commerce)* and in the French Code of Ethics for Statutory Auditors *(Code de déontologie de la profession de commissaire aux comptes)*. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris-La Défense, 12 April 2024

The Statutory Auditors

French original signed by

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Pascal Colin	Vincent Roty

6.7 Unaudited pro forma consolidated financial information

The unaudited *pro forma* consolidated financial information for the financial year ended 31 December 2023 presented below (the **"unaudited *pro forma* consolidated financial information"**) was prepared in accordance with Annex 20 of Delegated Regulation 2019/980 supplementing European Regulation 2017/1129 and by applying the guidelines issued by ESMA (ESMA32-382-1138 of 4 March 2021) and the provisions of AMF Position-Recommendation 2021-02 on *pro forma* financial information.

The unaudited *pro forma* consolidated financial information is part of this Universal Registration Document and shall be read in conjunction with the information contained in this Universal Registration Document. Terms used in this unaudited *pro forma* consolidated financial information have the meanings given to them in the Universal Registration Document unless otherwise defined.

6.7.1 Background information

The unaudited *pro forma* consolidated financial information for the combination of the ALD Group and LeasePlan Group B.V., including its subsidiaries (**"LeasePlan"**), hereinafter the **"Combined Group"** or **"Ayvens"**, comprises an unaudited *pro forma* consolidated income statement for the year ended 31 December 2023 and the related explanatory notes.

The unaudited *pro forma* consolidated financial information has been prepared to illustrate the effects of the acquisition of 100% of the share capital of LeasePlan by ALD, which was completed on 22 May 2023 (the **"Acquisition"**) and of the related financing transactions.

The unaudited *pro forma* consolidated income statement has been prepared assuming that the Acquisition has been completed on 1 January 2023.

The unaudited *pro forma* consolidated financial information is presented for illustrative purposes only. It should not be considered as representative of the results that the Combined Group would have achieved, had the Acquisition been completed on the aforementioned date, nor of future results. Actual results may differ significantly from those reflected in the unaudited *pro forma* consolidated financial information for several reasons, including, but not limited to, differences in actual conditions compared to the assumptions used to prepare the unaudited *pro forma* consolidated financial information.

6.7.2 Accounting treatment of the Acquisition

The business combination is accounted for using the acquisition method, in accordance with the revised IFRS 3 "Business Combinations" (**"IFRS 3"**). Ayvens' management has determined that ALD is the acquirer and LeasePlan is the acquired company for accounting purposes. By applying the principles under IFRS 3, as LeasePlan is the acquiree, its identifiable assets acquired and liabilities assumed have been initially recognized at their fair values at the Acquisition date as defined in accordance with IFRS 3 (the **"Completion Date"**). The measurement of the acquirer's assets and liabilities is not affected by the Acquisition.

6.7.3 Basis of preparation of the unaudited pro forma consolidated financial information

The unaudited *pro forma* consolidated financial information has been prepared on the basis of the following elements:

- The consolidated income statement extracted from the published consolidated financial statements of Ayvens for the year ended 31 December 2023, prepared in accordance with International Financial Reporting Standards (**"IFRS"**) as adopted by the European Union. These consolidated financial statements were audited by Deloitte & Associés and Ernst & Young et Autres and are presented in Sections 6.1, 6.2 and 6.3 of this Universal Registration Document.
- The unaudited consolidated income statement of LeasePlan for the first five months of the 2023 financial year, prepared in accordance with IFRS as adopted by the European Union.

Amounts are presented in millions of euros, unless indicated otherwise.

The *pro forma* adjustments of the unaudited *pro forma* consolidated financial information are limited to impacts:

- directly attributable to the Acquisition; and
- that can be factually supportable on the basis of the available information.

The unaudited *pro forma* consolidated financial information is based on available information and certain assumptions that the Group considers to be reasonable at the date of this Universal Registration Document and in connection with the Acquisition.

The unaudited *pro forma* consolidated financial information presented below does not reflect the impacts of synergies that could result from the Acquisition. In accordance with the AMF recommendations, even though synergies and economies of scale are usually one of the key arguments to justify certain transactions, issuers shall not include them under *pro forma* consolidated financial information. Such effects directly result from future changes and, as such, they are considered as forward-looking data.

The unaudited *pro forma* consolidated financial information was prepared using assumptions presented in notes 1 to 8 below in 6.7.5.

The tax-related adjustments are based on a 28.9% rate, corresponding to Ayvens' effective tax rate during the financial year ended 31 December 2023.

6.7.4 Unaudited pro forma consolidated income statement for the year ended 31 December 2023

In EUR million	Ayvens historical audited consolidated income statement for the year ended 31 December 2023 Note 1	LeasePlan income statement for the 5-month period ended 31 May 2023 restated under Ayvens presentation* Note 2	Unaudited *pro forma* adjustments Notes 3 to 8	Unaudited Combined Group *pro forma* consolidated income statement for the year ended 31 December 2023
Leasing contract revenues	8,033.7	1,838.9	9.5	9,882.0
Leasing contract costs - depreciation	(5,685.7)	(1,002.8)	(385.7)	(7,074.2)
Leasing contract costs - financing	(1,044.7)	(254.0)	(6.0)	(1,304.6)
Unrealised gains/losses on financial instruments	(41.4)	(38.5)	-	(79.9)
Leasing contract margin	**1,261.9**	**543.6**	**(382.2)**	**1,423.3**
Services revenues	4,391.2	1,043.4	14.9	5,449.5
Cost of services revenues	(3,037.0)	(645.3)	(5.1)	(3,687.4)
Services margin	**1,354.2**	**398.1**	**9.8**	**1,762.1**
Proceeds of cars sold	6,458.8	1,578.8	-	8,037.6
Cost of cars sold	(6,109.3)	(1,467.5)	(105.4)	(7,682.3)
Used car sales result	**349.5**	**111.3**	**(105.4)**	**355.3**
GROSS OPERATING INCOME	**2,965.6**	**1,052.9**	**(477.9)**	**3,540.6**
Total operating expenses	(1,591.6)	(419.9)	12.5	(1,999.0)
Impairment charges on receivables	(70.7)	(8.7)	-	(79.4)
Other income/(expense)	(14.0)	9.5	-	(4.5)
OPERATING RESULT	**1,289.3**	**633.8**	**(465.4)**	**1,457.7**
Share of profit of associates and jointly controlled entities	6.4	1.8	-	8.2
Profit before tax	**1,295.7**	**635.6**	**(465.4)**	**1,465.9**
Income tax expense	(374.0)	(154.6)	134.4	(394.3)
Profit for the period from continuing operations	**921.7**	**481.0**	**(331.0)**	**1,071.7**
Loss after tax for the period from discontinued operations	(77.6)	20.4	-	(57.2)
NET INCOME	**844.1**	**501.4**	**(331.0)**	**1,014.5**

** See Section 6.7.6 for more details.*

6.7.5 Explanatory notes to the unaudited pro forma consolidated financial information

Note 1 Ayvens' historical data

The historical data for Ayvens as presented in the unaudited *pro forma* consolidated income statement for the year ended 31 December 2023 correspond to the consolidated income statement extracted from the published consolidated financial statements of Ayvens for the year ended 31 December 2023, prepared in accordance with IFRS as adopted by the European Union. These historical data include a seven-month contribution from LeasePlan since the completion of the Acquisition on 22 May 2023.

Note 2 LeasePlan historical data restated under Ayvens presentation

The unaudited LeasePlan historical data as presented in the unaudited *pro forma* consolidated income statement for the year ended 31 December 2023 correspond to the data prepared by LeasePlan for the first five months of the 2023 financial year. These unaudited historical data were aligned on the format used by Ayvens and were subject to restatements. See table included in Section 6.7.6.

Note 3 Harmonization of significant accounting methods and estimates

ALD and LeasePlan management carried out a comparison between the accounting policies used by the two companies. The assessment did not result in the identification of significant differences.

Note 4 Reciprocal transactions

Subsequent to the Completion Date, transactions occurring between ALD and LeasePlan represent intercompany transactions that are eliminated in the Combined Group's consolidated financial statements as of 31 December 2023. No elimination has been reflected as *pro forma* adjustments in the unaudited *pro forma* consolidated financial information prior to the Completion Date, as ALD and LeasePlan have not had reciprocal transactions that would have needed to be eliminated for the purpose of the unaudited *pro forma* consolidated financial information.

Note 5 Pro forma adjustments related to transaction costs

Transaction costs incurred by Ayvens mainly comprise legal, financial and advisory costs associated with the Acquisition. They also comprise the costs related to integration and restructuring which were actually incurred in 2023 following the Acquisition. Conversely, integration costs and restructuring costs planned for subsequent years are excluded from this unaudited *pro forma* consolidated financial information. By their nature, transaction costs are not expected to have a recurring impact on the performance of the Combined Group going forward.

All transaction costs have been incurred prior to 31 December 2023.

ALD's transaction costs are already reflected in Ayvens' historical income statement for the year ended 31 December 2023, apart from costs attributable to the capital increase that are deducted from equity consistently with IAS 32.

LeasePlan's transaction costs are also already reflected in the unaudited consolidated income statement of LeasePlan for the first five months of the 2023 financial year, and in Ayvens' historical consolidated income statement for the other seven months of the 2023 financial year.

Consequently, no restatement in connection with transaction costs has been performed in this unaudited *pro forma* consolidated financial information.

Note 6 Impacts of remedies agreed with antitrust authorities

The European Commission approved the Acquisition subject to the compliance with ALD's undertakings to divest its operational leasing entities in Ireland, Norway (except NF Fleet Norway) and Portugal as well as LeasePlan's entities in Czech Republic, Finland and Luxembourg. These entities were divested on 1 August 2023.

For the purposes of the unaudited *pro forma* consolidated financial information, no adjustment has been performed in connection with the remedies agreed with antitrust authorities, for the following reasons:

- ALD entities: ALD already presents these subsidiaries as discontinued operations in its consolidated income statement for the year ended 31 December 2023.
- LeasePlan entities: LeasePlan already presents these subsidiaries as discontinued operations in its unaudited consolidated income statement for the first five months of the 2023 financial year. For the purpose of this unaudited *pro forma* consolidated financial information, these subsidiaries are maintained as discontinued operations in the *pro forma* consolidated income statement, according to IFRS 5, because ALD has acquired these subsidiaries exclusively with a view to resale.

Note 7 Pro forma adjustments related to financing

The financing of the Acquisition includes, among others [(1)], the borrowing of EUR 615.5 million Tier 2 debt from Societe Generale, with an initial maturity of 10 years and a call date at 5 years. There are no issuance costs. Effective interest rate is Euribor 3 months + 3.36%.

In parallel, for regulatory purposes, the Combined Group borrowed EUR 750 million of Additional Tier 1 capital (**"AT1"**) as well as an additional EUR 884.5 million Tier 2 debt under the aforementioned conditions and repaid EUR 1,635 million of Ayvens' existing senior unsecured debt, using the proceeds of these two borrowings.

As a result, the unaudited *pro forma* consolidated financial information has been adjusted to reflect:

- the financing cost in relation to total EUR 1,500 million Tier 2 debts, as if they had been put in place on 1 January 2023;
- saving on interest expense in relation to the repayment of senior unsecured debt, as if it had occurred on 1 January 2023.

The net impact on interest expense amounts to EUR (4.3) million after tax.

AT1 is classified as an equity instrument and therefore no remuneration in connection with this financial instrument has been recorded for the purpose of this unaudited *pro forma* consolidated financial information.

(1) See details on acquisition financing in section 2.1.2.4 of this Universal Registration Document

Note 8 Pro forma adjustments related to the business combination

At Completion Date, LeasePlan's identifiable acquired assets and assumed liabilities have been measured at their fair value at that date, with any remaining difference in the consideration transferred recorded as goodwill. Fair values determined as at 22 May 2023 have been used, as they stand, for the purpose of the unaudited *pro forma* consolidated financial information.

LeasePlan's identifiable acquired assets and assumed liabilities have been measured by Ayvens on a provisional basis, with the support of an independent valuation expert. If new information arises within one year of the Completion Date about facts and circumstances that existed at the Completion Date and which require adjustments to these fair values, the purchase price allocation adjustments may be revised.

The *pro forma* adjustments related to the amortisation of the fleet are prorated to correct the first five months amount based on the amortisation charged against those assets for the seven-month period in Ayvens' consolidated income statement for the year ended 31 December 2023.

The *pro forma* adjustments related to the provisional fair value step-up on the net assets acquired correspond to the incremental profit and loss impacts for the period from 1 January 2023 to the Completion Date. These impacts are reflected in Ayvens' 31 December 2023 historical consolidated income statement only over the 7-month period between 22 May 2023 and 31 December 2023.

On this provisional basis, LeasePlan's net assets increased by EUR 230.9 million, as a result of the assessment of LeasePlan's assets and liabilities at fair value.

The following presents the provisional fair value step-ups or step-downs on assets acquired and liabilities assumed [(1)]:

in EUR million	**Fair value step-ups or step-downs**
Lease assets - revenue earning fleet, intangible assets	+ 323.1
Net other assets and liabilities	- 92.1
Fair value of assets and liabilities acquired	**230.9**

The impact on the *pro forma* consolidated income statement is as follows:

in EUR million	**5-month P&L impact reflected in the *pro forma***
Leasing contract margin	(376.2)
Services margin	9.8
Used car sales result	(105.4)
Total operating expenses	**12.5**

The net impact relating to the amortization of the business combination amounts to EUR (326.8) million after tax.

(1) See details on fair value step-ups or step-downs on assets acquired and liabilities assumed in note 2 "Major events of the period" of Section 6.2 "Notes to consolidated financial statements" of this Universal Registration Document

6.7.6 Adjustments made to LeasePlan's historical income statement

LeasePlan's historical income statement has been adjusted to reflect restatements on interest income in connection with the pre-closing dividend distributed by LeasePlan to its former shareholders:

In EUR million	**LeasePlan historical income statement for the 5-month period ended 31 May 2023**	**Restatements**	**LeasePlan income statement for the 5-month period ended 31 May 2023 restated under Ayvens presentation**
Leasing contract revenues	1,838.9	-	1,838.9
Leasing contract costs - depreciation	(1,002.8)	-	(1,002.8)
Leasing contract costs - financing	(234.7)	(19.3)	(254.0)
Unrealised gains/losses on financial instruments	(38.5)	-	(38.5)
Leasing contract margin	**562.8**	**(19.3)**	**543.6**
Services revenues	1,043.4	-	1,043.4
Cost of services revenues	(645.3)	-	(645.3)
Services margin	**398.1**	**-**	**398.1**
Proceeds of cars sold	1,578.8	-	1,578.8
Cost of cars sold	(1,467.5)	-	(1,467.5)
Used car sales result	**111.3**	**-**	**111.3**
GROSS OPERATING INCOME	**1,072.2**	**(19.3)**	**1,052.9**
Total operating expenses	(419.9)	-	(419.9)
Impairment charges on receivables	(8.7)	-	(8.7)
Other income/(expense)	9.5	-	9.5
OPERATING RESULT	**653.0**	**(19.3)**	**633.8**
Share of profit of associates and jointly controlled entities	1.8	-	1.8
Profit before tax	**654.9**	**(19.3)**	**635.6**
Income tax expense	(160.2)	5.6	(154.6)
Profit for the period from continuing operations	**494.7**	**(13.7)**	**481.0**
Loss after tax for the period from discontinued operations	20.4	-	20.4
NET INCOME	**515.1**	**(13.7)**	**501.4**

Line items of LeasePlan's unaudited consolidated income statement have been mapped to fit in Ayvens' consolidated income statement consistently with Ayvens' classification of similar transactions and items.

6.8 Statutory auditors' report on the unaudited pro forma consolidated financial information

Statutory auditors' report on the Unaudited Pro Forma Consolidated Financial Information for the year ended December 31, 2023

To the Chief Executive Officer,

In our capacity as statutory auditors of your company and in accordance with Regulation (EU) 2017/1129 supplemented by the Commission Delegated Regulation (EU) 2019/980, we hereby report to you on the pro forma financial information of ALD (the "Company") for the year ended December 31, 2023, set out in section 6.7 of the 2023 universal registration document (the "Unaudited Pro Forma Consolidated Financial Information").

The Unaudited Pro Forma Consolidated Financial Information has been prepared for the sole purpose of illustrating the impact that the acquisition of LeasePlan might have had on the consolidated income statement of the Company for the year ended December 31, 2023 had it taken place with effect from January 1, 2023. By its very nature, this information is based on a hypothetical situation and does not represent the financial position or performance that would have been reported, had the acquisition taken place at an earlier date than the actual or contemplated date.

It is your responsibility to prepare the Unaudited Pro Forma Consolidated Financial Information in accordance with the provisions of Regulation (EU) 2017/1129 and the ESMA's guidelines on pro forma financial information.

It is our responsibility to express a conclusion, based on our work and in accordance with Annex 20, section 3 of Commission Delegated Regulation (EU) 2019/980, as to the proper compilation of the Unaudited Pro Forma Consolidated Financial Information on the basis stated.

We performed those procedures that we deemed necessary in accordance with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagement. These procedures, which did not include an audit or a review of the financial information used as a basis to prepare the Unaudited Pro Forma Consolidated Financial Information, mainly consisted in ensuring that the information used to prepare the Unaudited Pro Forma Consolidated Financial Information was consistent with the underlying financial information, as described in the notes to the Unaudited Pro Forma Consolidated Financial Information, reviewing the evidence supporting the pro forma adjustments and conducting interviews with the Company's Management to obtain the information and explanations that we deemed necessary.

In our opinion:

a) the Unaudited Pro Forma Consolidated Financial Information has been properly compiled on the basis stated;

b) that basis is consistent with the accounting policies of the Company.

This report has been issued solely for the purposes of:

- the filing of the 2023 universal registration document with the French financial markets authority (Autorité des marchés financiers or "AMF"), and
- if need be, the admission to trading on a regulated market, and/or a public offer, of securities of the Company in France and in other EU member states in which the prospectus (including this universal registration document) approved by the AMF is notified;

and cannot be used for any other purpose.

This report shall be governed by, and construed in accordance with, French law and professional standards applicable in France. The Courts of France shall have exclusive jurisdiction in relation to any claim or dispute which may arise out of or in connection with our engagement letter or this report.

Paris-La Défense, 12 April 2024

The Statutory Auditors

DELOITTE & ASSOCIES	ERNST & YOUNG et Autres
Pascal Colin	Vincent Roty

7

Share capital and legal information

7.1 Share capital

7.1.1 Share capital amount

As at the date of this Universal Registration Document, the Company's share capital amounts to EUR 1,225,440,642 divided into 816,960,428 fully subscribed and paid-up shares with a par value of EUR 1.50 each.

The table below presents the financial resolutions for share capital increases, approved by the Combined General Meetings on 22 May 2023 and 24 May 2023.

It being specified that the twentieth resolution approved at the Combined General Meeting of 19 May 2021 authorising the Board of Directors to allocate free performance shares (existing or newly issued shares) to some or all of the Group's employees and corporate officers was used by the Board of Directors on 23 March 2023 (0.08%, *i.e.* an allocation of 433,267 shares subject to conditions). The nineteenth resolution of the Combined General Meeting of 24 May 2023 (see below) terminated this resolution in the amount of the unused balance.

Shareholders' meeting (resolution no.)	Purpose of the resolution	Maximum amount *(in EUR)*	Duration of authorisation	Use of existing authorisations during financial year ended 31/12/2023
	Authorisations and delegations			
24 May 2023 (Resolution twenty)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of shares or equity securities providing access to other equity securities of the Company or providing rights to the allocation of debt securities and the issuance of securities providing access to equity securities of the Company to be issued, with preferential subscription rights.	600,000,000	26 months	None
24 May 2023 (Resolution twenty-one)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of shares or equity securities providing access to other equity securities of the Company or providing rights to the allocation of debt securities and the issuance of securities providing access to equity securities of the Company to be issued, without preferential subscription rights and through a public offering other than that referred to in Article L. 411-2 1° of the French Monetary and Financial Code.	120,000,000	26 months	None
24 May 2023 (Resolution twenty-two)	Delegation of authority granted to the Board of Directors to increase the share capital through the issuance of shares or equity securities providing access to other equity securities of the Company or providing rights to the allocation of debt securities and the issuance of securities providing access to equity securities of the Company to be issued, without preferential subscription rights and through a public offering such as that referred to in Article L. 411-2 1° of the French Monetary and Financial Code.	120,000,000	26 months	None
24 May 2023 (Resolution twenty-three)	Delegation of authority granted to the Board of Directors to increase the number of shares to be issued in the event of a capital increase with or without shareholders' preferential subscription rights in accordance with Article L. 225-135-1 of the French Commercial Code *(Code de commerce)*.	15% of the initial issuance	26 months	None
24 May 2023 (Resolution twenty-four)	Delegation of authority granted to the Board of Directors to increase the share capital by incorporation of reserves, profits, premiums or other amounts whose capitalisation would be permitted in accordance with Articles L. 225-130 and L. 22-10-50 of the French Commercial Code *(Code de commerce)*.	600,000,000	26 months	None

Shareholders' meeting (resolution no.)	Purpose of the resolution	Maximum amount *(in EUR)*	Duration of authorisation	Use of existing authorisations during financial year ended 31/12/2023
	Authorisations and delegations			
24 May 2023 (Resolution twenty-five)	Delegation of powers granted to the Board of Directors to increase the share capital *via* the issue of equities or equity securities giving access to other equity securities or providing rights to the allocation of debt securities and to issue securities giving access to equity capital to be issued in order to remunerate contributions in kind in accordance with Articles L. 225-147 and L. 22-10-53 of the French Commercial Code *(Code de commerce)*.	10% of share capital	26 months	None
22 May 2023 (Resolution five)	Share capital increase for a total nominal amount of EUR 376,822,998 through the issue of 224,905,293 new shares and 26,310,039 ABSAs (shares with equity warrants), with a nominal value of EUR 1.50 each, in accordance with Article L. 225-147 of the French Commercial Code *(Code de commerce)*, as compensation for the contribution in kind by Lincoln Financing Holdings PTE. Limited from the remaining portion of the shares of LP Group BV not acquired in cash.	376,822,998		Capital increase effective 22 May 2023
22 May 2023 (Resolution five)	Delegation of authority granted to the Board of Directors, with the option of subdelegation, to the Chief Executive Officer, in order to carry out the capital increase resulting from the exercise of the share subscription warrants.	39,465,058.50 (excluding issue premium)	Between 1 and 3 years from the date of issue	None
	Authorisations and delegations for employees and/or executive corporate officers			
24 May 2023 (Resolution nineteen)	Authorisation granted to the Board of Directors to allocate free performance shares (existing or newly issued shares) to some or all of the Group's employees and corporate officers in accordance with Articles L. 225-197-1 *et seq.* and Articles L. 22-10-59 II and III and L. 22-10-60 of the French Commercial Code *(Code de commerce)*.	0.41% of share capital	38 months	None
24 May 2023 (Resolution twenty-six)	Delegation of authority to the Board of Directors to carry out capital increases reserved for participants in Company savings plans without preferential subscription rights for shareholders.	0.3% of share capital	26 months	None
	Share buyback authorisations			
24 May 2023 (Resolution seventeen)	Authorisation granted to the Board of Directors to purchase Company shares up to a limit of 5% of the total number of shares comprising the share capital on the date of these purchases, it being specified that the maximum number of shares held after these purchases cannot access 10% of the share capital in accordance with Articles L. 22-10-62 *et seq.* of the French Commercial Code (*Code de commerce*).	5% of share capital at the time of purchase	18 months	See Section 2.7.2 "Shares held by or on behalf of the Company"

7.1.2 Non-equity securities

As at the date of this Universal Registration Document, the Company has not issued any non-equity securities other than bonds in connection with public bond issues and private placements for EUR 1.95 billion in 2022 and EUR 4.35 billion in 2023.

7.1.3 Other securities giving access to the share capital

As compensation for the contribution in kind by Lincoln Financing Holdings PTE. Limited of the remaining portion of LP Group BV shares not vested in cash at the acquisition date, the Company issued 26,310,039 share subscription warrants ("BSAs" or "warrants"), securities giving access to the share capital within the meaning of Article L. 228-91 *et seq.* of the French Commercial Code (*Code de commerce*), granting selling shareholders of LeasePlan the right to subscribe up to 3.12% of the Company's share capital. One warrant will give the right to subscribe to one ordinary share in the Company at a EUR 2.00 strike price. The share subscription warrants are not transferable but may be exercised over a period of one to three years from their date of issue, subject to the exercise conditions provided for in the Terms and Conditions of the warrants. In the event of the exercise of all of the warrants, the former shareholders of LeasePlan would hold approximately 32.9% of the Company's share capital.

7.1.4 Terms of any vesting rights and/or any obligation over authorised but unissued capital

None.

7.1.5 Share capital of any member of the Group that is the subject of an option or of an agreement to put it under option

None.

7.2 Other information

7.2.1 Equity

Information on the Group's equity is provided in Chapter 2 of this Universal Registration Document.

7.2.2 Restrictions on the use of capital

Not applicable.

7.2.3 Anticipated sources of funds needed to fulfil planned acquisitions and commitments

As of the date of the Universal Registration Document, the Group has no planned acquisitions or commitments that would require additional sources of financing.

7.3 Information about the Company and the Group

7.3.1 Company name

The corporate name of the Company is ALD.

It must be noted that the change of corporate name from ALD to Ayvens will be submitted for approval by the Shareholders' meeting convened on 14 May 2024.

7.3.2 Place of registration and registration number

The Company is registered with the Nanterre Trade and Companies Register under number 417 689 395.

Legal entity identifier (LEI): 969500E7V019H9NP7427

7.3.3 Date of incorporation and duration

7.3.3.1 Date of incorporation

The Company was incorporated on 19 February 1998.

7.3.3.2 Duration

The Company's duration is 99 years from the date of its registration with the Trade and Companies Register subject to early dissolution or extension.

7.3.4 Registered office, legal form and applicable legislation

7.3.4.1 Registered office

Registered office: 1-3, rue Eugène-et-Armand-Peugeot, 92500 Rueil-Malmaison – France

Telephone: +33 (0)1 58 98 79 31

7.3.4.2 Legal form and applicable legislation

As of the date of this Universal Registration Document, the Company is a limited company with a Board of Directors *(société anonyme à conseil d'administration)* governed by French law, including, in particular, Book II of the French Commercial Code *(Code de commerce)*.

Upon the acquisition of LeasePlan, with effect from 22 May 2023, the Company became a "*Compagnie Financière Holding*", supervised by the European Central Bank.

7.3.4.3 Financial year

The Company has a financial year of 12 months, beginning on 1 January, and ending on 31 December of each year.

7.4 Bylaws

The Bylaws were prepared in accordance with the laws and regulations applicable to French limited liability companies with a Board of Directors *(société anonyme à Conseil d'administration)*. The main provisions described below are taken from the Bylaws as adopted by the Combined General Meeting of 22 May 2023, which notably decided to amend Articles 2 *(Purpose)*, 13 *(Appointment of directors)* and 16 *(Functioning of the Board)*.

7.4.1 Corporate purpose

Pursuant to Article 2 of the Bylaws, the Company's purpose is, in France and abroad, directly or indirectly:

- the acquisition, management and operation, in particular under a lease, with or without an option to purchase, and incidentally the sale, of any equipment, fixed, mobile or rolling stock, machinery and tooling, as well as all land, sea or air vehicles;
- the study, creation, development, operation, management of any business or commercial, industrial, real estate or financial companies;
- the purchase, lease, rental, with or without promise to sell, the building and operation of any plants, workshops, offices and premises;
- any direct or indirect equity investment, management and sale thereof under any terms, in any companies, institutions or groups having a real estate, commercial, industrial or financial nature (including in credit institutions and corporate entities), established or to be constituted, French or foreign;
- the management of a portfolio of investments and securities as well as related transactions;
- the ownership and management of all buildings;
- generally, all industrial, commercial, financial, movable or immovable transactions, directly or indirectly relating to this purpose or any similar or related purpose, or that may be useful or likely to facilitate the successful accomplishment of this purpose.

7.4.2 Board of Directors and directors

7.4.2.1 Appointment of directors (Article 13)

The Company is administered by a Board of Directors.

The number of directors is at least nine (9) members and no more than twelve (12) members, subject to the exemptions provided for by the legal and regulatory provisions in force.

During the lifetime of the Company, directors are appointed, co-opted, reappointed or dismissed in accordance with legal and regulatory provisions in force and the present Bylaws.

The term of office of directors is four (4) years. Exceptionally, the Shareholders' Meeting may be asked to appoint or renew the term of office of one or more directors for a period of two (2) or three (3) years, in order to allow for staggered renewal of the directors' terms of office.

In accordance with the legal and regulatory provisions in force, directors who are appointed to replace another director only serve for the remaining term of office of their predecessor.

The duties of a director end at the close of the Ordinary Shareholders' Meeting called to approve the financial statements for the year preceding that in which his/her term of office expires.

7.4.2.2 Chairman of the Board (Article 15)

The Board of Directors elects a Chairperson from among the members of the Board of Directors who are natural persons and determines the term of his/her office, the term of which may not exceed his/her director's term.

The Chairperson organises and manages the work of the Board of Directors and reports on such work to the Shareholders' Meeting. The Chairperson oversees the proper functioning of the Company's governing bodies and ensures that the directors are able to carry out their duties.

7.4.2.3 General Management (Article 17)

The Company may be managed either by the Chairman of the Board of Directors or a natural person appointed by the Board of Directors with the title of Chief Executive Officer (the "CEO").

The Board of Directors chooses which one of the two General Management methods to adopt. Shareholders and third parties are informed of this choice in the conditions defined by legal and regulatory provisions in force.

The Board of Directors determines the term of the Chief Executive Officer.

If the Chairman of the Board of Directors is in charge of the Company's General Management, the following provisions concerning the Chief Executive Officer apply to the Chairman.

The Chief Executive Officer is vested with the most extensive powers to act in all circumstances on behalf of the Company. He exercises these powers within the limits of the corporate purpose and in accordance with those which the legal and regulatory provisions in force expressly granted to Shareholders' Meetings and to the Board of Directors.

The Chief Executive Officer represents the Company in its relations with third parties. The Company is bound even by acts of the Chief Executive Officer that are not within the Company's purpose, unless it can prove that the third party knew that the act went beyond this purpose or could not have been unaware thereof given the circumstances, mere publication of the Bylaws not being sufficient to constitute such proof.

On the proposal of the Chief Executive Officer, the Board of Directors may appoint up to five (5) natural persons to assist the Chief Executive Officer with the title of Deputy Chief Executive Officer.

The Deputy Chief Executive Officer(s) may be removed at any time by the Board of Directors only and on the recommendation of the CEO.

If the Chief Executive Officer ceases to, or cannot exercise his duties, the Deputy Chief Executive Officers continue to exercise their functions and powers until a new Chief Executive Officer is appointed, unless there is a decision to the contrary by the Board.

The Board of Directors determines with the Chief Executive Officer the scope and duration of the powers granted to the Deputy Chief Executive Officers. The Deputy Chief Executive Officers have the same powers with regard to third parties as the Chief Executive Officer.

7.4.2.4 Operation of the Board (Article 16)

The Board of Directors meets as often as necessary in the Company's interest upon convocation by its Chairperson or, in the event of his/her incapacity, by at least one-third (1/3) of its members, or, if he/she is a director, by the CEO.

If the members of the Board of Directors have not met for more than two (2) months, at least one-third (1/3) of the members of the Board of Directors may require the Chairperson to convene the Board of Directors on a specific agenda.

The Chief Executive Officer may also require the Chairperson to convene the Board of Directors on a specific agenda.

The Chairperson is bound by the requests addressed to him by virtue of the two preceding paragraphs.

The notice of meeting may be made by any means, including verbally.

Meetings are held either at the registered office or at any other location indicated in the notice of meeting.

The meetings of the Board of Directors are chaired by the Chairperson of the Board of Directors. Failing this, the meeting is chaired by a director appointed for this purpose at the beginning of the meeting.

Any director may be represented by another director at a meeting of the Board of Directors. However, a director may hold only one proxy thus given for a given meeting.

At the initiative of the Chairperson of the Board of Directors, any person, even external to the Company, may be called upon, due to their particular expertise and in a purely advisory capacity, to attend all or part of a meeting of the Board.

The Chief Executive Officer attends Board Meetings.

Decisions are made under the conditions of quorum and majority set forth by the applicable legal and regulatory provisions. In the event of a tie, the Chairperson has the casting vote.

In compliance with legal and regulatory provisions, the internal regulations of the Board of Directors may stipulate that the directors who participate in the meeting of the Board of Directors by means of videoconference or telecommunications equipment meeting the technical specifications required by the applicable legal and regulatory provisions are deemed to be present for the calculation of the quorum and the majority.

A secretary may be appointed by the Chairperson to provide secretarial services to the Board under the conditions and in accordance with the terms and conditions set out in the Board of Directors' internal regulations.

An attendance register is kept in accordance with the legal and regulatory provisions in force.

The minutes are drawn up and the copies or extracts are certified in accordance with the legal and regulatory provisions in force.

The Board of Directors sets its operating procedures in the internal regulations in accordance with the law and regulatory provisions and the Bylaws of the Company. It can decide to create committees to look at matters that the Board of Directors or its Chairperson submit to their review. The composition and powers of each of these committees, which carry out their activities under its responsibility, are set by the Board of Directors in its internal regulations.

7.4.3 Shareholders' Meetings (Article 18 of the Bylaws)

Duly constituted Shareholders' Meetings represent the shareholders as a whole. They are convened and held in accordance with the applicable laws and regulations.

Any shareholder has the right to attend Shareholders' Meetings and participate in the deliberations personally or through a proxy, under the conditions defined by the applicable laws and regulations, with proof of his/her identity and the ownership of his/her shares.

At all Shareholders' Meetings, voting rights attached to shares include a right of usufruct, which shall be exercised by the usufructuary.

The proxy appointed on behalf of shareholders may take part in meetings under the conditions set by the applicable legal and regulatory provisions.

On decision of the Board of Directors published in the notice of meeting to use such telecommunications methods, shareholders who attend the meeting *via* videoconference or other telecommunication or electronic transmission methods, including Internet, which allow identification under the conditions required by the applicable legal and regulatory provisions, are deemed present for the calculation of *quorum* and majority.

On decision of the Board of Directors, any shareholder may vote remotely or give his/her proxy pursuant to the applicable laws and regulations using a form prepared by the Company and sent to the Company under the conditions defined by the applicable laws and regulations, including electronic or broadcast transmission methods. Voting forms must be received by the Company at least two (2) days prior to the Shareholders' Meeting, unless a shorter period is mentioned within the notice of meeting or any legal or regulatory provisions state otherwise.

Public broadcasting of the Meeting *via* electronic communications is authorised by the Board of Directors in accordance with conditions that it shall define. Notice thereof is given in the notice of meeting and/or call to meeting.

Meetings are chaired by the Chairman of the Board of Directors, or in his/her absence, by a member of the Board specifically delegated in this purpose by the Board of Directors. If not, the meeting elects its own Chairman.

7.4.4 Annual financial statements – Allocation of profits (Articles 20 and 21 of the Bylaws)

7.4.4.1 Financial year (Article 20)

The Company has a financial year of twelve months, beginning on 1 January and ending on 31 December of each year.

7.4.4.2 Annual financial statements (Article 20)

At the end of each financial year, the Board of Directors prepares the inventory and the annual financial statements as well as a written management report. In addition, all other documents required by the applicable laws and regulations shall be drawn up.

7.4.4.3 Allocation of profits (Article 21)

The annual results are determined in accordance with applicable laws and regulations.

On the profit of a financial year, less any prior losses if any, it is first collected at least 5% for the constitution of a reserve fund as required by applicable laws and regulations. This collection ceases to be mandatory when the reserve fund reaches one-tenth of the share capital.

The Shareholders' Meeting may freely dispose of the surplus, and on proposal of the Board of Directors, may either decide to allocate it to the retained earnings account in whole or in part, or to the reserves in whole or in part. It may also decide the distribution in whole or in part.

The Shareholders' Meeting will have the right to grant to each shareholder, for all or part of the dividends distributed or of the interim dividends, an option between payment in cash and payment in shares.

7.4.5 Control of the Company

There are no provisions in the Bylaws or in the internal regulations that could have the effect of delaying, deferring or preventing a change of control of the Company.

7.5 Other legal points

7.5.1 Rights and obligations attached to shares (Article 8 of the Bylaws)

Each share gives entitlement to a share in the ownership of the Company, a share in the profits and in the liquidation surplus, in proportion to the number of existing shares, taking into account, if applicable, amortised and non-amortised capital, paid-up or otherwise, the nominal amount of shares and rights attached to the different classes of shares. Furthermore, it gives entitlement to vote at and be represented in Shareholders' Meetings, under the legal and statutory conditions.

Each share entitles its holder to one vote at Shareholders' Meetings.

As an exception to the foregoing, double voting rights, relative to the fraction of the capital stock the shares represent, are granted to all fully paid-up shares for which proof is provided of registration in the name of the same shareholder for at least two years.

In addition, in the event of a capital increase by capitalisation of reserves, profits or issue premiums, a double voting right is allocated, as soon as they are issued, to the registered shares allocated free of charge to a shareholder owning shares conferring this right.

Any share converted to bearer form or for which ownership is transferred loses its double voting rights. Nevertheless, the transfer as a result of inheritance, liquidation of community of property between spouses and donation *inter vivos* to a spouse or a relative in line of succession does not cause the loss of the acquired right and does not interrupt the two (2) year period above. The merger of the Company has no effect on the double voting rights that may be exercised within the acquiring company, if the latter benefits from them.

Whenever it is necessary to possess several shares to exercise a right, the shares of a lower number than that required do not entitle their holder to any right against the Company, with the shareholders being responsible, in this case, for grouping together the necessary number of shares.

7.5.2 Shareholders' agreement

Following the acquisition of LeasePlan on 22 May 2023, Societe Generale, TDR, ATP and Lincoln entered into a shareholders' agreement.

Refer to Section 2.7.5.3 "Shareholders' agreement between Societe Generale, TDR, Lincoln and ATP".

7.5.3 Agreements likely to lead to a change in control

To the Company's knowledge, there is no agreement as of the date of this Universal Registration Document the operation of which may at a subsequent date result in a change in control of the Company. Notwithstanding the exercise of the share subscription warrants, Societe Generale will continue to exercise exclusive control over the Company within the meaning of Article L. 233-3 of the French Commercial Code *(Code de commerce)*.

7.5.4 Elements liable to have an incidence in the event of a public offering (Article L. 22-10-11 of the French Commercial Code (Code de commerce))

Legislative or regulatory reference	Elements liable to have an incidence in the event of a public offering	Chapters/sections of the Universal Registration Document
L. 22-10-11 of the French Commercial Code *(Code de commerce)*	The structure of the Company's capital.	2.7.5 "Shareholders".
	Restrictions in the Bylaws on the exercise of voting rights and transfers of shares, or clauses in agreements brought to the attention of the Company pursuant to Article L. 233-11 of the French Commercial Code *(Code de commerce)*.	2.7.5 "Shareholders". 2.7.5 "Rights, privileges and restrictions attached to shares" (Articles 8, 11 and 12 of the Bylaws).
	Direct and indirect holdings in the Company's capital of which it is aware, pursuant to Articles L. 233-7 and L. 233-12 of the French Commercial Code *(Code de commerce)*.	2.7.5 "Shareholders".
	A list of holders of any share comprising special rights of control and description of these shares.	N/A
	The control mechanisms provided for any employee shareholding system when the control rights are not exercised by employees.	2.7.5 "Rights, privileges and restrictions attached to shares" (Articles 8, 11 and 12 of the Bylaws).
	Shareholder agreements of which the Company is aware and that could restrict share transfers and the exercise of voting rights.	Section 2.7.5.3 "Shareholders' agreement between Societe Generale, TDR, Lincoln and ATP ".
	The rules applicable to the appointment and replacement of members of the Board of Directors and to the amendment of the Company's Bylaws.	7.4.2 "Board of Directors and Board members". 7.4.3 "Shareholders' Meetings" (Article 18 of the Bylaws).
	The powers of the Board of Directors, in particular, share issues or buybacks.	7.1.1 "Amount of share capital".
	The agreements concluded by the Company that would be amended or terminated in the event of a change of control of the Company, unless this disclosure would, except in cases where disclosure is a legal obligation, seriously undermine its interests.	The Company is party to a number of agreements containing change of control provisions, including customer agreements (International Commitment Agreement), a licensing agreement with Societe Generale covering the ALD Automotive trademark associated with the red and black SG logo, partnership agreements and joint venture agreements.
	Agreements providing for compensation for members of the Board of Directors or employees if they resign or are dismissed without real and serious grounds, or if their employment is terminated due to a public tender or exchange offer.	3.7 "Compensation and benefits". 3.7.2 "Employment contracts, supplementary pension schemes and severance pay of executive corporate officers".

8

Person responsible

8.1 Person responsible for the Universal Registration Document

Mr. Tim ALBERTSEN, Chief Executive Officer of ALD

Immeuble “Corosa” 1-3, rue Eugène-et-Armand-Peugeot – 92500 Rueil-Malmaison

8.2 Statement of the person responsible for the Universal Registration Document and the Annual financial report

I hereby certify that the information contained in this Universal Registration Document is, to my knowledge, in accordance with the facts and contains no omission likely to affect its meaning.

I certify, to the best of my knowledge, that the financial statements have been prepared in accordance with applicable accounting standards and are a fair reflection of the assets, liabilities, financial position and profit or loss of the Company and all the undertakings included in the consolidation scope, and that the management report (the cross-reference table of the annual financial report, in Chapter 9, indicates the contents of said report) presents a fair view of the Company’s business, performance and financial position and that of all the undertakings included in the consolidation scope, as well as a description of the main risks and uncertainties to which they are exposed.

I have received a completion letter from the Statutory Auditors, stating that they have audited the information contained in this Universal Registration Document about the financial position and financial statements contained herein, and that they have read this Universal Registration Document in its entirety.

12 April 2024

Mr. Tim ALBERTSEN

Chief Executive Officer of ALD

8.3 Persons responsible for auditing the financial statements

ERNST & YOUNG et Autres

1-2, place des Saisons

Paris La Défense 1

92400 Courbevoie, France

Represented by Mr. Vincent ROTY.

ERNST & YOUNG et Autres is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles et du Centre* (the Regional Association of Auditors of Versailles and Center).

ERNST & YOUNG et Autres was appointed by decision of the Shareholders' Meeting of the Company of 7 November 2001 and renewed by decision of the Shareholders' Meeting of the Company of 29 June 2016 and thereafter again on 18 May 2022, to end at the Shareholders' Meeting to be convened to approve the financial statements for the year ending 31 December 2027.

DELOITTE & ASSOCIÉS

6, place de la Pyramide

92908 Paris La Défense CEDEX, France

Represented by Mr. Pascal COLIN.

DELOITTE & ASSOCIÉS is a member of the *Compagnie Régionale des Commissaires aux Comptes de Versailles* (the Regional Association of Auditors of Versailles).

DELOITTE & ASSOCIÉS was appointed by decision of the Shareholders' Meeting of the Company of 3 June 2013, and renewed by decision of the Shareholders' Meeting of the Company of 22 May 2019, to end at the Shareholders' Meeting to be convened to approve the financial statements for the year ending 31 December 2024.

8.4 Publicly available documents

Copies of this Universal Registration Document are available free of charge from the Company and on the Company's website (https://www.ayvens.com) and on the website of the *Autorité des marchés financiers* (AMF), at www.amf-france.org.

While this Universal Registration Document is valid, the following documents (or a copy of such documents) may be viewed:

- the Bylaws;
- all reports, correspondence and other documents, historic financial information, valuations and statements drawn up by an expert at the Company's request, part of which is included or referred to in this Universal Registration Document; and
- the historical financial information included in this Universal Registration Document.

All such legal and financial documents relating to the Company and made available to shareholders in accordance with applicable regulations may be viewed at the Company's registered office.

The regulated information (within the meaning of Articles 221-1 *et seq.* of the AMF's General Regulation) will also be available on the Company's website.

9

Cross-reference tables

9.1 Cross-reference table for the Universal Registration Document

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) no. 809/2004, and refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

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In accordance with EC Regulation No. 2019/890 dated 14 March 2019, complementary to (EU) Regulation No. 2017/1129 of the European Parliament and of the Council, the following information is included by reference in this Universal Registration Document:

- the parent company and consolidated accounts for the year ended 31 December 2021, the related Statutory Auditors' reports and the Group Management Report are presented respectively on pages 225-238, 158-219, 239-242, 220-224 and 27-49, of the Universal Registration Document D.22-0340 filed with the AMF on 22 April 2022;
- the parent company and consolidated accounts for the year ended 31 December 2022, the related Statutory Auditors' reports and the Group Management Report are presented respectively on pages 260-274, 190-254, 275-278, 255-259 and 31-56, of the Universal Registration Document D.23-0261 filed with the AMF on 12 April 2023;

The chapters of the Universal Registration Documents D.22-0340 and D.23-0261 not mentioned above do not apply to investors or are covered in another part of this Universal Registration Document.

Both of the aforementioned Registration Documents are available on the Company's website www.ayvens.com and on the AMF's (French Financial Markets Authority) website https://www.amf-france.org/en.

9.2 Cross-reference table for the Annual financial report

Pursuant to Article 222-3 of the French Financial Markets Authority's General Regulation, the annual financial report referred to in section I of Article L. 451-1-2 of the French Monetary and Financial Code includes the items described in the following pages of the Universal Registration Document:

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8.	**Profit (loss) of ALD company (non-consolidated)**	**Chapter 6 (6.4-6.5)**	**335 - 350**
Appendix	**Report on Corporate governance**	**Chapter 3**	**63 - 123**
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