LEASYS

CONSOLIDATED HALF-YEAR FINANCIAL REPORT

30 JUNE 2024

LEASYS Italia S.p.A., a sole shareholder company

Registered office: Corso Orbassano 367 – 10137 Turin, ITALY www.leasys.com, Satellite office: Viale dell'Arte 25 – 00144 Rome, ITALY Share Capital € 77,979,400, Tax Code and Turin Companies Register No. 08083020019, VAT No. 06714021000 Turin Business Register (REA) No. 960205 Management and coordination pursuant to art. 2497 of the Italian Civil Code by Leasys S.a.s.

KEY DATA

180 €/M
Rental margin
4.6 %
on average value of assets

-15 €/M
Cost of risk
0.4%
on average value of assets

- 89 €/M
Net operating costs
2.3%
on average value of assets

53 €/M
Net Result

570,368
Fleet managed

8,606,771
Fleet value at period end

11
Countries where we operate

1341
Employees

CONTENTS

DIRECTORS' REPORT ON OPERATIONS 30 JUNE 2024

LEASYS' COMPREHENSIVE GROWTH STRATEGY

Rolando D'Arco – Chief Executive Officer

The performance of the car market during H1 2024 confirms the stabilisation of the sector after the recent turbulence, which was largely attributable to the pandemic and shortages of raw materials and semiconductors. According to the Acea study, registrations in Europe rose by 4.6% in the first five months of 2024,
to about 4.6 million vehicles (Source: Acea).

The Long-Term Rental sector continues to grow in this constantly-evolving environment, playing a leading role in the car market.

Indeed, long-term rental represents an attractive solution for younger consumers in particular, since they are already happy to pay a fixed fee for valuable services (smartphone, audio-visual entertainment, gym etc.). This tendency is already well established throughout Europe: for example, at least 30% of private rental contracts in the Netherlands involve drivers aged between 18 and 35 years of age, of whom about 20% have never owned a car (Source: Fleet Europe).

Additionally, operating leases are also an ideal solution for corporate customers wishing to try out the new hybrid and electric engines, with the dual advantage of minimising cost-related risks and the impact of unexpected events, while also facilitating the transition from combustion engines to electric vehicles.

Against this background, Leasys was again positioned among the principal players in the sector during H1 2024, with steady, positive performance after joining forces with Free2moveLease in April 2023. This combination created the "New" Leasys, an equal joint venture between Stellantis and Crédit Agricole Personal Finance & Mobility.

Present in 11 countries, the Leasys fleet has grown by 7% compared with the same period last year, to about 887,000 vehicles.

Our positioning among the leaders is thus confirmed, with a vast range of leading-edge products, high quality services and innovative digital platforms that offer a best-in-class customer experience.

Membership of the Stellantis Group is foundational for Leasys, allowing the release of synergies that guarantee the provision of a broad range of products and excellent services, supported by a grassroots sales and after-sales network active throughout Europe. In addition, an approach that combines multiple sales channels, including independent brokers, direct sales and on-line interaction, extends the services offered to a broad and diversified clientele.

Our evident focus on the digital and electronic aspect is an integral part of the Leasys strategy, with major investment that seeks to optimise systems and processes, and enhance the overall customer experience.

Leasys also makes electronic self-care tools available to all, from private customers to fleet managers, guaranteeing them faster and more efficient access to the services associated with their rental contracts.

Within this digital transformation of our business, the important e-commerce project tested in the Netherlands will soon be rolled out in other European countries, with a view to creating a rental marketplace that is 100% digital.

Digitalisation facilitates the achievement of Leasys’ sustainability objectives, with such projects as the dematerialisation of documents and the adoption of electronic signatures, which will enhance our internal business processes and reduce their environmental impact.

Leasys makes the environment a priority, promoting sustainable mobility with a view to accelerating the transition to electric transportation. Our ambition is that one-in-two new contracts will be for EVs by 2026: already 14% are for low-emission vehicles (BEV+PHEV).

From a financial standpoint, during H1 2024 the corporate strategy of the Leasys Group focused on diversifying and optimising the sources of funds. In fact, in February 2024 we continued our Euro Medium-Term Notes (EMTN) programme, worth Euro 5 billion, with a Euro 500 million issue of unsecured senior bonds maturing in March 2028: the fixed coupon of 3.875% attracted the attention of more than 200 major investors.

FINANCIAL STRATEGY

Antoine Delautre – CFO Leasys Group

During H1 2024 the Euro area economy exhibited a combination of positive dynamics and challenges.

Economic growth in the region was moderate, sustained by such factors as robust consumer spending, expansion of the manufacturing sector and greater business confidence.

That said, the economy was challenged by high inflation rates, volatile energy prices and uncertainties following the political elections in certain key European countries.

At present, GDP growth is averaging 0.8%, with an upswing forecast over the next two years (1.5% in 2025 and 1.2% in 2026).

On 6 June 2024, the European Central Bank announced its first reference rate cut since 2019, easing it from the historical peak of 4% to 3.75%.

The Executive Board also announced the absence of a set path for future rates, indicating that further data is needed in order to confirm the current deflationary trend. At the time, financial market operators were warned that the pressures on domestic prices remain high and that the interplay among wages, profits and productivity adds uncertainty to the mix. Against this background, Leasys seeks to safeguard corporate growth by monitoring closely both macroeconomic conditions and the financial markets.

The Company continues to pursue a policy designed to diversify the sources of funds via a programme of Euro Medium-Term Bond issues. At this point, public and private placements total about Euro 3.1 billion[1] with an expansion of the programme to Euro 8 billion (from the original Euro 5 billion at its launch in July 2023) due shortly.

Drawing on the funding support made available by Crédit Agricole Personal Finance & Mobility, Leasys has also renewed, extended or opened lines of credit totalling about Euro 3.8 billion[2] with other banks since April 2023.

The strength of Leasys' financial strategy is further confirmed by the A- rating; Outlook Stable - assigned by Fitch and affirmed on 14 June 2024.

1 Data at July 2024
2 Data at July 2024

Lastly, in preparation for the introduction of the EU Corporate Sustainability Reporting Directive (CSRD), the first Leasys Non-Financial Statement was published during H1 2024. This paints a more detailed picture of the progress made on implementing the corporate ESG strategy, the impact of operations on people and the environment (carbon footprint) and the sustainable development goals to be monitored (consistent with the UN 2030 Agenda).

ADMINISTRATION AND CONTROL BODIES

Board of Directors

Chairman Richard Bouligny

Chief Executive Officer and General Manager
Rolando D'Arco

Directors
Andrea Faina

Antoine Delautre

Board of Statutory Auditors

Chairman
Giorgio Cavalitto

Serving Auditors
Luca Ambroso

Ottavio De Marco

Alternate Auditors
Giovanni Miglietta

Federico Lozzi

Supervisory Body

Antonio Mansueto

Andrea De Paoli

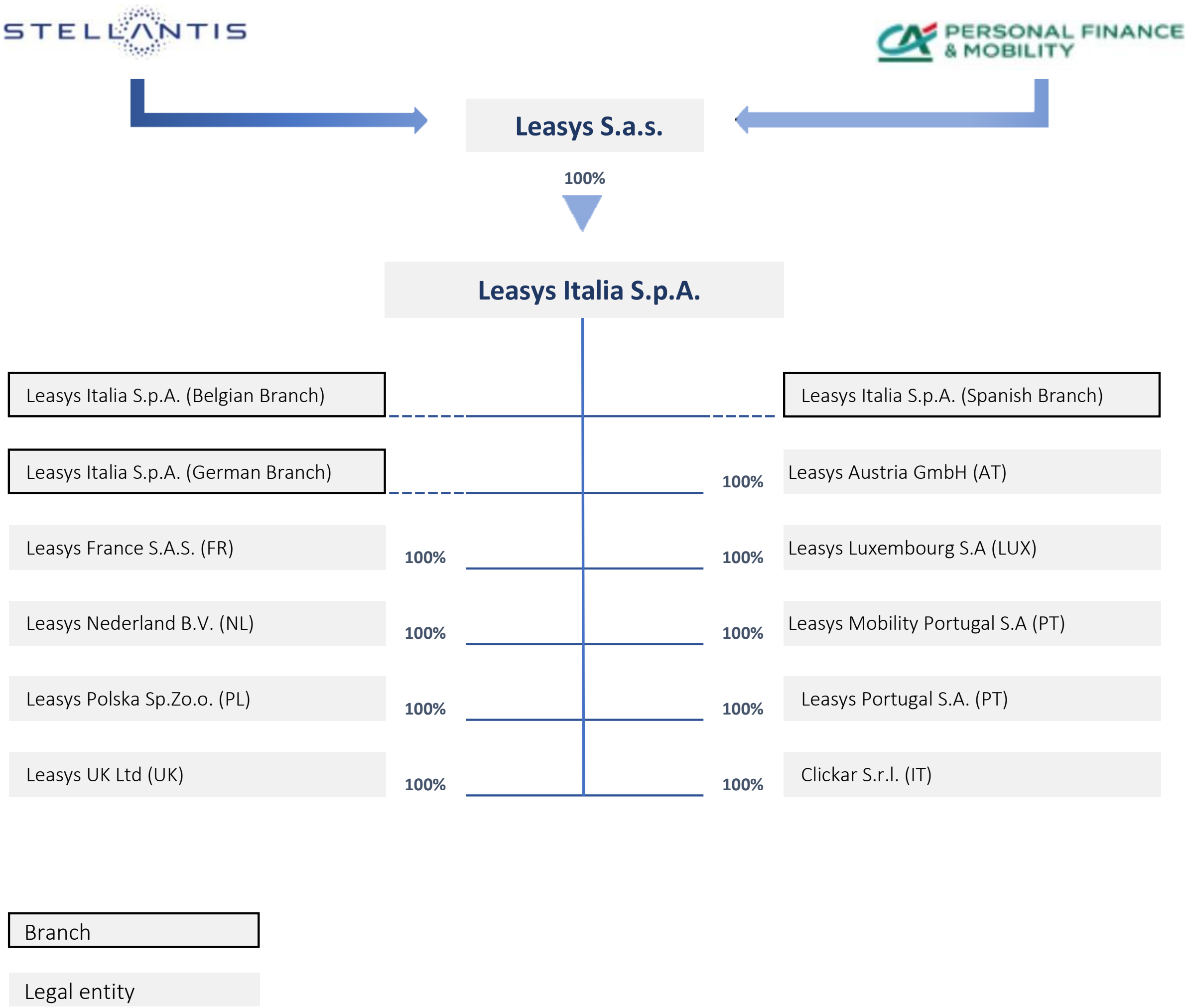
Andrea Giorio

Independent Auditors

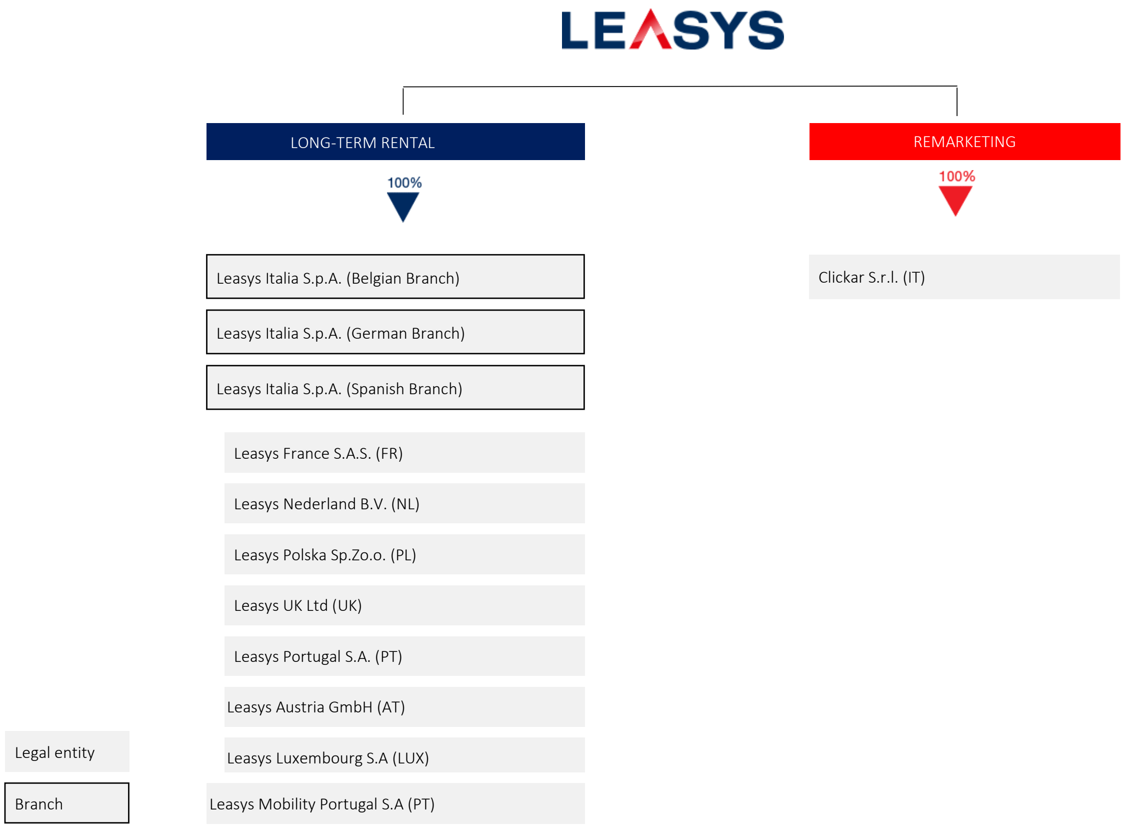
PricewaterhouseCoopers S.p.A.

SHAREHOLDER STRUCTURE

Leasys Italia S.p.A. is wholly owned by Leasys S.a.s. – a French multi-brand operating leasing company in which Stellantis and Crédit Agricole Personal Finance & Mobility (formerly “Crédit Agricole Consumer Finance”) each hold a 50% stake.



OWNERSHIP STRUCTURE



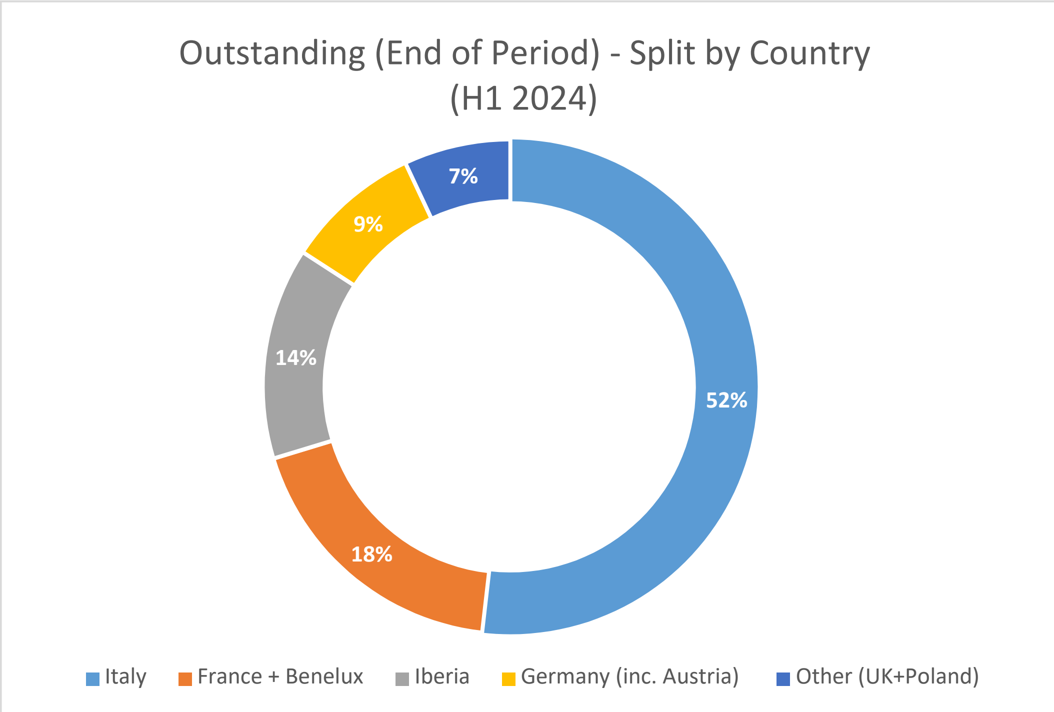
GEOGRAPHICAL PRESENCE

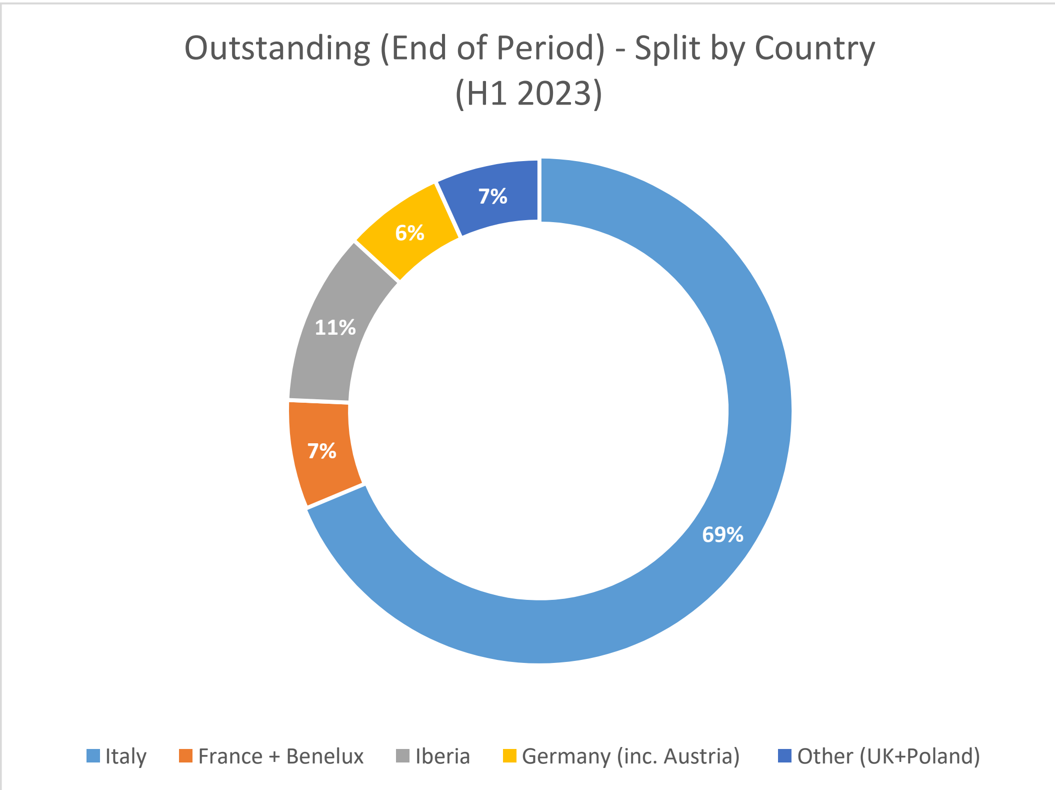
RESULTS OF OPERATIONS

Economic data (€/M)	**30/06/2024**	**30/06/2023**
Rental margin	180	155
Net operating costs	-89	-53
Cost of risk	-15	-10
Non-recurring income (expenses)	0	-25
Earnings before tax	76	67
Income tax for the period	-24	-20
Profit for the period	**53**	**47**
Value of assets *	30/06/2024	30/06/2023
Average	7,773	5,378
End of period	8,607	6,011
Ratio (of value of assets)	30/06/2024	30/06/2023
Rental margin	4.6%	5.8%
Net operating costs	2.3%	2.0%
Cost of risk	0.4%	0.4%

*** The value of assets is the sum of vehicles and receivables from customers**

PORTFOLIO SPLIT BY COUNTRY





BUSINESS LINES

The Leasys Group is an international company operating in 11 European countries, which offers rental solutions that ensure freer and more efficient mobility; it provides reliable services and consultancy to meet the needs of private individuals, small and medium-sized businesses, and large companies and institutions.

A benchmark that can meet various mobility needs, with a complete set of services and products for customers seeking tailored solutions.

As a key market player, part of Leasys' strategy is to support the transition to electric vehicles by offering green solutions to help develop increasingly sustainable mobility.

The Leasys Group operates through an organisational structure divided into the Long-Term Rental and Remarketing business lines.

Long-Term Rental

Leasys' Long-Term Rental activities consist of car and commercial vehicle rentals to a wide customer base of private consumers, small and medium-sized companies, large enterprises and public institutions. The Leasys Group's innovative rental solutions are accompanied by a wide range of services where customers can secure their mobility for a fixed monthly fee (including all ancillary charges) and benefit from Leasys' excellent assistance services.

Remarketing

The Leasys Group offers on-line and off-line sales of used cars from its own fleet under the Clickar brand. Selected used cars are offered to sector operators, professional customers and private individuals through the Clickar.com portal – one of Europe's largest digital marketplaces for buying and selling used cars.

The purchasing experience on the Clickar.com portal is entirely on-line, and the quality of products is guaranteed through the certified origin of the cars, certifying the proper performance of scheduled maintenance. Photographs of each car with detailed 360° views are accompanied by reports from accredited and independent experts.

MACROECONOMIC SCENARIO AND THE CAR MARKET

The macroeconomic variables normalised visibly during H1 2024, alternating between growth and inflation. This marks a recovery following the fluctuations caused by the reaction to the Covid pandemic. Growth in the Euro area remained modest, at less than 1%, but an uptick to 1.5% is forecast for the second half of the year, given the easing of monetary restrictions and the decline in inflation. (Source: Eurizon Capital SGR).

The general outlook continues to be uncertain, given the numerous factors influencing volatility. These include military conflicts and the US presidential elections, which may well impact unpredictably on world trade and the international political environment. (Source: Intesa Sanpaolo).

According to Eurostat, inflation in the Euro area was 2.6% in May 2024, down considerably from the same period last year, when the rate was 6.1%. This statistic averages the inflation experienced in each sector, ranging from a minimum of 0.3% for energy commodities to a maximum of 4.1% for services (Source: Eurostat).

With regard to the automobile market, an ACEA study reports that about 4.6 million cars were registered in Europe during the first five months of 2024, up by 4.6% compare with the same period in the prior year. In particular, Spain achieved the greatest growth in registrations (+ 6.8%), followed by Germany (+5.2%), France (+ 4.9%) and Italy (+ 3.4%).

At the same time, EV registrations rose by about 2% compared with the same period last year, to reach a total of 556,276 vehicles. (Source: ACEA).

Outlook for H2 2024

Despite the changing geopolitical and economic environment, such as that experienced in recent years,
the automobile market is expected to continue growing in H2 2024.

Consistent with this trend, the EV segment also expects growth given the entry of Chinese brands into the European market, which could change sector dynamics considerably. Alongside this factor, the market is interested in the new duties to be levied on Chinese imports and the review of the “green deal”, with the possible deferred demise of the combustion engine, currently fixed for 2035.

OTHER INFORMATION

MAIN RISKS AND UNCERTAINTIES

Specific risks that may entail obligations for the company are assessed when determining the respective provisions and are mentioned in the notes to the financial statements, together with significant contingent liabilities. Reference is made below to the risk and uncertainty factors that essentially relate to the economic, regulatory and market environment and may affect the company's performance.

The company's financial position, results of operations and cash flows are primarily affected by the various factors involved in the macroeconomic framework in which it operates (factors such as the increase/decrease in gross domestic product, levels of consumer and business confidence, interest and exchange rate trends and the unemployment rate).

The Group's activities are mainly linked to the performance of the automotive sector, which is historically subject to periodic cycles. Given that it is difficult to predict the extent and duration of the various economic cycles, any macroeconomic event (such as a significant decline in the main markets, solvency of counterparties, volatility of financial markets and interest rates, or the ongoing shortage of semiconductors) can affect both outlook and financial results.

The geopolitical context remains adverse and unstable in 2024.

The current military conflicts, especially between Russia and Ukraine and that in the Middle East, between Israel and Palestine, combined with growing tensions between Israel and the Houthis, based in Yemen, and the US presidential elections this autumn, continue to influence considerably the performance of the world economy and the international political environment. The uncertainty generated is causing GDP growth to be modest, with high rates of inflation.

The Leasys Group respects the laws and regulations in force in the countries where it operates. Most of our legal proceedings and disputes relate to non-payment by customers and dealers in the ordinary course of business.

Our provisioning policies for 'provisions for risks and charges' – together with our close monitoring of ongoing proceedings – ensure we consider promptly any possible effects on our financial statements.

MANAGEMENT AND COORDINATION ACTIVITIES

On 3 April 2023, the sole shareholder changed its name from LeaseCo S.a.s. to Leasys S.a.s. and, from that date, Leasys Italia S.p.A. is subject to management and coordination by Leasys S.a.s.

DISTRIBUTED DIVIDENDS AND RESERVES

No dividends were paid during H1 2024.

PILLAR II

The new international tax rules established by the OECD, designed to subject major international groups to additional taxation when the effective tax rate (ETR) in their home jurisdiction is less than 15%, came into force on 1 January 2024. Accordingly, 2024 is the first financial year in which these rules apply. Based on the European Directive adopted at the end of 2022 and transposed into the legislation of EU Member States, we currently believe that the Leasys Group will be unaffected and, therefore, no additional tax provisions have been made.

In addition, consistent with the amendments to IAS 12, published by the IASB on 23 May 2023 and endorsed by the European Union on 8 November 2023, the Group is applying the temporary mandatory exception to the recognition of deferred taxes linked to implementation of the GloBE rules.

SIGNIFICANT EVENTS AND STRATEGIC OPERATIONS

GLOBAL CONFLICTS – POTENTIAL IMPACTS

The Russia-Ukraine conflict continues to pose a risk to the business cycle. Events have confirmed the views of leading analysts that the conflict would be long-lasting, with a risk of spreading and impacts on oil and gas prices.

In addition, the heightening of the Israel-Palestine war has added to these fears, both due to uncertainty about its duration and because of its possible expansion, with the involvement of new actors and destabilisation of the international equilibrium.

From an economic standpoint, the conflict is causing special concern with regard to the energy and oil markets, as well as for the trade flows that transit through the Suez Canal. In recent months, these flows have often been hit by attacks from the Houthis, an armed Yemeni group in conflict with Israel, that have forced merchant fleets to avoid the Red Sea route - a major choke point for world trade - and chart longer and more costly passages that have resulted in higher commodity and energy prices.

LEASYS GROUP

Following the sale on 21 December 2022 of the Leasys Group from FCA Bank (now known as CA Auto Bank) to LeaseCo S.a.s. (now Leasys S.a.s.), a French multi-brand operating leasing company in which Stellantis and Crédit Agricole Personal Finance & Mobility each hold a 50% stake, in April 2023 Leasys merged its business with Free2move Lease to create a new joint venture.

STELLANTIS N.V. AND CORPORATE EVOLUTION

The ownership structure of Leasys Italia S.p.A., wholly owned by FCA Bank S.p.A. until 21 December 2022, has changed following a reorganisation arranged by Stellantis. More specifically, FCA Bank S.p.A. contributed 100% of the share capital of Leasys Italia S.p.A. to Leasys S.a.s., a new company formed jointly and equally under French law by Stellantis N.V. and Crédit Agricole Consumer Finance S.A., now known as Crédit Agricole Personal Finance & Mobility (CAPFM).

This completed the process of creating a multi-brand operating leasing company, derived from merging the activities of Leasys and F2ML, in which Stellantis and CAPFM each hold 50% stakes. The object of the new entity is to manage the financing in Europe of all vehicle brands owned by Stellantis. In this way, Leasys Italia S.p.A. has become one of the leading multi-brand vehicle rental companies in Europe.

CLOSURE OF LOCAL UNITS BY THE LEASYS GROUP

On 2 May 2024, the Leasys Group definitively closed the Danish Branch of Leasys Italia S.p.A., based in Glostrup, Denmark, which had become dormant on 31 December 2023.

COMMERCIAL POLICY

Leasys operates in 11 European countries and is positioned among the leading four businesses in the sector. Adopting a multi-brand approach, Leasys operates across various sales channels, including the Stellantis network, independent brokers, direct sales and the Internet.

Leasys proposes innovative mobility solutions that satisfy the needs of various target customer groups: private individuals, professionals and large companies. The customer-centric approach at the heart of Leasys' strategic plan delivers tailor-made solutions that guarantee maximum flexibility.

Sustainable mobility is positioned at the centre of this strategy, helping customers transition to EVs with flexible options and specific services.

STAFF MANAGEMENT

The Leasys Group offers innovative, tailor-made mobility services that focus on people, employees and customers.

The primary objective is to attract, retain and motivate persons who are highly motivated. In view of this, the company implements remuneration policies designed to create long-term value, which promote and affirm our core values as pioneers of innovation: agility, reliability, teamwork and a visionary approach.

The Leasys Group employs a total of **1,341** persons at 30 June 2024. This rise of **28** since 31 December 2023 is consistent with the strategic growth objectives set by the Group.

The above numbers relate to the employed workforce at 30 June 2024.

FINANCIAL POLICY

During H1 2024, the Treasury Department ensured the management of liquidity and financial risks based on the guidelines provided by the Central Treasury of Crédit Agricole Personal Finance & Mobility, and in line with the risk management policies established by the Board of Directors of Leasys S.p.A.

The Group's financial strategy aims to:

- maintain a stable and diversified structure of financial sources;

- manage liquidity risk;
- minimise exposure to interest-rate, exchange-rate and counterparty risks, within the framework of contained and pre-established limits, and in any case in compliance with regulatory provisions where applicable.

During H1 2024, Treasury ensured the resources needed to finance the Group's activities amid significantly higher demand, which made it possible to keep the rental margin stable, despite the change in base rates during the period.

RATING

Fitch affirmed the Leasys rating of A-; Outlook Stable on 14 June 2024. The

rating assigned to Leasys is therefore:

Company	Long-term rating	Outlook	Short-term rating	Long-term deposit rating
Fitch	A-	Stable	F1	-

STRUCTURE OF FUNDING SOURCES

The structure of sources of funds and liabilities at 30 June 2024 is as follows:

Description	% of total external funding sources	% of total balance sheet liabilities
Crédit Agricole Group	14%	11%
Third-party financial institutions	30%	23%
Market (Green Bond)	43%	32%
Securitisation	13%	10%
Non-financial liabilities		24%
Total	**100%**	**100%**

During H1 2024, in addition to the drawdowns made (or renewed) under the Committed Facility made available by the Crédit Agricole Group, bank lines were arranged (or renewed) with third-party credit and financial institutions for over € 740 million.

The transaction was structured in line with the Simple, Transparent and Standardised (STS) securitisations criteria set out in Regulation (EU) 2402/2017.

In addition, during H1 2024 the Leasys Group returned to the capital market with the following successful placements:

- on 5 January 2024, Euro 100 million in unsecured senior bonds maturing in January 2027 with a fixed coupon of 3.838%;
- on 26 February 2024, Euro 40 million in unsecured senior bonds maturing in February 2029 with a fixed coupon of 4.256%;
- on 1 March 2024, Euro 500 million in unsecured senior bonds maturing in March 2028 with a fixed coupon of 3.875%;
- on 29 April 2024, Euro 245 million in unsecured senior bonds maturing in April 2026 with a quarterly coupon linked to 3-month Euribor plus a margin of 0.75%;
- on 29 April 2024, Euro 55 million in unsecured senior bonds maturing in April 2026 with a quarterly coupon linked to 3-month Euribor plus a margin of 0.75%.

FINANCIAL RISK MANAGEMENT

Interest-rate risk management policies to protect the financial margin from the impact of interest rate changes, include matching the maturity profile of liabilities with the maturity profile of the asset portfolio (determined based on the interest rate recalculation date).

Notably, the Group's risk management policies only allow the use of interest-rate derivative transactions for hedging purposes.

Interest rate profiles are matched to maturity through the use of more liquid derivative instruments, such as Interest Rate Swaps and Forward Rate Agreements (note that the Group's risk management policies do not allow the use of instruments other than plain vanilla, such as exotic derivatives for example).

The strategy pursued during the period has resulted in the constant substantial hedging of this risk, thus minimising the impact of the volatility in market interest rates.

In terms of exchange-rate risk, company policy avoids taking currency positions. Assets in currencies other than the Euro are therefore usually financed in the corresponding currency.

Where this is not possible, the risk would be reduced by arranging Foreign Exchange Swaps (note that the Group's risk management policies only allow exchange transactions to be used for hedging purposes).

MANAGEMENT OF RESIDUAL-VALUE RISK

Residual value is one of the most important components when determining the rental fee, being the expected value of the vehicle in the used market at the end of the rental contract.

The residual-value risk in relation to leased vehicles is generally borne by the lessor, unless specifically agreed otherwise with third parties, and reflects the difference between the vehicle's market value at the end of the rental period and the carrying amount of the asset concerned.

In 2023, Leasys decided to revise the set of internal regulations that govern the decision-making process for determining residual values. The shareholders, among others, were directly involved in this policy revision.

The purpose of the document is to define guidelines for the definition and proper management of residual values, harmonising this process and the related governance within the Leasys Group, detailing the roles and responsibilities of the various entities in the valuation decision, and establishing so-called "Golden Rules": the powers delegated with reference to the level of risk accepted and any escalation processes needed in specific cases, as well as the checks that each Group entity must carry out to ensure that the policy is implemented correctly.

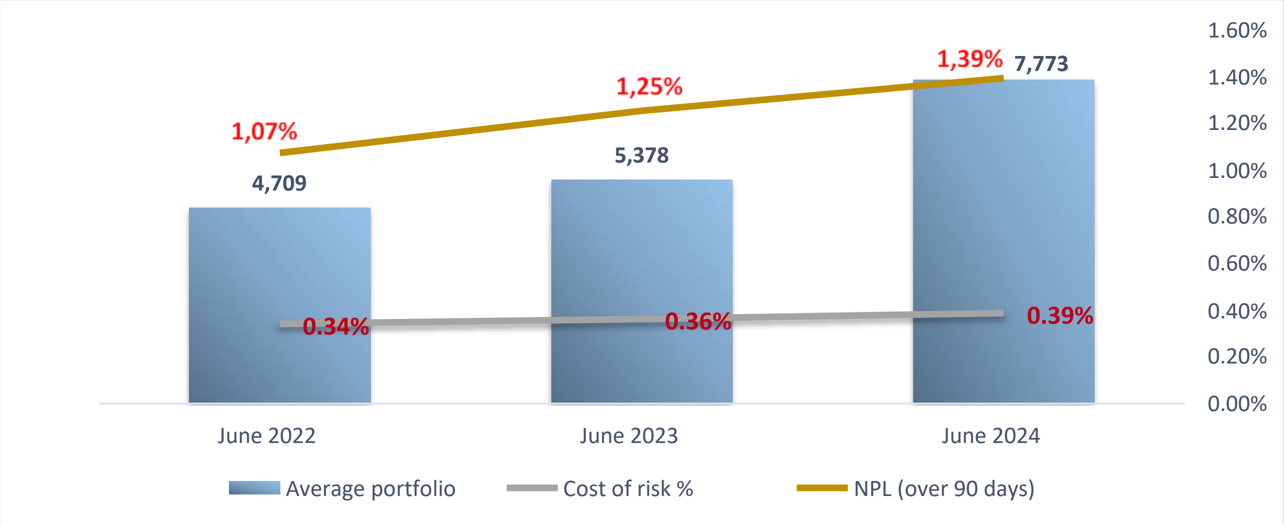
Residual-value risk is analysed quarterly by combining data and time series based on the experience of Leasys with external elements obtained from independent RV influencers. A specific provision takes due account of any impairment identified. There are no particular issues concerning the residual-value risk associated with the vehicle fleet.

CREDIT RISK MANAGEMENT

Leasys' cost-of-risk performance reflects factors typical among the largest banks, such as:

- conservative credit-risk acceptance policies, supported by ratings, scoring and decision-making engines;
- monitoring of credit performance with prompt detection of deteriorating trends through early warning indicators;
- effective credit collection actions.

This makes it possible to maintain very low levels of impaired receivables and customers/contracts exposed to increased risk. The cost of risk continued to perform well in H1 2024 (at 0.39%), in line with budget forecasts.



The Company maintains strict control over credit risk, leveraging practices, processes and tools inherited from the banking sector experience of the Crédit Agricole Group, a shareholder in the joint venture.

Leasys is also strengthening the internal structures responsible for credit control processes, implementing effective monitoring and other actions.

Planned technological projects seek to consolidate the control over risk even further, highlighting a commitment to innovation and financial security.

As a result of the numerous actions taken and despite strong growth in the portfolio, the receivables of the Leasys Group that are more than 90 days past due are very low (1.39%).

INTERNAL CONTROL SYSTEM

To ensure sound and prudent management that tempers business profitability with the informed acceptance of risk and operational conduct founded on ethical criteria, the Company has adopted an Internal Control System (ICS) for activities and risks that governs (in terms of compliance with the regulations) the security and efficiency of operations.

The internal control system consists of a set of rules, functions, structures, resources, processes and procedures that seek to achieve the following purposes:

- financial performance, via efficient and appropriate use of the Group's assets and resources, as well as protection against the risk of losses;
- precise and consistent understanding of the data needed by the decision-making and risk-management processes;
- compliance with laws, regulations, professional and ethical standards, and internal standards;
- prevention and identification of fraud and errors;
- complete and accurate accounting entries and timely production of reliable accounting and financial information.

The system comprises two distinct levels of control and, within the Group, three lines of defence.

The first two lines represent forms of permanent control:

1. The first line of defence comprises the operating lines of business.

   Their business managers ensure that the risks generated by their activities are addressed by an efficient first line of defence. They implement first-level controls designed to ensure the proper conduct of daily operations and individual transactions, either performed by the relevant operating structures or embedded in the related IT procedures.

2. The second line of defence comprises the risk management and compliance lines, both entrusted to structures without operational responsibilities.

The Risk & Permanent Control manager and the Compliance manager ensure that this second line of defence implements effectively the second-level controls, which are designed to measure risk and check the consistency of operations with the established risk objectives.

The third line comprises the performance of periodic checks:

3. The third line of defence comprises the business audit line, for which the Internal Audit function is responsible. This function implements third-level controls to identify anomalous trends, as well as violations of procedures and regulations, and to assess the overall functioning of the internal control system.

The control functions maintain constant contact with the corresponding functions within Leasys S.a.s.

The Compliance and Risk & Permanent Control functions report to the Chief Executive

Officer. The Internal Audit function reports directly to the Board of Directors.

This section describes the “principal characteristics of the internal control and risk management systems applied to the financial reporting process”, as required by art. 123-bis, para. 2.b), TUF.

The directors of Leasys Italia S.p.A. are responsible for applying an internal control system that is consistent with the criteria established in the “Internal Control – Integrated Framework” issued by COSO (“Committee of Sponsoring Organizations of the Treadway Commission”). The Internal Control System for corporate reporting is a process involving various business functions that ensures the reliability of financial information, the credibility of accounting documents and compliance with the regulations. The financial reporting system is supervised by the Group Chief Financial Officer and assures:

- the adequacy of the processes and procedures used to prepare the various corporate accounting documents and all other communications of a financial nature;
- control over the related IT architecture and applications, with specific reference to the management of processing and the development of systems to summarise the data used for financial reporting purposes;
- the completeness and consistency of the information disclosed to the market.

INTERNAL AUDIT

The Internal Audit function is responsible for level 3 controls, by verifying the adequacy of the ICS based on an annual plan submitted for the approval of the Board of Directors, and by providing the Board of Directors and Management with a professional and impartial assessment of the effectiveness of the internal controls.

The Head of the Internal Audit Function is responsible for preparing the audit plan, based on a periodic risk assessment process, and for coordinating the related audit work. He/she periodically reports on the results and progress of the audit plan to the Board of Directors, the Internal Control Committee and the Board of Statutory Auditors.

The internal audit process involves an annual mapping of risks, at individual company level, using a method common to each.

This risk mapping is carried out centrally for companies that do not have a local internal audit function. The results of the internal audit work carried out at each company are monitored using a reporting system that covers:

- the progress of the audit plan, with explanations for any changes;
- the implementation status of recommendations made.

The Board of Directors is informed periodically about the results of the audits, the action plans adopted, the progress of the plan, and the extent of implementation by each company of the recommendations made.

RISK AND PERMANENT CONTROL (R&PC)

The mission of this function is to manage the control and risk prevention system.

The Risk & Permanent Control structure consists of people, not involved in business activities, who focus on permanent controls.

R&PC is responsible for mapping and measuring the business risks, for supervising the risk management processes and for managing directly the permanent second-line/second-level controls.

R&PC ensures that the level of risk accepted is compatible with the guidelines of the Group and the guidelines, policies and limits established by the administrative body, ensuring their proper implementation.

R&PC is responsible for identifying and mapping risks against the various lines of business, collecting and analysing the relevant risk indicators, monitoring respect for the limits set and guaranteeing the effective communication of alerts.

The Risk & Permanent Control function liaises with contact persons at Leasys S.a.s. and with the contact persons of that company at the legal entities and foreign branches.

The results of the second-level controls carried out by Risk & Permanent Control are presented to the Board of Directors on a quarterly basis and analysed by the Internal Control Committee.

COMPLIANCE

The Compliance function is responsible for the compliance structure of the Company in the areas of customer protection, anti-corruption, internal fraud, money laundering and the fight against terrorism.

It reports directly to the Chief Executive Officer of the Company.

To prevent the infringement of laws, regulations or self-regulation standards, this function adopts a risk-based approach to the management of non-compliance risks, checking that internal procedures are capable of preventing them. Specifically, the Compliance function:

- identifies, in cooperation with the other functions involved, including the Legal Affairs function in particular, all the rules and regulations applicable to the Company, and assesses their impact on activities, processes and procedures;
- collaborates with Human Resources to define the training needs of employees on compliance-related matters;
- assesses ex ante the consistency of applicable regulations with all innovation-driven projects (including their impact on new products or services);
- prepares flows of information to the corporate bodies and other corporate control functions;
- verifies the effectiveness of the procedural and organisational changes suggested to prevent the risk of non-compliance;
- coordinates the activities of the Supervisory Board, ensuring the update of the Organisation, management and control model pursuant to Decree 231/01;

The results of the second-level controls carried out by the Compliance function are presented to the Board of Directors on a quarterly basis and analysed by the Internal Control Committee.

DPO - Data Protection Officer

The mission of the DPO is to guarantee and, if necessary, improve compliance with the requirements of the personal data protection regulations.

The Compliance function is responsible for the organisation of privacy-related matters

within the Company. The Data Protection Officer (DPO):

- informs and supports the controller and/or the processor, as well as employees who carry out processing activities, with regard to their obligations under the personal data protection regulations;
- supervises compliance with the applicable regulations, including the allocation of responsibilities, awareness building and the training of employees involved in processing and the related control activities;
- provides, on request, opinions on data protection impact assessments and monitors their performance;
- acts as contact person for the data protection authority, cooperating with the latter on matters related to the processing of personal data.

BODIES INVOLVED IN SUPERVISING THE INTERNAL CONTROL SYSTEM

To supplement and complete the ICS, the Company has established the following bodies (in addition to the Control Functions).

INTERNAL CONTROL COMMITTEE

The mission of the Internal Control Committee (ICC) is to monitor the results of the audit activities carried out by the control functions, in order to:

- examine their findings;
- provide information about the progress of the action plans;
- present the Audit Plan and its progress;
- analyse any issues arising from the assessment of the internal control system.

The Committee also performs the functions of the Anti-Fraud Committee, with the aim of monitoring fraud events, the effectiveness of fraud prevention mechanisms, and the adequacy of the control systems for the detection of fraud.

The ICC meets quarterly. The Chief Executive Officer completes the internal control system, as the senior person with overall responsibility for implementing the necessary operational measures and improvements (in the event of weaknesses or anomalies) in order to obtain a complete and integrated understanding of the results of the controls carried out.

SUPERVISORY BODY

With regard to the function of preventing administrative liability pursuant to Decree 231/01, a Supervisory Body has been appointed by Leasys S.p.A., with the task of overseeing proper application of the Organisation, management and control model (231 Model) and the Code of Conduct.

The Supervisory Body:

- meets on at least a quarterly basis and reports periodically to the Chief Executive Officer and General Manager, the Board of Directors and the Board of Statutory Auditors;
- carries out periodic checks on the effective ability of the 231 Model to prevent the commitment of offences, normally with the help of the Risk, Permanent Control & Compliance function and the Internal Audit function, as well as from other internal functions whenever necessary.

Recognising the need for independence, the Supervisory Body of Leasys comprises three members, one of whom is an external professional, expert in the administrative responsibility of entities for offences and in criminal law.

The two internal members are the manager of the Compliance function and the manager of the Legal Affairs function of the Company.

The Supervisory Body remains in office for the period approved by the Board of Directors and may be re-appointed.

RECONCILIATION OF THE INCOME STATEMENT WITH THE RESULTS OF OPERATIONS (€/M)

Income Statement (€/M)	30/06/2024	
Income from leases	702	NBI
Write-downs from leases	(476)	NBI
Costs from leases - loans	(121)	NBI
Margin on leases	**105**	
Revenues from services	318	NBI
Costs for services	(275)	NBI
Margin on services	**43**	
Income from car sales	84	NBI
Costs of cars sold	(53)	NBI
Margin on cars sold	**32**	
Gross operating margin	**180**	
Payroll costs	(59)	NOE
Other operating expenses	(23)	NOE
Depreciation and amortisation	(6)	NOE
Total operating expenses	**(89)**	
Losses on receivables	(15)	COR
Non-recurring income (expenses)	0	OTH
Profit before tax	**76**	
Income tax	(24)	TAX
Profit for the period	**53**	

Results of operations (€/M)	**30/06/2024**	
Rental margin	180	NBI
Net operating costs	-89	NOE
Cost of risk	-15	COR
Non-recurring income (expenses)	0	OTH
Earnings before tax	76	
Income tax for the period	-24	TAX
Profit for the period	**53**	
Value of assets	**30/06/2024**	
Average	7,773	
End of period	8,607	
Ratio (of value of assets)	**30/06/2024**	
Rental margin	4.63%	
Net operating costs	2.28%	
Cost of risk	0.39%	

Turin, 30 July 2024

for the Board of Directors

Chief Executive Officer

Rolando D’Arco

HALF-YEAR FINANCIAL STATEMENTS

Consolidated Balance Sheet

Consolidated Income

Statement

Consolidated Statement of Comprehensive Income,

Consolidated Statement of Changes in Shareholders’ Equity,

Consolidated Cash Flow Statement

CONSOLIDATED BALANCE SHEET -

ASSETS

Asset items (in thousands of EUR)	Total 30/06/2024	Total 31/12/2023
Vehicles	7,861,075	6,747,381 *
Other tangible assets	2,296	2,343
Rights of use	19,240	20,848
Goodwill	108,274	108,274 *
Other intangible assets	94,988	100,756
equity investments	0	0
Derivative financial instruments	67,318	68,403
Deferred tax assets	93,342	91,429 *
TOTAL NON-CURRENT ASSETS	**8,246,533**	**7,139,434**
Inventories	242,026	172,578 *
Receivables from customers	745,695	713,775
Other current receivables and assets	1,298,148	1,030,105
Cash and cash equivalents	413,402	226,536
Derivative financial instruments	6,951	14,835
Tax receivables	29,396	47,862
TOTAL CURRENT ASSETS	**2,735,619**	**2,205,692**
TOTAL ASSETS	**10,982,153**	**9,345,126**

* The amounts reported at 31 December 2023 have been restated in accordance with IFRS 3, following provisional allocation of the cost of the business combination represented by the acquisition of Leasys Luxembourg S.A. See the relevant section of Explanatory Note 4. Goodwill for further information.

CONSOLIDATED BALANCE SHEET - LIABILITIES and SHAREHOLDERS' EQUITY

Liability and shareholders' equity items (in thousands of EUR)	Total 30/06/2024	Total 31/12/2023
Share capital	77,979	77,979
Profit (loss) brought forward	665,186	456,232
Other reserves - Other	42,481	24,440
Profit for the period	52,886	116,953
TOTAL SHAREHOLDERS' EQUITY	**838,532**	**675,605**
Financial payables (non-current)	1,363,426	1,625,212
Bonds issued	3,383,711	2,447,892
Leasing liabilities (non-current)	16,529	18,202
Derivative financial instruments	3,787	36,119
Employee benefits	3,919	4,035
Provisions for risks and charges	19,313	20,310
Deferred tax liabilities	82,928	82,974
TOTAL NON-CURRENT LIABILITIES	**4,873,614**	**4,234,745**
Financial payables (current)	2,403,677	2,004,868
Bonds issued	1,318,695	1,266,545
Leasing liabilities (current)	3,232	3,208
Trade payables	1,300,005	973,727
Derivative financial instruments	260	979
Other current liabilities	168,245	134,402
Tax payables	75,892	51,045
TOTAL CURRENT LIABILITIES	**5,270,007**	**4,434,776**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**10,982,153**	**9,345,126**

CONSOLIDATED INCOME STATEMENT

Items (in thousands of EUR)	Total 30/06/2024	Total 30/06/2023	
Income from leases	702,428	516,163	*
Write-downs from leases	(475,821)	(382,601)	
Costs from leases - loans	(121,191)	(54,490)	
Margin on leases	**105,415**	**79,072**	
Revenues from services	318,062	221,776	**
Costs for services	(275,048)	(197,574)	***
Margin on services	**43,014**	**24,202**	
Income from car sales	84,342	62,500	
Costs of cars sold	(52,664)	(10,648)	
Margin on cars sold	**31,678**	**51,852**	
Gross operating margin	**180,108**	**155,126**	
Payroll costs	(59,243)	(36,465)	
Other operating expenses	(23,221)	(12,600)	
Depreciation and amortisation	(6,167)	(4,212)	
Total operating expenses	**(88,631)**	**(53,276)**	
Losses on receivables	(15,034)	(9,732)	
Non-recurring income (expenses)	55	(25,433)	
Profit before tax	**76,497**	**66,684**	
Income tax	(23,611)	(19,858)	
Profit for the period	**52,886**	**46,826**	

The following reclassifications have been made with respect to the data published at 30 June 2023 in order to improve the presentation of the costs and revenues linked to leases.

*** Reclassification to Income from leases reported in June 2023:**

+32,850 thousand euro of brand contribution, from Revenues from services

34,571 thousand euro of network incentives paid, from Costs for services

**** Reclassification from Revenues from services reported in June 2023:**

-32,850 thousand euro of brand contribution, to Income from leases

***** Reclassification from Costs for services reported in June 2023:**

+34,571 thousand euro of network incentives paid, to Revenues from leases

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items (in thousands of EUR)	30/06/2024	30/06/2023
Profit (loss) for the period	**52,886**	**46,826**
Other income components net of tax without reclassification to the income statement	**(23)**	**0**
Defined benefit plans	(23)	0
Other income components net of tax with reclassification to the income statement	**18,064**	**(7,645)**
Exchange rate differences	2,538	3,520
Cash flow hedging	15,526	(11,166)
Total other income components net of tax	**18,041**	**(7,645)**
Comprehensive income	**70,927**	**39,181**

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 30/06/2024

Items in thousands of EUR

	Balance at 31/12/2023	Change in opening balances	Balance at 01/01/2024	Allocation of previous year's result		Changes in the period									Shareholders' equity 30/06/2024
							Shareholders' equity transactions								
				Reserves	dividends and other uses	Change in reserves	Issue of new shares	Acquisition of treasury shares	Interim dividends	Special dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for H1 2024	
Capital:															
a) Ordinary shares	77,979		77,979												77,979
b) other shares	0		0												0
Share premiums	0		0												0
Reserves:	0		0												0
a) of earnings	456,232		456,232	116,953											573,185
b) other	0		0			92,000									92,000
Measurement reserves	24,440		24,440											18,041	42,482
Equity instruments	0		0												0
Interim dividends	0		0												0
Treasury shares	0		0												0
Profit (loss) for the period	116,953		116,953	-116,953										52,886	52,886
Shareholders' Equity	**675,605**		**675,605**			**92,000**								**70,927**	**838,532**

*Leasys S.a.s. paid in Euro 92,000 thousand on capital account in January 2024.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY AT 30/06/2023

Items in thousands of EUR

				Allocation of previous year's result		Changes in the period									
							Shareholders' equity transactions								
	Balance at 31/12/2022	Change in opening balances	Balance at 01/01/2023	Reserves	dividends and other uses	Change in reserves	Issue of new shares	Acquisition of treasury shares	Interim dividends	Special dividend distribution	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for 2023	Shareholders' equity 30/06/2023
Capital:															
a) Ordinary shares	77,979		77,979												77,979
b) other shares	0		0												0
Share premiums	0		0												0
Reserves:	0		0												0
a) of earnings	314,431		314,431	146,801	-5,000										456,232
b) other	0		0												0
Measurement reserves	109,116		109,116											-7,645	101,471
Equity instruments	0		0												0
Interim dividends	0		0												0
Treasury shares	0		0												0
Profit (loss) for the period	146,801		146,801	-146,801										46,826	46,826
Shareholders' Equity	**648,328**		**648,328**		**-5,000**									**39,181**	**682,509**

CONSOLIDATED CASH FLOW STATEMENT (indirect method)

Items (in thousands of EUR)	Total 30/06/2024	Total 30/06/2023
Cash flow generated (absorbed) by operating activities (a)		
Profit (loss) for the period	**52,886**	**46,826**
Adjustments to reconcile net profit with cash flow from operating activities:	**612,587**	**416,097**
Depreciation of tangible and intangible assets and rights to use leased assets	481,988	386,812
Net impairment/(reversal) of trade and other receivables	15,034	9,732
Net change in deferred tax assets (liabilities)	-46	-305
Amounts paid in by shareholders	92,000	
Income tax	23,611	19,858
Change in operating capital:	**-37,347**	**-98,278**
Inventories	-69,495	-51,343
Receivables from customers	-46,954	68,447
Trade payables	326,278	91,510
Provisions for risks and charges	-997	344
Other assets and liabilities	**-246,178**	**-207,236**
Cash flow generated (absorbed) by operating activities (a)	**628,126**	**364,645**
Cash flow from investing activities		
Investments:		
Intangible assets, tangible assets and rights to use leased assets	-1,587,314	-860,855
Goodwill adjustment	-703	
Equity investments	0	0
Financial receivables and other financial assets	-2,108	-6,808
Cash flow generated (absorbed) by investing activities (b)	**-1,590,125**	**-867,663**
Cash flow from financing activities		
Change in current financial liabilities and other	457,522	431,528
Change in non-current financial liabilities	724,394	50,408
Change in Hedging and non-hedging derivatives receivable/payable	-33,051	-6,162
Cash flow generated (absorbed) by financing activities (c)	**1,148,865**	**475,773**
Total cash flow (e = a+b+c+d)	**186,866**	**-27,245**
Net cash and cash equivalents at the start of the period (f)	**226,536**	**314,985**
Net cash and cash equivalents at the end of the period (h = e+f+g)	**413,402**	**287,740**

EXPLANATORY NOTES

PART A – ACCOUNTING POLICIES

A.1 – GENERAL PART

SECTION 1

Statement of compliance with international accounting standards

The condensed Consolidated Half-Year Financial Report for the period ended 30 June 2024 has been prepared in accordance with IAS 34, which governs the minimum content, preparation and measurement principles of an interim financial report. The condensed Consolidated Half-Year Financial Report does not present all disclosures required for the preparation of the annual Consolidated Financial Statements. For this reason, the condensed Consolidated Half-Year Financial Report must be read together with the Consolidated Financial Statements as at 31 December 2023.

The accounting standards adopted for the preparation of the condensed Consolidated Half-Year Financial Report are consistent with those used for the preparation of the Consolidated Financial Statements as at 31 December 2023, except for the adoption of the new standards and amendments effective from 1 January 2024. The Group has not opted for early adoption of any amendments, interpretations or standards that have been issued but are not yet in force.

SECTION 2

General drafting principles

When preparing the condensed Consolidated Half-Year Financial Report for the six-month period ended 30 June 2024, the same accounting principles and measurement criteria were adopted as those applied when preparing the Consolidated Financial Statements for the year ended 31 December 2023 (to which reference should be made), which break down said principles and criteria.

Condensed Consolidated Half-Year Financial Report

The Consolidated Half-Year Financial Report, condensed as permitted by IAS 34, consist of the Consolidated Balance Sheet, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Shareholders' Equity, the Consolidated Cash Flow Statement and these explanatory notes, and are accompanied by an interim report by the Directors on the Group's performance.

Compared to the annual Consolidated Financial Statements, the statements are condensed in terms of form and content, as permitted by IAS 34. Accordingly, for completeness, this condensed Consolidated Half-Year Financial Report must be read together with the Consolidated

Financial Statements at 31 December 2023, which were prepared in accordance with International Financial Reporting Standards (IFRS).

The financial statement formats are the same as those adopted in the annual consolidated financial statements as at 31 December 2023.

Account units

Unless otherwise stated, amounts shown in the financial statements are expressed in thousands of Euro.

Financial statements prepared on a consistent accruals basis applicable to going concerns

With regard to the going concern principle used when preparing the Half-Year Financial Report, it is believed that the Group will continue to operate as a going concern; accordingly, this condensed Consolidated Half-Year Financial Report has been prepared on a consistent accruals basis, on the presumption of business continuity.

There have been no exemptions to the application of IAS/IFRS.

Fair value measurement

The Group measures financial instruments, such as derivatives, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset, or that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability is made:

- 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 main or most advantageous market must be accessible to the Group.

The fair value of an asset or liability is measured based on the assumptions that would be used by market participants when pricing the asset or liability, assuming that they are acting in the best economic interests.

A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by deploying the asset to its fullest and best use or by selling it to another market participant who would use it to its fullest and best use.

The Group uses measurement techniques that are appropriate to the circumstances and for which there is sufficient available data to measure fair value, maximising the use of relevant observable inputs and minimising the use of inputs that are not observable in the market.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2: Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability;
- Level 3: measurement techniques for which the input data is not observable for the asset or liability.

The fair value measurement is entirely classified at the same level of the fair value hierarchy in which the lowest-level input (used for the measurement) is classified.

For assets and liabilities recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reviewing the categorisation (based on the lowest-level input that is important for the fair value measurement in its entirety) at each reporting date.

The Group Finance Department determines the criteria and procedures for both recurring fair value measurements (such as equity instruments in unlisted companies) and non-recurring measurements (such as non-current assets held for sale).

The Group Finance Department comprises the heads of mergers and acquisitions, risk management, financial managers and the head of each production unit.

External experts are involved in the measurement of significant assets (such as equity instruments in unlisted companies) and significant liabilities (such as contingent consideration).

The involvement of external experts is decided on an annual basis after discussing with and obtaining the approval of the Board of Statutory Auditors. Selection criteria include market knowledge, reputation, independence and adherence to professional standards. Experts are normally replaced every three years.

After consulting the external experts, the Finance Department decides which measurement techniques and inputs to use for each case.

At each reporting date, the Group Finance Department analyses the changes in the value of assets and liabilities requiring remeasurement or restatement based on the Group's accounting standards.

For this analysis, the main inputs applied in the most recent measurement are verified by linking the information used in the measurement to agreements and other relevant documents.

The Group's Finance Department makes a comparison of each change in fair value of each asset and liability with the relevant external sources to determine whether the change is reasonable. The results of the assessments are periodically presented to the Board of Statutory Auditors and the Group's auditors.

This presentation includes a discussion of the main assumptions used in the measurements.

For the fair value disclosures, the Group determines the classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value in the hierarchy described above.

It should be noted that there were no transfers of assets and liabilities between fair value levels 1 and 2 and 3 during the period.

Risks and uncertainties relating to the use of estimates

As per the IFRS, management is required to make discretionary assessments, estimates and assumptions affecting the application of accounting standards and the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities. The estimates and respective assumptions are based on previous experience and other factors considered reasonable in the circumstances, and were adopted to determine the assets and liabilities' carrying amount.

In particular, estimation processes were adopted to support the carrying amounts of certain key items reported in the Consolidated Financial Statements at 31 December 2023, as required by the accounting standards referred to above. These processes are largely based on

estimates of the future recoverability of the amounts recorded in the financial statements in accordance with current regulations,
and have been carried out on a going concern basis.

Estimates and assumptions are reviewed regularly and periodically updated. In the event of a change in performance of the elements considered, the actual amounts may differ from the original estimates and may need to be adjusted accordingly: in such cases, the changes are recognised in the income statement either in the period in which they occur or in subsequent periods.

The most frequent cases requiring the use of subjective assessments by management are:

- the recoverability of the value of receivables and, in general, of other financial assets and the resulting
  determination of any impairment;
- determining the fair value of financial instruments in order to recognise them and disclose them in the explanatory notes to the Financial Statements; in particular, using measurement models to determine the fair value of financial instruments not listed in active markets;
- quantifying payroll provisions and the provisions for risks and charges;
- the recoverability of deferred tax assets and goodwill.

SECTION 3

Scope of Consolidation

The scope of consolidation at 30 June 2024 includes the parent company Leasys S.p.A. and the Italian and foreign companies it controls directly or indirectly, as specifically laid down by IFRS 10.

It includes entities where the parent company is able to exercise the power to direct the relevant activities in order to influence the variable returns to which the Group is exposed.

To verify the existence of control, the Group considers the following factors:

• the purpose and constitution of the investee to identify the objectives of the entity,
the activities determining its returns and how these activities are governed;

• the ability to understand whether the Group has contractual rights enabling it to govern the relevant activities; for this purpose, only substantive rights providing practical capacity to govern are taken into account;

• the exposure to the investee to assess whether the Group has relationships with the investee, the returns of which are subject to change depending on the investee’s performance. Where the relevant activities are governed by voting rights, the existence of control is verified by considering the voting rights (including potential voting rights) held, and the existence of any agreements or shareholders’ agreements granting the right to control the majority of voting rights, appoint the majority of the governing body or the power to otherwise determine the entity’s financial and operating policies.

The table below shows the companies included in the scope of consolidation.

INVESTMENTS IN WHOLLY-OWNED SUBSIDIARIES

COMPANY NAME (*)	REGISTERED OFFICE	PLACE OF BUSINESS	TYPE OF RELATIONSHIP (**)	PARENT (***)	% HELD
Leasys Italia S.p.A.	Turin - Italy	Rome - Italy	1 1	Leasys S.a.s.	100
Leasys S.p.A. Spanish Branch	Turin - Italy	Madrid - Spain	1		100
Leasys S.p.A. German Branch	Turin - Italy	Rüsselsheim - Germany	1		100
Leasys S.p.A. Belgian Branch	Turin - Italy	Brussels - Belgium	1		100
Clickar S.r.l.	Turin - Italy	Rome - Italy	1		100
Leasys France S.A.S	Massy - France		1		100
Leasys UK Ltd	Slough - United Kingdom		1		100
Leasys Portugal S.A.	Lisbon - Portugal		1		100
Leasys Polska Sp.Zo.o.	Warsaw - Poland		1		100
Leasys Nederland B.V.	Amsterdam - Netherlands		1		100
Leasys Austria GmbH	Vienna - Austria		1		100
Leasys Luxembourg S.A.	Leudelange - Luxembourg		1		100
Leasys Mobility Portugal S.A.	Sintra - Portugal		1		100

(*) If different from Registered Office (**) Type of relationship:
1 = majority of voting rights at ordinary shareholders’ meeting 2 = dominant influence at ordinary shareholders’ meeting
(***) If different from Leasys S.p.A.

Pursuant to IFRS 10, subsidiaries may also include structured entities, including Special Purpose Vehicles (SPV), in which voting rights are not decisive when evaluating control (de facto control).

Accordingly, LABIRS ONE S.r.l. - an SPV used for securitisations - has been consolidated on a line-by-line basis.

Consolidation method

This condensed Consolidated Half-Year Financial Report has been prepared by consolidating the financial statements of the parent company and
its subsidiaries, prepared in accordance with IAS/IFRS consistently applied, on a “line-by-line” basis.

This involves summing, for each line item, the corresponding assets, liabilities, shareholders' equity, revenues and costs.

The carrying amount of the parent's investments in each subsidiary and the corresponding portion of each subsidiary's shareholders' equity held by the parent are derecognised. The differences resulting from this transaction are recognised – after any allocations to the subsidiary's assets or liabilities – as goodwill at the date of first consolidation and under other reserves thereafter.

Intra-group balances and transactions and related unrealised gains are entirely derecognised.

The financial statements of the parent company and other companies used to prepare the consolidated financial statements refer to the same reporting date.

For foreign companies which draw up their financial statements in a currency other than the Euro, assets and liabilities are translated using the reporting date exchange rates, while revenues and expenses are translated using the average exchange rates for the period.

The translation of foreign companies' financial statements results in the recognition of exchange differences deriving from the translation of income and expense items at average exchange rates and from the translation of assets and liabilities at the reporting date exchange rates.

Exchange differences on the net assets of consolidated subsidiaries are recognised as reserves in the Consolidated Financial Statements and are only released to the Income Statement in the period when the loss of control occurs.

The exchange rates used to translate the financial statements at 30 June 2024 are as follows:

	Spot 30/06/2024	Average 30/06/2024	Spot 31/12/2023	Average 31/12/2023	Spot 30/06/2023	Average 30/06/2023
Polish Zloty (PLN)	4.318	4.313	4.348	4.544	4.450	4.630
British Pound Sterling (GBP)	0.855	0.846	0.869	0.870	0.858	0.877

Other information

The condensed Consolidated Half-Year Financial Report has been prepared using the accounting results at 30 June 2024 (approved by the competent bodies and functions) of the other companies consolidated on a line-by-line basis, as adjusted to take account of consolidation requirements and, where necessary, to align them with Group accounting standards.

SECTION 4

Events subsequent to the reporting date

No events occurred after the end of the half-year that would require an adjustment to the results presented in the condensed Consolidated Half-Year Financial Report at 30 June 2024.

On 8 July 2024, in the context of the EMTN programme, the Company placed bonds totalling Euro 500 million that mature in October 2027 and pay a fixed coupon of 3.875%.

SECTION 5

Other aspects

The condensed Consolidated Half-Year Financial Report is subject to a limited examination by PricewaterhouseCoopers S.p.A. – the company appointed to audit the accounts of Leasys Italia S.p.A.

INTERNATIONAL ACCOUNTING STANDARDS ENDORSED BY THE EUROPEAN UNION, EFFECTIVE FROM 1 JANUARY 2024

As required by IAS 8, the table below sets out the new international accounting standards and amendments to standards already in force, which became mandatory from FY 2024.

Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities into Current and Non-current, and deferral of the effective date of the amendments.

On 23 January 2020, the IASB issued amendments to IAS 1 Presentation of Financial Statements to clarify how to classify payables and other liabilities as current or non-current.
The amendments aim to improve the consistency in the application of the requirements by helping companies determine whether, in the balance sheet, payables and other liabilities with an uncertain settlement date should be classified as current (due or contingent to be settled within one year) or non-current.

The amendments include clarification of the classification requirements for payables that a company might settle by conversion into equity.

The amendments clarify the existing requirements without making any changes and, therefore, should not significantly affect companies' financial statements. However, they may result in the reclassification of some liabilities from current to non-current and vice versa.

At the latest, the amendments are applicable from 1 January 2024.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback.

On 22 September 2022, the International Accounting Standards Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 Leases specifies the requirements that a seller-lessee use when measuring the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise any amount of gain or loss relating to the right of use.

A sale and leaseback transaction involves the transfer of an asset from one entity (the seller-lessee) to another (the buyer-lessor) and the leaseback of the same asset by the seller-lessee.

The amendment is intended to improve the requirements for sale and leaseback transactions under IFRS 16. It does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendment applies retrospectively for annual periods beginning on or after 1 January 2024.

Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments, Disclosures: Supplier Finance Arrangements

Amendments to IAS 7 clarify the characteristics of financial arrangements with suppliers.

On 25 May 2023, the International Accounting Standards Board issued Amendments to IAS 7 "Statement of Cash Flows" and IRFS 7 "Financial Instruments, Disclosures: Supplier Finance Arrangements".

These amendments introduce new disclosure requirements to improve the transparency and, in turn, the usefulness of the information provided by entities on supplier financing arrangements. These amendments address the presentation of liabilities and related cash flows arising from financing arrangements, as well as the disclosures required for such arrangements. The purpose is to help users of financial statements understand the effects that such arrangements have on trade payables, cash flows and exposure to liquidity risk.

The amendments clarify the characteristics of financing arrangements. In these arrangements, one or more third-party lenders pay the amounts that the entity owes to its suppliers. The entity agrees to settle those amounts with the lenders under the terms and conditions of the agreements on or after the same date as when the third-party lenders pay the entity's suppliers. As such, the financing arrangements grant the entity extended payment terms and offer the entity's suppliers early payment in advance of the original due dates.

Different terms are used to describe these arrangements, such as supply chain finance, payables finance and reverse factoring. Arrangements involving financial guarantees, including letters of credit used as collateral, are not considered supplier financing arrangements. Similarly, instruments used to settle amounts directly with a supplier, such as credit cards, are not supplier financing agreements.

The amendments came into effect for financial years beginning on 1 January 2024.

The adoption of these standards and amendments has not had any impact on the consolidated financial statements of the Group.

IFRS ACCOUNTING STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET ENDORSED BY THE EUROPEAN UNION

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates

On 15 August 2023, the International Accounting Standards (IASB or Board) published Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates). The

amendments to IAS 21 clarify how an entity must determine the exchange rate for a currency that has little or no exchangeability. The amendments define a currency as exchangeable when the exchange takes place without undue delay i.e. within a period of time that allows exchange with another currency.
Further, a currency is defined as not

exchangeable with another if the entity can only obtain an insignificant amount of the other currency.

In these scenarios, the entity must estimate an exchange rate that would have applied to an orderly transaction between market participants on the prevailing economic conditions.

When an entity estimates the exchange rate, it must disclose how that rate influences its economic results and financial position. In addition, information must be provided about:

- the inability to exchange between one currency and another;
- the exchange rate used;
- the process followed to estimate the exchange rate;
- the risks to which the entity is exposed because the currency is not exchangeable with another.

When the functional currency of a foreign operation is not exchangeable with the reporting currency, or the reporting currency is not exchangeable with the functional currency of a foreign operation, the entity must also disclose the following information:

- the name of the foreign operation and the type of control;
- summary financial information about the foreign operation;
- the nature and terms of any contractual agreements

that might require the entity to provide financial support to the foreign operation.

IFRS 18 – Presentation and Disclosure in Financial Statements

In April 2024 the International Accounting Standards Board (IASB) issued IFRS 18 “Presentation and Disclosure in Financial Statements”, the new standard on presentation and disclosure that focuses, in particular, on an update of the income statement.

The principal new concepts introduced by IFRS 18 cover:

- the format of the statement of profit or loss;
- the financial statement disclosures required for certain performance measures representing a sub-total of income and expenses that are not presented in the financial statements of the entity (i.e. management-defined performance measures); and
- the strengthened principles of aggregation and disaggregation applicable to the primary financial statements and accompanying notes.

IFRS 18 will replace IAS 1; many of the other elements envisaged in the current framework will be maintained, with limited amendments. IFRS 18 will not affect the recognition or measurement of financial statement items, but may change what an entity indicates as “operating profit or loss”.

This new standard will apply to financial years beginning
on or after 1 January 2027. Early application is permitted.

IFRS 19 - Subsidiaries without public accountability: Disclosures

On 9 May 2024, the International Accounting Standards Board (IASB) published IFRS 19 “Subsidiaries without Public Accountability: Disclosures”, which permits eligible entities to elect to apply reduced disclosure requirements, while continuing to apply the recognition, measurement and presentation requirements envisaged in other IFRSs.

The new standard will apply to subsidiaries without public accountability - businesses that are not financial institutions or listed on stock exchanges - whose parent company produces consolidated financial statements that comply with IFRS Accounting Standards. IFRS 19 will enable subsidiaries to keep just one set of accounting records and make reduced disclosures that satisfy the needs of both the parent company and the users of their financial statements.

Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

On 30 May 2024, the International Accounting Standards Board (IASB) published "Amendments to the Classification and Measurement of Financial Instruments" (Amendments to IFRS 9 and IFRS 7).

The amendments clarify that a financial liability is derecognised on the settlement date, but introduce an option to derecognise financial liabilities before that date if they will be settled using an electronic payment system. Entities adopting this option must apply it to all settlements made using the same electronic payment system.

The amendments also indicate how an entity can assess whether the contractual cash flows of a financial asset are consistent with a basic lending arrangement; enhance the description of the term "non-recourse"; clarify that characteristics of contractually linked instruments that distinguish them from other transactions, and introduce additional disclosures for financial instruments with contingent characteristics and for equity instruments designated at fair value through other comprehensive income (OCI).

The amendments will apply to financial years beginning on or after 1 January 2026. Earlier application of either all the amendments at the same time or only the amendments to the classification of financial assets is permitted.

SECTION 6

Summary of principal accounting policies Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is determined as the sum of the consideration transferred (measured at fair value at the acquisition date) and the amount of the non-controlling interest in the acquiree. For each business combination, the Group determines whether to measure the non-controlling interest in the acquiree at fair value or in proportion to the non-controlling interest's share of the acquiree's identifiable net assets. Acquisition costs are expensed during the period and classified under administrative expenses.

The Group determines that it has acquired a business when the integrated set of activities and assets includes at least one factor of production and one substantial process that, together, contribute significantly to the ability to generate an output. The acquired process is considered substantial if it is critical to the ability to continue generating an output and the acquired inputs include an organised labour force that has the necessary skills, knowledge or experience to perform that process, or contributes significantly to the ability to continue generating an output, and is considered unique or scarce, or cannot be replaced without significant cost, effort or delay to the ability to continue generating an output.

When the Group acquires a business, it classifies or designates the financial assets acquired or liabilities assumed in line with the contractual terms, economic conditions and other relevant terms in effect at the acquisition date. This includes testing whether an embedded derivative should be separated from the host contract.

The acquirer posts any contingent consideration to be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent payment is accounted for against shareholders' equity. The change in the fair value of contingent consideration classified as an asset or liability within the scope of IFRS 9 Financial Instruments shall be recognised in the income statement in accordance with IFRS 9. Contingent consideration not within the scope of IFRS 9 is measured at fair value at the reporting date and changes in fair value are recognised in the income statement.

Goodwill is initially recognised at cost represented by the excess of all consideration paid and the amount recognised for non-controlling interests over the net identifiable assets acquired and liabilities assumed by the Group. If the fair value of the net assets acquired exceeds all of the consideration paid, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed, and reviews the procedures used to determine the amounts to be recognised at the acquisition date. If the remeasurement still results in a fair value of the net assets acquired that exceeds the consideration, the difference (gain) is recognised in the income statement.

After its initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is allocated – as of the acquisition date – to each of the Group's cash-generating units that is expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquired entity are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of part of the operations of said unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. The goodwill associated with the disposed operation is determined based on the respective values of the disposed operation and the retained portion of the cash-generating unit.

A.2 – PART RELATING TO THE MAIN STATEMENT ITEMS

SUMMARY OF THE PRINCIPAL IAS/IFRS APPLIED

Vehicles

The “vehicles” category mainly includes vehicles rented to third parties and company-owned vehicles used by employees.

In accordance with IAS 16, vehicles are measured at historical cost less accumulated depreciation. Vehicles are capitalised based on:

- the acquisition price;
- all expenses relating to making the vehicle available for use and considered to be a permanent addition
  to the vehicle at the lease start date,
- delivery costs.

Leased assets are depreciated on a straight-line basis over the term of the lease up to their residual value. The average duration of the lease ranges from 3 to 4 years.

The start of depreciation is deemed to coincide with the time the asset is included in the production cycle which, in the case of leased vehicles, coincides with the time the assets are delivered to customers.

Upon termination of the lease, the relevant assets are reclassified to “Inventories” at their carrying amount.

The residual values of assets for which the risk is borne by the company, are reviewed and adjusted – if necessary – on a quarterly basis so as to allow for the most appropriate measurement of the provisions.

The calculation is based on a comparison between the market value (Eurotax) provided by an external industry provider (by model/version/series) and the residual value of the asset at the end of the lease. This comparison takes into account the internal sales statistics of the last 24 months.

Momentary and non-repeatable factors that may affect the assessment of the residual value (e.g. legislative changes, government scrappage campaigns, government bonuses for the purchase of “ecological” used vehicles, etc.) are examined by a special committee which may decide to adjust the calculation parameters in order to better reflect future market conditions.

Other tangible assets

In other tangible assets, plant and equipment are recognised at historical cost less accumulated depreciation and accumulated impairment losses in accordance with IAS 16. This cost includes the costs of replacing part of the plant and equipment at the time the costs are incurred, if they meet the recognition criteria. Where necessary to replace significant parts of plant and equipment on a regular basis, the Group depreciates them separately over their respective useful lives.

Similarly, in the case of major overhauls, the cost is included in the carrying amount of the plant or equipment (as in the case of replacement) if the recognition criterion is met. All other repair and maintenance costs are recognised in the income statement when they are incurred.

The current value of the cost of dismantling and removing the asset at the end of its useful life is included in the cost of the asset if the recognition criteria for a provision is met.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

- office furniture 15%

The carrying amount of an item of plant and equipment and any significant components initially recognised is derecognised upon disposal (i.e. when the acquirer obtains control) or when no future economic benefits are expected to be gained from its use or disposal.

Gains or losses arising upon derecognition of the asset (calculated as the difference between the net carrying amount of the asset and the consideration received) are recognised in the income statement.

The residual values, useful lives and depreciation methods of plant and equipment are reviewed at the end of each reporting period and, where appropriate, adjusted prospectively.

Rights of use

Leased assets (as the lessee)

In application of IFRS 16, the Company:

- recognises – in the balance sheet – the assets and liabilities under right-of-use leases, initially measured at the current value of future lease payments, with the right-of-use asset adjusted for the amount of any prepaid or accrued lease payments in accordance with IFRS 16:C8(b)(ii);
- recognises the depreciation of right-of-use assets and interest on lease liabilities in the income statement;
- separates the total amount of cash paid into principal (presented as part of financing activities) and interest (presented as part of financing activities) in the cash flow statement.

The Standard applies to all types of agreements containing a lease, i.e. contracts that provide the lessee with the right to control the use of an identified asset for a specified period of time (period of use) in exchange for a consideration.

Lease liabilities

Lease payments included in the measurement of lease liabilities are as follows:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the lease start date;
- the amount the lessee expects to pay as security for the residual value;
- the exercise price of the purchase options, if the lessee is reasonably certain that it will exercise the options; and
- payments of penalties for termination of the lease where the term of the lease reflects the exercise of an option to terminate the lease.

The lease liability is presented separately within the balance sheet.

Right-of-use assets

Right-of-use assets include the initial measurement of the respective lease liability, lease payments made on or before the lease start date, and any initial direct costs. They are then measured at cost less accumulated depreciation and impairment losses.

Where the Company is required to bear the costs of dismantling and removing a leased asset, restoring the site on which it is located or restoring the underlying asset to the conditions required by the terms and conditions of the lease, a provision is recognised and measured in accordance with IAS 37.

The costs are included in the relevant right of use. The right of use is depreciated over the lease term or, if shorter, the useful life of the underlying asset. If a lease agreement transfers ownership of the underlying asset, or if the cost of the right of use reflects the Company’s intention to exercise a call option, the respective right of use is depreciated over the useful life of the underlying asset. Depreciation begins on the lease start date.

Right-of-use assets are shown on a separate line in the balance sheet.

Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and right-of-use asset. The respective payments are recognised as an expense in the period in which the event or condition triggering those payments occurs, and are included in “other expenses” in the income statement.

Short-term leases and leases for low-value assets

The Company applies the exemption for recognising short-term leases relating to machinery and equipment (i.e. leases that last 12 months or fewer from the start date and that do not contain a call option).

The Company has also applied the exemption for leases of low-value assets relating to office equipment deemed to be of a small value. Lease payments relating to short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

Under IFRS 16, rights of use are tested for impairment in accordance with IAS 36 - Impairment of assets.

The Company has adopted the following approach, in that it has:

- applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
- adjusted the asset’s right-of-use at the date of initial application of IFRS 16 by the amount of the provision for onerous leases recognised in accordance with IAS 37 in the

balance sheet immediately before the date of initial application, as an alternative to performing an impairment test;

- elected not to recognise assets and liabilities for the right to use leases for which the lease term ends within 12 months of the initial application date;
- excluded the initial direct costs from the valuation of the right of use at the date of initial application;
- used retrospectively to determine the lease term when the agreement contains options to extend or terminate the lease.

Criteria for estimating Value in Use

Value in use was determined by estimating the current value of the future cash flows expected to be generated. The analytical forecast period covered a five-year period.

Last year's flow of analytical forecasting was projected in perpetuity (using a perpetual annuity solution) with an appropriate growth rate "g" to obtain the "Terminal Value". The rate "g" was determined by taking the medium-term inflation rate in the Euro area as the growth factor, as a constant rate over time).

Flows from financial assets/liabilities are part of the company's core business. In other words, the recoverable amount is affected by these cash flows and, in turn, must also include the financial assets/liabilities.

As such, it can be considered with adequate reliability that the cash flows coincide with the expressed profitability and, therefore, it has been assumed that the Free Cash Flow (FCF) corresponds to Net Result.

Determining the discount rate of cash flows

When determining Value in Use, cash flows were discounted at a rate that reflects current market assessments, the time value of money and the risks specific to the asset.

The discount rate used was estimated on an equity side basis, i.e. considering only the cost of equity (Ke) in line with the methods for determining cash flows which, as mentioned earlier, include cash flows deriving from financial assets and liabilities.

The cost of capital was then determined using the Capital Asset Pricing Model (CAPM). Based on this model, the cost of capital is determined as the sum of the return on risk-free investments and a risk premium which, in turn, depends on the

specific riskiness of the business (i.e. both the riskiness of the operating segment and the geographical riskiness
represented by the "country risk").

Other intangible assets

Intangible assets acquired separately are initially recognised at cost, while those acquired through business combinations are recognised at fair value at the acquisition date, in accordance with IAS 38.

After their initial recognition, intangible assets are entered at cost, less accumulated amortisation and any accumulated impairment. Internally produced intangible assets, except for development costs, are not capitalised and are recognised in the income statement in the period in which they were incurred.

The useful life of intangible assets is assessed as finite or indefinite.

Intangible assets with a finite useful life are amortised over their useful life and are tested for impairment whenever there are indications of potential impairment. The amortisation period and amortisation method for an intangible asset with a finite useful life are reviewed at the end of each financial year, or more frequently.

Changes in the expected useful life or in the manner in which the future economic benefits associated with the asset will be realised are recognised through changes in the period or in the method of amortisation, as appropriate, and are considered changes in accounting estimates.

Amortisation of intangible assets with finite useful lives is recognised in the income statement for the period in the relevant cost category based on the function of the intangible asset.

Intangible assets with an indefinite useful life are not amortised, but tested annually for impairment, both at the individual level and by cash-generating unit.

The measurement of the indefinite useful life is reviewed annually to determine whether this attribution continues to be sustainable, otherwise, the change from indefinite to finite useful life is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. when the acquirer obtains control of the asset) or when no future economic benefits are expected to be derived from its use or disposal.

Any gain or loss arising from the derecognition of the asset (calculated as the difference between the net proceeds from the disposal and the carrying amount of the asset) is included in the income statement.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset for one entity and a financial liability or equity instrument for another entity.

Financial assets – initial recognition and measurement

Upon initial recognition, financial assets are classified according to the following measurement methods, i.e. amortised cost, fair value through Other Comprehensive Income (OCI), and fair value through the income statement, as appropriate.

The classification of financial assets upon initial recognition depends on the characteristics of the contractual cash flows of the financial assets and the business model the Group is using to manage them.

Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

For a financial asset to be classified and measured at amortised cost or fair value through OCI, it must give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amounts outstanding.

This measurement is referred to as the SPPI test and is performed at instrument level. Financial assets whose cash flows do not meet the above (SPPI) requirements are classified and measured at fair value through the income statement.

The Company's business model for managing financial assets refers to the way it manages its financial assets in order to generate cash flows. The company model determines whether financial flows will derive from contractual cash flows, from the sale of financial assets or both.

Financial assets classified and measured at amortised cost are held as part of a business model with the aim of holding financial assets in order to collect contractual cash flows, whereas financial assets classified and measured at fair value through OCI are held as part of a business model with the aim of collecting contractual cash flows and selling financial assets.

Where purchasing or selling a financial asset requires it to be delivered within a period of time generally established by regulations or market conventions (regular way trade), said purchase or sale is recognised on the trade date, i.e. the date on which the Company commits to purchase or sell the asset.

Financial assets – subsequent measurement

For the purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost;
- Financial assets at fair value through other comprehensive income;
- Financial assets at fair value through other comprehensive income without a reversal of accumulated gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through the income statement.

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the income statement when the asset is derecognised, modified or remeasured.

Securitisation transaction

Leasys Italia S.p.A. participates in securitisation programmes resulting from long-term rental contracts without driver as borrower and as subscriber for the junior securities.

The role of servicer of the transactions is performed by the company, which receives remuneration from the special purpose vehicles at market conditions.

Securitisation transactions can be traditional or synthetic.

Traditional securitisation transactions involve the non-recourse sale of a portfolio of loans to a special purpose vehicle, which finances the purchase of the loans by issuing asset-backed securities, i.e. securities whose repayment and interest flows depend on the cash flows generated by the loan portfolio.

Whereas in synthetic securitisation transactions, ownership of the exposures is retained by the originator company; the only thing being transferred is the credit risk associated with the receivables which, although subject to accounting segregation, remain in the originator company’s assets.

The asset-backed securities are divided into classes according to their degree of seniority and rating: higher-ranking classes (senior) are, in most programmes, placed on the market and subscribed for by investors; lower-ranking classes (junior), whose repayment is subordinate to that of senior securities, are subscribed for by Leasys Italia S.p.A. in the securitisation transaction.

Therefore, since the Company subscribed for the junior tranches of the securities issued by the special purpose vehicles, the derecognition rules under IFRS 9 have also been applied to the receivables subject to the securitisation transaction.

In fact, the reversal derecognition (under IFRS 9) provides that, at the separate financial statement level, the securitised receivables be stated in the financial statements of the originator company, simulating repurchase of the assigned receivables.

The application of these rules has meant that:

- securitised assets sold were maintained, as well as allocated assets;
- a liability to financial institutions was recognised for the special purpose vehicle (net of the junior securities

subscribed) as a balancing entry to the reposted receivables.

The income statement reflects:

- the total charge for the period and interest expense relating to the debt recognised as a liability in respect of the securitisation vehicles, net of income other than portfolio interest income;
- interest income and similar income arising from reposted securitised loans.

Financial assets at fair value

For assets measured at fair value through OCI, interest income, exchange rate changes and impairment, together with reversals, are recognised in the income statement and calculated in the same way as financial assets measured at amortised cost.

The remaining changes in fair value are recognised through OCI. Upon derecognition, the cumulative change in fair value recognised through OCI is reclassified to the income statement.

Financial assets at fair value through the income statement

Financial instruments at fair value with changes recognised in the income statement are recognised in the statement of financial position at fair value, and net changes in fair value are recognised in the income statement.

Financial assets – derecognition

A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is derecognised in the first instance (removed from the Company's balance sheet) when:

- the rights to receive cash flows from the asset have ceased;
- the Company has transferred to a third party the right to receive cash flows from the asset or has assumed a contractual obligation to pay them in full and without delay and (a) has transferred the significant risks and rewards of ownership of the financial asset, or (b) has neither transferred nor retained the significant risks and rewards of ownership of the asset, but has transferred control thereof.

In cases where the Company has transferred the rights to receive cash flows from an asset or has entered into an agreement under which it retains the contractual rights to receive the cash flows from the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients (pass-through), it shall assess whether and to what extent it has retained the risks and rewards of ownership.

If it has neither transferred nor retained the significant risks and rewards of ownership or has not lost control thereof, the asset shall continue to be recognised in the Company's financial statements to the extent of its continuing involvement in the asset. In this case, the Company shall also recognise an associated liability. The transferred asset and associated liability are measured to reflect the rights and obligations that remain with the Company.

When the entity's continuing involvement is a guarantee of the transferred asset, involvement is measured at the amount of the asset or, if lower, the maximum amount of the consideration received that the entity could be required to repay.

Financial assets – credit losses

The Company recognises an expected credit loss (ECL) write-down for all financial assets not held at fair value through the income statement. ECLs are based on the difference between the contractual cash flows due under the contract and all cash flows the Company expects to receive, discounted at the approximate original effective interest rate. Expected cash flows will include cash flows arising from the enforcement of collateral held or other credit guarantees that form an integral part of the contractual terms.

Expected losses are recorded in two stages. For credit exposures where there has been no significant increase in credit risk since initial recognition, credit losses resulting from default events that are possible within the next 12 months are recognised (12-month ECL).

For credit exposures where there has been a significant increase in credit risk since initial recognition, expected losses relating to the remaining life of the exposure must be recognised in full, regardless of when the event of default is expected to occur ("Lifetime ECL").

For trade receivables and contract assets, the Company applies a simplified approach to calculate expected losses. Therefore, the Company does not monitor changes in credit risk, but fully recognises the expected loss at each reporting date.

Financial liabilities - initial recognition and measurement

Financial liabilities are classified upon initial recognition as financial liabilities at fair value through the income statement, as loans and borrowings, or as derivatives designated as hedging instruments.

All financial liabilities are initially recognised at fair value, plus – in the case of mortgages, loans and borrowings – directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, mortgages and loans, including overdrafts.

Financial liabilities – subsequent measurement

For the purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through the income statement
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through the income statement include liabilities held for trading and financial liabilities initially recognised at fair value through the income statement.

Liabilities held for trading are those which are assumed with the intention of settling or transferring them in the short term. This category also includes derivative financial instruments entered into by the Company which are not designated as hedging instruments in a hedging relationship.

Gains or losses on liabilities held for trading are recognised in the income statement.

Financial liabilities are only designated at fair value with changes recognised in the income statement from the initial recognition date if the criteria of IFRS 9 are met. Upon initial recognition, the Company did not designate any financial liabilities at fair value with changes recognised in the income statement.

Financial liabilities at amortised cost

After initial recognition, loans are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liability is settled, as well as through the amortisation process.

Amortised cost is calculated by recognising the discount or premium on the acquisition and fees or costs that form part of the effective interest rate. Amortisation at the effective interest rate is included in finance costs in the income statement.

The sub-items ‘Payables to banks’, ‘Payables to customers’ and ‘Securities issued’ are allocated to financial instruments (other than trading liabilities and those measured at fair value)

representing the various forms of funding from third parties. In particular, securities issued are represented by bond issues by Group companies and securities related to issues by the special purpose vehicles as part of loan securitisation transactions.

Financial liabilities - derecognition

A financial liability is derecognised when the obligation underlying the liability is settled, removed or fulfilled. When an existing financial liability is exchanged for another financial liability of the same lender on substantially different terms, or the terms of an existing liability are substantially amended, said exchange or amendment is treated as a derecognition of the original liability, along with the recognition of a new liability, with any difference between the carrying amounts recognised in the income statement.

Derivative financial instruments

In accordance with IAS 39, derivative financial instruments are used for economic hedging purposes, in order to reduce the risk of exchange rate, interest rate and market price changes.

Transactions that are able to meet the requirements of the standard for hedge accounting in line with the company's risk management policies are classified as hedging transactions and cash flow hedges in particular.

Derivative financial instruments qualify for hedge accounting only when, at the inception of the hedge, there is a formal designation and documentation of the hedging relationship, the hedge is expected to be highly effective, said effectiveness can be reliably measured, and the hedge is highly effective throughout the reporting periods for which it is designated.

The following applies when derivative financial instruments
qualify for hedge accounting:

Cash flow hedge: where a derivative financial instrument is designated as a hedge of the exposure to variability of future cash flows of a recognised asset or liability or a highly probable transaction and could affect the income statement, the effective portion of any gain or loss on the derivative financial instrument is recognised directly in shareholders' equity as "Reserve for cash flow hedges".

The cumulative gain or loss is recognised in the income statement in the same period as the related economic effect of the hedged transaction and is posted as an adjustment to the hedged item. The gain or loss associated with a hedge (or part of a hedge) becoming ineffective is immediately recognised in the income statement.

If a hedging instrument or a hedging relationship is discontinued though the hedged transaction has yet to be realised, the accumulated gains and losses (recognised until that moment in the relevant equity reserve) are reclassified to the Income Statement at the time when the economic effects of the hedged transaction are recognised.

If the hedged transaction is no longer deemed probable, the accumulated unrealised gains or losses recognised in Shareholders' Equity are recognised in the Income Statement immediately.

Derivative financial instruments with a positive fair value are classified as assets in the balance sheet (in the item 'Derivative financial instruments') or, if the fair value is negative, as liabilities (in the item 'Derivative financial instruments').

If hedge accounting cannot be applied, gains or losses arising from the measurement of the derivative instrument are recognised in the Income Statement immediately.

Inventories

In accordance with IAS 2, inventories are measured at the lower of cost and net realisable value.

The costs incurred in bringing each asset to its present location and condition are recognised as follows:

- Raw materials: purchase cost calculated using the FIFO method
- Finished and semi-finished goods: direct cost of materials and labour, plus a share of production overheads, defined based on normal production capacity, excluding financial expenses.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Cash and cash equivalents

In accordance with IAS 7, Cash and cash equivalents comprise cash on hand and demand deposits, and short-term, highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash, and that are subject to an insignificant risk of changes in value.

Provisions for risks and charges

Provisions for risks and charges are made when the Company has a current obligation (either legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount may be made, in accordance with IAS 37.

When the Company considers that a provision for risks and charges will be partly or fully reimbursed, for example in the case of risks covered by insurance policies, the indemnity is recognised separately under assets if, and only if, it is virtually certain.

In this case, the cost of the provision, if any, is presented in the income statement net of the amount recognised for the indemnity.

If the effect of the time value of money is material, provisions are discounted using a pre-tax discount rate that reflects the risks specific to the liabilities where appropriate. When the liability is discounted, the increase in the provision due to the passage of time is recognised as a finance charge.

Employee benefits

Defined benefit plans

Defined benefit plans are retirement plans determined based on employee salaries and years of service. The Company's obligation to contribute to employee benefit plans and the respective current service cost are determined using an actuarial method in accordance with the revised IAS 19 (the projected unit credit method).

The net cumulative amount of all actuarial gains and losses is recognised in Shareholders' Equity (under Measurement Reserves) and in Other Comprehensive Income.

The amount recognised as a liability under defined benefit plans is the present current of the respective obligation, taking into account the expenses to be recognised in future periods for employees' work in prior periods.

The rate used to discount post-employment benefit obligations varies depending on the country/currency in which the liability is denominated, and is determined based on market yields, at the reporting date, on bonds of major companies with an average duration in line with that of the liability.

Defined contribution plans

Contributions made to a defined contribution plan are recognised as an expense in the income statement in the period in which the employees provided the related service.

Until 31 December 2006, Italian employees were entitled to defined benefit plans called 'TFR' ('Trattamento di fine rapporto' or severance pay).

With Law no. 296 of 27 December 2006 and subsequent decrees ('Pension Reform') issued in early 2007, the rules and regulations on severance pay were changed.

With regard to contributions accrued since 1 January 2007 and not yet paid at the reporting date, for entities with more than 50 employees, post-employment benefits in Italy are recognised as defined contribution plans.

Contributions accrued up until 31 December 2006 are still recognised as defined benefit plans and accounted for under actuarial assumptions.

Revenue

Revenue from contracts with customers is recognised when it is received and, therefore, it is certain that future benefits will be received and these benefits can be measured reliably; it is recognised when control of the goods or services is transferred to the customer for an amount that reflects the consideration expected to be owed to Company in exchange for said goods or services.

Rental income is recognised in accordance with IFRS 15 on a straight-line basis over the term of the lease.

When customers make an initial down payment at the beginning of the rental agreement, the payments are recognised in the balance sheet and posted in the income statement on a straight-line basis over the duration of the rental agreement.

Sale of goods

Revenue from the sale of goods is recognised when control of the goods passes to the customer, generally at the time of delivery, depending on the terms applied. The Company assesses whether the agreement includes other promises that constitute performance obligations.

When determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, non-monetary consideration and consideration payable to the customer (if any).

Provision of services

Repair and maintenance services: Revenues for ordinary and extraordinary maintenance services are recognised in the income statement based on the historical analysis of maintenance curves, adjusted to the current composition of the fleet.

Maintenance curves are updated periodically so as to better identify the best cost profile for each vehicle class.

For agreements still under lease, expected losses are recognised as an expense immediately where it is probable that the total cost of the agreement will exceed the total agreement revenue. However, income from said services is only recognised at the end of the agreement.

Revenues from brand contribution: the brand contribution is an extra discount granted to the Group by car manufacturers upon achieving pre-determined minimum purchase volumes of vehicles from the manufacturers' brands.

Criteria and procedures for the recognition of the extra discount are governed by a supply agreement between Leasys and the respective car manufacturer.

The brand contribution is recorded as deferred income in the financial statements of the Group.

It is charged to the income statement over a period equal to the duration of the rental agreement for the individual vehicle.

Expenses

Expenses are recognised when they are incurred. Expenses that may be directly attributed to financial instruments measured at amortised cost and determined as of inception (regardless of when they are settled) are recognised in the income statement by applying the effective interest rate.

Impairment losses are recognised in the income statement in the period in which they are incurred.

Tax

Current and deferred taxes have been accounted for in accordance with IAS 12.

Current taxes

Current tax assets and liabilities at the reporting date are measured at the amount expected to be recovered from or paid to tax authorities. The tax rates and regulations used to calculate the amount are those enacted – or substantively enacted – at the reporting date in the countries where the Company operates and generates its taxable income.

Current taxes relating to items recognised directly in shareholders' equity are also recognised in shareholders' equity and not in the income statement.

Deferred taxes

Deferred taxes are calculated by applying the liability method to temporary differences at the reporting date between the tax bases of assets and liabilities and their corresponding carrying amounts.

Deferred tax liabilities are recognised on all taxable temporary differences, with the following exceptions:

- deferred tax liabilities arise from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit;
- the reversal of taxable temporary differences tied to investments in subsidiaries, associates and joint ventures may be controlled and is not likely to occur in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax credits and losses carried forward to the extent that it is probable that sufficient future taxable profit will be available against which the deductible temporary differences and tax credits and losses carried forward can be utilised, with the following exceptions:

- where the deferred tax asset associated with deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit;
- in the case of deductible temporary differences tied to investments in subsidiaries, associates and joint ventures, deferred tax assets are recognised only to the extent that it is probable that they will be reversed in the foreseeable future and that there will be sufficient taxable profit to recover the temporary differences.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent where it is no longer probable that sufficient taxable profit will be available in the future to be able to utilise some or all of this credit.

Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent where it becomes probable that taxable profit will be sufficient to recover the deferred tax assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when said assets are realised or said liabilities are settled, taking into account the tax rates that have been enacted – or substantively enacted – at the reporting date.

Deferred taxes relating to items recognised outside of the Income Statement are also recognised outside of the Income Statement (either in Shareholders' Equity or in Other Comprehensive Income depending on the item to which they refer).

The Company offsets deferred tax assets and deferred tax liabilities if, and only if, there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes owed to the same tax authority by the same taxable entity or by different taxable entities that intend to settle current tax assets and liabilities on a net basis or realise the asset and settle the liability simultaneously, in respect of each future period in which the deferred tax assets and liabilities are expected to be settled or recovered.

Indirect taxes

Expenses, revenues, assets and liabilities are recognised net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible, in which case it is recognised as part of the purchase cost of the asset or part of the expense recognised in the income statement;
- trade receivables and payables include the applicable indirect tax.

The net amount of indirect taxes to be recovered from or paid to the Treasury is included in the financial statements as either a receivable or a payable.

Risks and uncertainties relating to the use of Estimates

In accordance with IAS/IFRS, the preparation of the Company's financial statements requires management to make discretionary assessments, estimates and assumptions affecting the application of accounting standards and the reported amounts of assets, liabilities, revenues and expenses, as well as the disclosure of contingent assets and liabilities.

These estimates were drawn up based on available information and subjective assessments, also considering historical experience, in order to make reasonable assumptions for the recognition of operating events.

By their nature, the estimates and assumptions used may vary from period to period and, therefore, it cannot be ruled out that the amounts recognised in the financial statements may change in subsequent periods as a result of changes in the subjective assessments made.

In particular, estimation processes were adopted to support the carrying amounts of certain key items reported in the financial statements at 31 December 2023, as required by the accounting standards and reference regulations referred to above.

These processes are largely based on estimates of the future recoverability of the amounts recorded in the financial statements in accordance with current regulations, and have been carried out on a going concern basis.

Estimates and assumptions are reviewed regularly and periodically updated. In the event of a change in performance of the elements considered, the actual amounts may differ from the original estimates and may need to be adjusted accordingly: in such cases, the changes are recognised in the income statement either in the period in which they occur or in subsequent periods.

At the reporting date, the principal measurements that required subjective assessments by management are described below:

- Provision for expected losses on trade receivables and financial assets

For trade receivables and assets arising from contracts under IFRS 15, as well as for receivables arising from leases, IFRS 9 has enacted some simplifications so as to avoid entities having to monitor changes in credit risk (as required by the general model).

For trade receivables, IFRS 9(5.5.15) requires that the allowance for doubtful accounts be determined with reference to the entire life of the receivable (lifetime expected credit losses). This avoids the need to monitor credit risk from the moment of initial recognition.

In accordance with this principle, the Leasys Group has opted to adopt
the simplified approach for the calculation of the provision for rental receivables.

To determine lifetime expected credit loss, IFRS 9 suggests using a matrix
showing the various impairment percentages. The matrix groups

receivables on the basis of their characteristics (e.g. geographical area, product, customer, etc.).

For each category, the receivables are aged and an impairment percentage is applied to each ageing class.

At the reporting date, the principal measurements that required subjective assessments by management are described below:

- determining the fair value of financial instruments for financial reporting purposes; in particular, the use of measurement models for that purpose;
- assessing the recoverability of goodwill and other intangible assets;
- quantifying payroll provisions and the provisions for risks and charges;
- estimates and assumptions about the recoverability of deferred tax assets.

Deferred tax assets are recognised to the extent it is probable that future taxable profit will be available for their recovery on reversal of the related temporary differences.

Management is required to make significant estimations to determine the amount of tax assets that may be recognised based on the level of future taxable profits, the timing of their occurrence and the applicable tax planning strategies.

The Group believes that the conditions have been met to recognise related deferred tax assets by virtue of the financial plans approved by management and the respective future taxable income.

- <u>Determination of the recoverable amount of Tangible Assets</u>

Residual value means the value of the vehicle when the relevant rental contract ends. For long-term rentals, the residual-value risk in relation to leased vehicles is generally borne by the lessor, unless specifically agreed otherwise with third parties, and reflects the difference between the vehicle’s market value at the end of the rental period and the carrying amount of the asset concerned.

Trends in the second-hand market can involve risks for those who manage, as owners, vehicles in the medium to long term.

Leasys and its subsidiaries have long established and adopted Group-wide guidelines for determining and monitoring residual values over time.

The model used to calculate Residual-Value Provisions is updated quarterly to ensure the most appropriate assessment of the hedges. There are no particular issues concerning the residual-value risk associated with the vehicle fleet.

- <u>Goodwill</u>

Goodwill is the positive difference between the purchase cost and the fair value of the assets and liabilities acquired in a business combination.

Goodwill must be tested for impairment on an annual basis to verify its recoverability. At each reporting date, therefore, the Group performs a test by estimating the recoverable amount of goodwill and comparing it to the carrying amount to see if the asset has been impaired.

COMMENTS ON THE MAIN ITEMS OF THE CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

1. VEHICLES

This item amounts to € 7,861,075 thousand, up by € 1,113,694 thousand compared with the prior year due to the increased size of the fleet managed. A breakdown is provided below.

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Items (in thousands of EUR)	Total 30/06/2024	Total 31/12/2023	Change
Owned vehicles	**16,747**	**6,200**	**10,547**
Gross amount	21,624	7,942	13,682
Accumulated depreciation	(4,877)	(1,742)	(3,135)
Rental vehicles	**6,852,433**	**5,672,917***	**1,179,516**
Gross amount	8,608,839	7,416,863	1,191,977
Accumulated depreciation	(1,756,406)	(1,743,946)*	(12,460)
Vehicles in stock	**210,793**	**141,085**	**69,709**
Gross amount	299,164	208,381	90,783
Accumulated depreciation	(88,370)	(67,296)	(21,074)
Vehicles for hire	**781,102**	**927,179**	**(146,077)**
Gross amount	781,102	927,179	(144,687)
Accumulated depreciation	-	-	-
Total	**7,861,075**	**6,747,381**	**1,113,694**
Gross amount	**9,712,119**	**8,560,365**	**1,151,754**
Accumulated depreciation	**(1,851,044)**	**(1,812,984)**	**(38,060)**

* The amounts reported at 31 December 2023 have been restated in accordance with IFRS 3, following provisional allocation of the cost of the business combination represented by the acquisition of Leasys Luxembourg S.A. See Explanatory Note 4. Goodwill.

The above item includes the following:

- Own cars, mainly company cars and vehicles assigned to company staff for € 16,747 thousand (net of accumulated depreciation);
- Cars and commercial vehicles rented to third parties for a total of € 6,852,433 thousand (net of accumulated depreciation);
- Vehicles in stock for € 210,793 thousand and vehicles for hire for € 781,102 thousand. These comprise vehicles awaiting contractual activation and delivery, which are not subject to depreciation until their delivery and activation.

2. INVENTORIES

Inventories, € 242,026 thousand, refer to vehicles that have ended their contractual rental period and are held for sale. The amount has risen by € 69,448 thousand since the end of the prior year. The change is principally due to the increase in vehicle returns related to expiring leases of some large customers.

Items (in thousands of EUR)	Total 30/06/2024	Total 31/12/2023	Total Change
Vehicles held for sale	242,026	172,578 *	69,448
Total	**242,026**	**172,578**	**69,448**

* The amounts reported at 31 December 2023 have been restated in accordance with IFRS 3, following provisional allocation of the cost of the business combination represented by the acquisition of Leasys Luxembourg S.A. See Explanatory Note 4. Goodwill for further information.

3. DERIVATIVE FINANCIAL INSTRUMENTS

Items (in thousands of EUR)	Current notional value	Current fair value	Non-current notional value	Non-current fair value
Derivative assets				
Trading derivatives	0	0	0	0
Hedging derivatives	1,150,369	6,951	5,667,130	67,318
Interest-rate risk	**1,150,369**	**6,951**	**5,667,130**	**67,318**
Foreign exchange risk				
Total derivative assets	**1,150,369**	**6,951**	**5,667,130**	**67,318**
Derivative liabilities				
Trading derivatives	0	0	1,100,000	934
Hedging derivatives	551,625	260	1,460,978	2,853
Interest-rate risk	**551,625**	**260**	**2,560,978**	**3,787**
Foreign exchange risk				
Total derivative liabilities	**551,625**	**260**	**2,560,978**	**3,787**

This item includes derivative financial instruments to manage interest-rate risk, with a notional value at 30 June 2024 of € 9,930,101 thousand, and a fair value of € 70,222 thousand. The notional value of a derivative contract is the contractually defined amount.

Trading derivatives refer to the new securitisation transaction Labirs One with the value of vehicles leased by Leasys Italia S.p.A. as collateral.

The amount of fair value differs from the Shareholders' Equity item "Reserve for cash flow hedges" in that it is recognised net of related accruals.

Interest differentials are recognised in the income statement on an accrual basis under financial income/expenses.

These derivative financial instruments were arranged for hedging purposes and are intended to transform the cost profile of part of the fundraising from variable to fixed in order to correlate it with the duration and yield of the rental agreements.

The fair value of these instruments, all of which are interest rate swaps, was determined by discounting future cash flows, which are estimated based on the relevant rate curves at 30 June 2024.

Due to an increase in interest rates, the fair value of hedging derivatives has risen since December 2023.

4. GOODWILL

Goodwill amounts to € 108,274 thousand at 30 June 2024 and comprises:

- € 78,480 thousand for goodwill generated in 2001 on the formation of Leasys Italia S.p.A.;
- € 2,732 thousand relating to the goodwill generated in 2020 on the acquisition of Leasys Portugal S.A.;
- € 6,557 thousand relating to the goodwill generated in 2023 on the acquisition of Leasys Luxembourg;
- € 20,505 thousand relating to the goodwill generated in 2023 on the acquisition of Leasys Mobility Portugal.

The total cost of the above business combinations carried out in 2023, Euro 27 million, was provisionally allocated to goodwill ahead of completion of the Purchase Price Allocation (PPA) process that, pursuant to IFRS 3, must be finalised within 12 months of the acquisition date.

At 30 June 2024, the PPA process relating to the absorption of Leasys Luxembourg S.A. has resulted in the allocation of approximately an additional Euro 700 thousand to goodwill at the acquisition date. Accordingly, the amounts reported at 31 December 2023 have been restated in accordance with IFRS 3, as an effect at the reporting date of carrying out the PPA process.

Should finalisation of the PPA process identify further differences between the cost of the business combinations and the fair value of the assets acquired and/or the liabilities assumed, these will be recognised in accordance with IFRS 3.

Impairment testing of goodwill

According to IAS 36 - Impairment of Assets, goodwill must be tested for impairment on an annual basis to verify the recoverability of its value. At each reporting date, therefore, the Group performs a test by estimating the recoverable amount of goodwill and comparing it to the carrying amount to see if the asset has been impaired.

As permitted by the above standard, the Leasys Group has elected to check for impairment as at 31 December each year: the results of such checks may be deemed valid for subsequent interim reports, unless new evidence requires an early impairment test to be carried out, in order to determine the recoverability of the above goodwill. The analyses carried out at 30 June 2024 did not identify any need to adjust the value of goodwill reported in the financial statements.

PART B – RELATED-PARTY TRANSACTIONS

The following schedule analyses the assets, liabilities, costs and revenues at 30 June 2024 by type of related party. The transactions carried out by the Leasys Group with subsidiaries during H1 2024 mainly related to the provision of commercial and financial services.

The revenues of the Leasys Group, mostly realised from transactions with Stellantis and CAPFM, principally derive from the provision of rental services, whereby the Group rents assets in exchange for rental fees and payments for the related ancillary services. Revenues also include the brand contributions recognised by Stellantis.

The costs of the Leasys Group are principally incurred on the management of operational services, such as replacement cars, pre-rental services, car-related formalities and vehicle maintenance. They also include the cost of administrative services provided by Group companies and of IT services.

Financial transactions mainly relate to use of the centralised treasury system, governed on market conditions, in order to optimise the management of financial resources and facilitate the settlement of intercompany relations of a commercial nature.

Turning to transactions with the shareholder, the latter provides corporate services to the entire Group: the amounts recharged include such activities as Management Reporting, Financial Management, Risk Control and Management, and Compliance.

RELATED-PARTY TRANSACTIONS: BALANCE SHEET ITEMS

Items in thousands of EUR	Shareholders	Executives	Other related parties	Total
Current assets				
Cash and cash equivalents	0	0	497,300	497,300
Other current receivables and assets	0	0	338,673	338,673
Derivative instrument assets	0	0	5,398	5,398
Receivables from customers	0	0	117,450	117,450
Total assets	**0**	**0**	**958,821**	**958,821**
Financial payables (current and non-current)	0	0	-1,294,877	-1,294,877
Derivative financial instruments	0	0	-31	-31
Trade payables	-64	0	-163,726	-163,790
Total liabilities	**-64**	**0**	**-1,458,634**	**-1,458,698**

RELATED-PARTY TRANSACTIONS: INCOME STATEMENT ITEMS

Items in thousands of EUR	Shareholders	Executives	Other related parties	Total
Gross operating margin	0	0	19,131	19,131
Operating costs	-64	0	-6,968	-7,032

All transactions were carried out in the company's interest, are part of the ordinary course of business, and are generally settled at market conditions, i.e. at the conditions that would be applied between two independent parties.

PART C – SECTOR INFORMATION

The data on operations and income by business area are presented in accordance with IFRS 8.

In line with this standard, it is noted that the Group's business is substantially developed on the European territory and that the geographical segments identified and reportable do in fact refer to Italy and International.

Nonetheless, performance reports which make distinctions by international geographical area are not periodically presented to management.

Below is a breakdown of business by geographical area:

Sector information (€/M)	Total 30/06/2024	International 30/06/2024	Italy 30/06/2024
Rental margin/Margin on cars sold	**180.1**	**73.9**	**106.2**
Net operating costs	-88.6	-67.2	-21.5
Cost of risk	-15.0	-5.4	-9.7
Other income/expenses	0.1	0.1	0.0
Operating result	**76.5**	**1.4**	**75.1**
Tax	-23.6	1.8	-25.4
Net result	**52.9**	**3.2**	**49.7**

Sector information (€/M)	Total 30/06/2023	International 30/06/2023	Italy 30/06/2023
Rental margin/Margin on cars sold	**155.1**	**42.1**	**113**
Net operating costs	-53.3	-26.9	-26.4
Cost of risk	-9.7	-2.7	-7.1
Other income/expenses	-25.4	-22.5	-2.9
Operating result	**66.7**	**-10**	**76.7**
Tax	-19.9	0.6	-20.5
Net result	**46.8**	**-9.4**	**56.2**

PART D – OTHER INFORMATION

RECONCILIATION OF SHAREHOLDERS' EQUITY OF LEASYS ITALIA SPA WITH CONSOLIDATED FINANCIAL STATEMENTS

Amounts in EUR	**Shareholders' Equity**	**including: Result for the period**
Shareholders' Equity and Profit for the period of Leasys Italia S.p.A.	**678,710,892**	**48,094,166**
Shareholders' equity and Profit for the period of consolidated companies net of minority interests	324,014,415	4,600,727
Consolidation adjustments:	-164,193,132	191,069
Derecognition of carrying value of consolidated investments	-209,100,128	0
Intra-group dividends	0	0
Other consolidation adjustments	44,906,996	191,069
Shareholders' equity and Profit for the period attributable to Leasys S.p.A. shareholders	**838,532,175**	**52,885,962**
Shareholders' equity and Profit for the period attributable to minority interests	0	0
Shareholders' Equity and Profit for the period in the Consolidated Financial Statements	**838,532,175**	**52,885,962**

Turin, 30 July 2024

for the Board of Directors

Chief Executive Officer Rolando

D'Arco

INDEPENDENT AUDITORS' REPORT 30 JUNE 2024

REVIEW REPORT ON CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

To the Shareholders of Leasys Italia SpA

Foreword

We have reviewed the accompanying condensed consolidated interim financial statements of Leasys Italia SpA and its subsidiaries (hereinafter, the "Leasys Group") as of 30 June 2024, which comprise the balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders equity, cashflow statement and related explanatory notes. The directors of Leasys Group are responsible for the preparation of the condensed consolidated interim financial statements in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these condensed consolidated interim financial statements based on our review.

Scope of review

We conducted our work in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of condensed consolidated interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than a full-scope audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed consolidated interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements of Leasys Group as of 30 June 2024 are not prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Florence, 8 August 2024

PricewaterhouseCoopers SpA

Signed by

Marco Mancini
(Partner)

This review report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative. We have not examined the translation of the condensed consolidated interim financial statements referred to in this report.