REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

LEASYS S.p.A. single member 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 Business Register Turin Office No. 08083020019, VAT No. 06714021000 Turin REA No. 960205

Introduction

The Consolidated Financial Statements of the Leasys Group at 31 December 2022 were drawn up in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), and with the respective interpretations of the International Financial Reporting Interpretations Committee (IFRIC), approved by the European Commission pursuant to EU Regulation No. 1606 of 19 July 2002, implemented in Italy by way of Legislative Decree No. 38 of 28 February 2005. The Consolidated Financial Statements consist of the Balance Sheet, the Income Statement, the Statement of Comprehensive Income, the Statement of Changes in Shareholders' Equity, the Cash Flow Statement and the Notes to the Financial Statements. They are accompanied by a Directors' Report on the Group's performance, operating results and financial situation. The reclassified income statement, and several balance sheet indicators and alternative performance indicators are provided to support the comments.

The Consolidated Financial Statements were drawn up in a clear manner and give a true and fair view of the financial position and operating results for the year, and are accompanied by the Board of Statutory Auditors' report and the independent auditors' report pursuant to Legislative Decree No. 39 of 27 January 2010.

Notices of the most recent significant events are also available on the Leasys Group website (**www.leasys.com**).

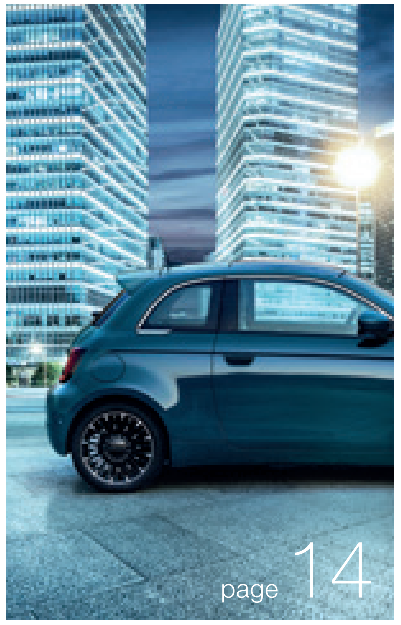
Key data

314 €/MLN	-18 €/MLN	-91 €/MLN
Rental Margin	Cost of risk	Net operating costs
▼	▼	▼
6,4%	0,4%	1,8%
On the average asset value	On the average asset value	On the average asset value

147 €/MLN Net Result

405.829	5.542.406
Fleet Managed	Fleet value at year-end
10	589
Countries where we operate	Employees

Abstract



Contents

Leading the change

In what has been a very complex year for the whole automotive sector, which contracted Europe-wide by 7%[1] from 2021, the performance of long-term rental maintained encouraging, with 3,514,872 registrations (-0.5% vs 2021).

With the strength of its 20 years' experience, Leasys has been able to ride this positive current in the rental sector, reaffirming its leading position in the long-term rental market in Italy for the fourth year in a row, with a 20% market share.

Rolando D'Arco
LEASYS Chief Executive Officer

In Europe, Leasys also closed the year in the black, with a 14% growth in orders in the ten markets in which it operates, as well as a significant increase in volumes compared to the previous year, both in Germany (+35%) and the UK (+34%).

Leasys' positive performance means that we can look to the new year with confidence; the ongoing period of uncertainty will continue to push an increasing number of drivers, including private customers, towards alternative non-ownership mobility solutions. Leasys' results show how the company has succeeded in becoming a leading player in this new landscape. This means being a mobility pioneer: having the courage to transform habits, practices and consolidated formulas, and seeking out the stimuli for constant renewal.

The year 2022 also helped us prepare for what will certainly be the biggest and most important challenge in Leasys' history: the merger with Free2Move Lease, which will enable us to become an international player with a starting fleet of over 700,000 vehicles. The new company that will be formed out of the agreement between Stellantis and Crédit Agricole Consumer Finance, will be officially presented in H1 2023.

For some time now, we have been working on shared infrastructure and product portfolios, bringing together the best of the two brands' experience, to harness an increasingly heterogeneous customer base in the target countries. Our offer will focus on integrated customised rental formulas and a set of products and services that are geared towards an ecological transition to further develop the company's international positioning. The two companies will create a single market player with the aim to become the European mobility leader, with a fleet of one million vehicles by 2026.

> "Leasys has been able to ride this positive current in the rental sector, reaffirming its leading position in the long-term rental market."

1. Dataforce

Nikos Hamodrakas

Financial strategy

page 30

Antonio Mansueto

Acting every day in the interest of customers and the company

page 32

Pietro Nardi

Leasys remains on its growth path

page 34

Laura Martini

The tenets of our strategy: flexibility, eco-sustainability and digitisation

page 36

Patrizio Scifo

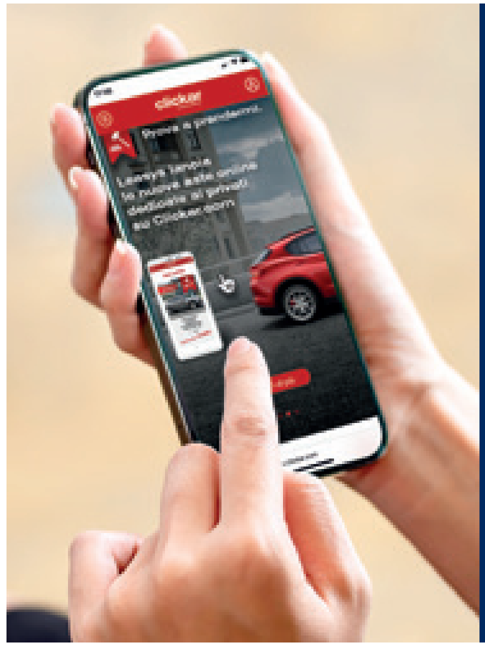
Remote working, digitisation and reorganisation: the evolution of HR

page 38

Matteo Merlo

Remarketing continues to grow and focus on digital channels

page 40



Davide Pupello

Focus on the customer experience

page 42

Maria Grande

High quality standards and tailored services

page 44

Marco Barbieri

Processes and services at the heart of the digital transformation

page 46

Administration and control bodies

BOARD OF DIRECTORS

Chairman
Giacomo Carelli

Chief Executive Officer and General Manager
Rolando D'Arco

Directors
Andrea Faina
Richard Bouligny

BOARD OF STATUTORY AUDITORS

Chairman
Giorgio Cavalitto

Statutory Auditors
Luca Ambroso
Ottavio De Marco

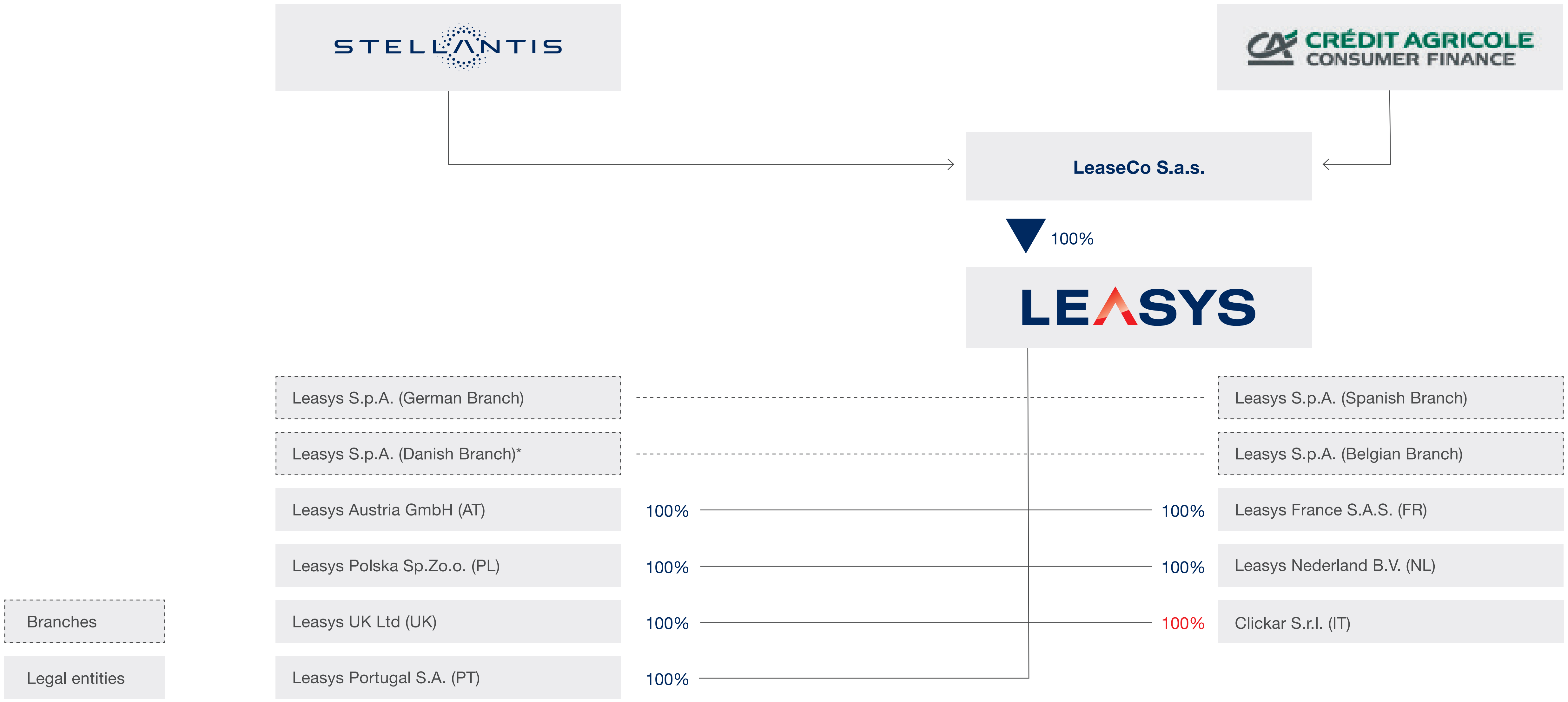
Alternate Auditors
Giovanni Miglietta
Federico Lozzi

INDEPENDENT AUDITORS

PricewaterhouseCoopers S.p.A.

Shareholder structure

Leasys S.p.A. is wholly owned by LeaseCo S.a.s – a French multi-brand operating leasing company in which Stellantis and Crédit Agricole Consumer Finance each hold a 50% stake.



* The branch is empty and inactive. Expected closure in 2023.

Ownership structure

LEASYS

LONG-TERM RENTAL

100%

- Leasys S.p.A. (Belgian Branch)
- ALease&Mobility (Danish Branch)
- Leasys S.p.A. (German Branch)
- Leasys S.p.A. (Spanish Branch)
- Leasys France S.A.S. (FR)
- Leasys Nederland B.V. (NL)
- Leasys Polska Sp.Zo.o. (PL)
- Leasys UK Ltd (UK)
- Leasys Portugal S.A. (PT)
- Leasys Austria GmbH (AT)

REMARKETING

100%

- Clickar S.r.l. (IT)

Legal entity

Branch

Geographical presence

UNITED KINGDOM
Leasys UK Ltd

DENMARK
Leasys S.p.A. (Danish Branch)

POLONIA
Leasys Polska Sp.Zo.o.

NETHERLANDS
Leasys Nederland B.V.

GERMANY
Leasys S.p.A. (German Branch)

BELGIUM
Leasys S.p.A. (Belgian Branch)

AUSTRIA
Leasys Austria GmbH

FRANCE
Leasys France S.A.S.

PORTUGAL
Leasys Portugal S.A.

SPAIN
Leasys S.p.A. (Spanish Branch)

ITALY
Leasys S.p.A.
Clickar S.r.l.

Results of operations

Economic data (€/M)	31/12/2022	31/12/2021
Rental margin	314	274
Net operating costs	-91	-98
Cost of risk	-18	-15
Earnings before tax	204	161
Net result	**147**	**123**
Value of Assets *	31/12/2022	31/12/2021
Average	4,931	4,172
End of year	5,542	4,789
Ratio (of value of assets)	31/12/2022	31/12/2021
Rental margin	6.4%	6.6%
Net operating costs	1.8%	2.3%
Cost of risk	0.4%	0.4%

* The value of Assets is the sum of vehicles and receivables from customers net of the respective provisions

Business lines

The Leasys Group is an international company operating in 10 European countries, which offers rental solutions that ensure guarantee 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 following business lines: Long Term Rental, Remarketing and, until October, New Mobility & Rent; the latter managed through Leasys Rent S.p.A. (Drivalia S.p.A.), which was fully acquired by FCA Bank S.p.A. on 29 April 2022.

2022

	LONG TERM RENTAL	MOBILITY & RENT	REMARKETING	TOTAL
Economic data (€/M)	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Rental margin/Margin on cars sold	204.2	11.1	98.5	313.8
Net operating costs	-82.2	-7.9	-1.1	-91.2
Cost of risk	-18.2	-0.1	0.0	-18.3
Operating result	**103.8**	**3.1**	**97.4**	**204.3**
Taxes	-29.3	-0.7	-27.5	-57.5
Net result	**74.5**	**2.4**	**69.9**	**146.8**
Commitments				
Average	4,349	507	75	4,931
End of year	**5,460**	**0**	**83**	**5,542**
Ratio (of average commitments)				
Rental margin/Margin on cars sold	4.7%	6.5%	130.5%	6.4%
Net operating costs	**1.9%**	**4.7%**	**1.5%**	**1.8%**
Cost of risk	0.4%	0.0%	0.0%	0.4%

2021

	LONG TERM RENTAL	MOBILITY & RENT	REMARKETING	TOTAL
Economic data (€/M)	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Rental margin/Margin on cars sold	204.9	34.4	34.2	273.5
Net operating costs	-77.3	-19.5	-1.1	-98.0
Cost of risk	-14.2	-0.5	0.0	-14.7
Operating result	**113.4**	**14.3**	**33.1**	**160.9**
Taxes	-26.1	-4.1	-7.6	-37.8
Net result	**87.3**	**10.3**	**25.5**	**123.1**
Commitments				
Average	3,727	381	65	4,172
End of year	**4,238**	**483**	**68**	**4,789**
Ratio (of average commitments)				
Rental margin/Margin on cars sold	5.5%	9.0%	52.9%	6.6%
Net operating costs	**2.1%**	**5.1%**	**1.7%**	**2.3%**
Cost of risk	0.4%	0.1%	0.0%	0.4%

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 accessory charges) and benefit from Leasys' excellent assistance services.

The Leasys Group's innovative rental solutions are accompanied by a wide range of services.

Selected used cars are offered to trade, professional and private customers.

Remarketing

The Leasys Group offers online and offline 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 online, 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.

Directors' report on operations

DECEMBER 31ST, 2022

Financial strategy

After the economic recovery of 2021, inflation and rising interest rates negatively impacted the European economy in 2022.

The outbreak of war in Ukraine in February 2022 in particular caused a sharp increase in energy and food prices which – combined with the existing delays in commodity supply flows – turned rising inflation into a structural issue with far-reaching effects.

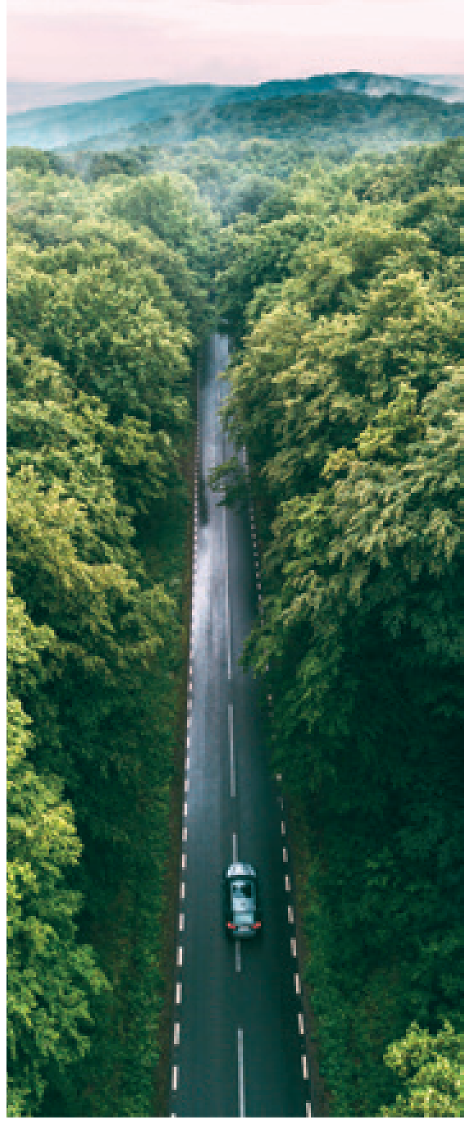
Nikos Chamodrakas
CFO Leasys S.p.A.

Furthermore, economic growth was held back by the significant rise in interest rates caused by the monetary policy interventions by monetary authorities around the world. Again, the conflict between Russia and Ukraine further deepened the general climate of distrust. Amid this backdrop, the European Central Bank revised its GDP and inflation estimates for the Eurozone in December 2022, downgrading its forecast for real GDP for 2023 to +0.5% (down from +2.1% forecast in June) and increasing its inflation forecast for 2023 to +6.3% (up from +3.5%).

Despite the improvement in the financial markets in early 2023, there is ongoing uncertainty in the Eurozone, as the fear of economic contraction and rising inflation looms over the markets.

While operating in this environment, Leasys is constantly monitoring macroeconomic conditions to anticipate the downward pressures on its growth. To avoid the negative impact of the worsening financial markets, the company continued its policy to diversify its financing sources, relying also on the availability of funds from its bank shareholder Crédit Agricole Consumer Finance.

During the year, Leasys placed €750 million on the capital market through a bond loan, and launched a €860-million securitisation programme (LABIRS-1) backed by Italian rental agreements. The company also opened new credit lines with third-party banks for approximately €2 billion.



Acting every day in the interest of customers and the company

Customer trust and satisfaction are at the heart of all of the Leasys Group's work. It is important to spread the right culture among everyone working in the name of the company to ensure the right approach towards customers.

To this end, we constantly update our internal regulatory framework, which is made up of regulations, policies and procedures, while paying close attention to regulatory changes that have arose during the year, and providing effective training for both internal staff and external partners.

With this in mind, in recent years the company has adopted a Corporate Governance system and an Organisational Structure that work to ensure the sound management of the Group, in line with current legislation, with our Articles of Association and with the company's business development goals. An internal control system has also been put in place, which involves the corporate bodies, control functions and committees, senior management and all staff.

Antonio Mansueto
Head of Compliance

Leasys has also adopted an Organisational Model and disseminated ethical and behavioural principles to pursue active crime prevention, which has helped strengthen its Corporate Governance and Internal Control System.
The Organisation Model sets out – in line with the Code of Conduct, which is an integral part of the model – the rules and procedures that must be followed by all recipients, i.e. those who working on behalf of or in the interest of the Company, to prevent and tackle corporate offences pursuant to Legislative Decree 231/01.

The Code of Conduct aims to ensure that all members of the Leasys Group act with the utmost integrity, and lays down the principles and rules of conduct which guide our daily activities and relations with internal and external parties, underpinned by the ethical principles of loyalty and fairness.

As such, it contains sections dedicated to customer relations, corruption prevention policies and reputational risk prevention, among others.

A whistleblowing procedure has also been implemented to protect the right/duty of each employee and collaborator to report any improper behaviour, guaranteeing the anonymity of the person making the report.

Leasys is committed to protecting customer data in all business processes, ensuring compliance with data protection laws and regulations and protecting the interests and rights of customers, shareholders, employees and third parties. To this end, Leasys has ensured appropriate governance by adopting a Group Data Protection Policy, with policies and procedures that align with the GDPR (General Data Protection Regulation).

Leasys remains on its growth path

Despite a complex market landscape with a difficult post-pandemic recovery, the conflict in Ukraine and the energy and semiconductor crises, long-term rentals remained buoyant in 2022 with a steady performance in Europe, bucking the trend with the car market which ended another difficult year in the red.

Performance was particularly positive in Italy, with a +19% growth in volumes compared to 2021. Against this backdrop, Leasys confirmed its position as the Italian market leader in the sector for the fourth consecutive year, with a market share of 20%.

Pietro Nardi

Head of Sales

This position is even more solid in the LCV segment, where Leasys ended the year firmly in the lead, with a market share of 28.95%.

We are also continuing on our path to growth at European level: the number of vehicles in the fleet rose by 14%, with an operating margin up +40% compared to the previous year. In particular, we recorded a +35% growth in volume in Germany and +34% in the UK over the previous year.

These results reflect our ability to react quickly to changes with solutions that consider customers' evolving needs. In fact, in a period of great uncertainty, demand has turned towards solutions that are both easily accessible and flexible in terms of duration and mileage. Yet while it is true that demand is growing, the average duration of contracts signed is markedly lower than last year.

The focus on innovation and sustainable mobility has also remained central to our strategy.

To date, electric vehicles[2] account for 25% of Leasys' total orders, a positive sign that rewards our commitment. Our ambition, as a key player in the market for long-term rentals, is to lead the transition towards sustainable mobility. We can do this by helping create the conditions for our customers to make the transition as easily and efficiently as possible through innovative products and services dedicated to this type of vehicle.

2. BEV+PHEV.

The tenets of our strategy: flexibility, eco-sustainability and digitisation

Flexibility, accessibility, environmental sustainability and digitisation: these are the pillars underpinning our strategy for 2022, which enabled us to quickly adapt our offer to the changes impacting the world of automotives.
Innovative and integrated solutions have been the top choice of customers, which helped confirm our place as the top NLT operator in Italy and growing position in other European markets.
We have maintained our focus on managing the fleets of companies and government bodies, which has been our core business for over 20 years, but we have also renewed our offer to intercept a B2B target seeking tailor-made products.

Laura Martini
Head of Marketing
& Business Development

With Leasys PRO, we have met the demand of small and medium-sized companies seeking to rent a work vehicle with services included and a 'plug & play' set-up, with a faster time to market.
Close attention to customer needs remains our main focus also when dealing with private and VAT-registered clients.
In an ever-changing landscape, as we have witnessed over the past year, we have launched new services and products to provide greater security and flexibility to this target group.
Some examples of this are Be Safe, the innovative insurance coverage that protects long-term rental in the event of loss of income or accident, and Be free, allowing customers to return the car after one year and up to the 24th month with no early return penalty, which remains our flagship product for the private customer target group and is the ideal solution for maximum freedom.
This product now represents an affordable alternative that can be adapted to changing needs in many of the European countries where Leasys operates.
Sustainable mobility has remained at the heart of our strategy and we have taken further steps in our electrification plan both in terms of our fleet (the electrified vehicle component (BEVs and PHEVs) has grown significantly over the past year, making up 25% of total orders by 2022) and in terms of the services we offer thanks to our partnership with Free2Move e-solutions.
In our zero-emission vehicle solutions, we have integrated all services needed to ensure a hassle-free green driving experience. Our aim has been to facilitate access to electric mobility, providing solutions that are within everyone's reach in terms of both cost and flexibility.
This is how the first kilometre-based voucher for electric and hybrid cars came about, which includes one year of recharging at Free2Move eSolutions' ALL-e public network, and the Easy Wallbox, the easy-to-install home recharging device included in the e-mobility fee.
Building on its success in Italy, the service has been extended to Belgium, Germany, Portugal, Spain and soon to the UK, the first step towards future expansion in the other markets where Leasys operates.
We have worked to offer our customers increasingly comprehensive solutions with an increasingly digital customer experience.
We will expand our sales channels with the launch of an e-commerce website where customers can sign rental contracts from the comfort their home, with a range of solutions to meet wide/ranging needs in just a few clicks.
With an increasingly smart offering for both private customers and VAT clients, integrated with all digital services for contract and vehicle management, the company has never stopped looking to the future.

Remote working, digitisation and reorganisation: the evolution of HR

The two-year period 2020-21, from HR's point of view, proved to be an accelerator towards the adoption of management systems that would only otherwise have been come together after an appropriate test period. One of these was Remote Working (RW), which at times affected almost the entire company population.
After the emergency phase of this two-year period, in 2022 we moved to consolidate managerial practices and technological solutions.
Today, it's difficult to imagine a company without the possibility of working from home where important decisions can be made (board meetings, union agreements, selection interviews, multinational project management, etc.) using increasingly familiar technological platforms such as Teams, Google Meet, Zoom or Skype.
Once again this year, Leasys adopted Remote Working on a monthly basis, where work is 60% in person and 40% remote (in Italy), as we still believe that work organisation cannot neglect opportunities to come together in person, socialisation and space sharing, so as to create, maintain and foster a sense of belonging to the group, to the organisation and to the company.
The implementation of digitisation has also brought about positive impacts on specific HR processes. Webinars through the corporate network, providing the opportunity to hold round tables or provide professional updates has been revolutionising classic training methods.
Digitalisation has also bolstered the concept of 'employee proactivity', as both hard and soft skills can be developed by accessing multilingual training platforms at his or her own time, or by choosing specific paths to acquire or update their behavioural and administrative skills.
With virtual training, Leasys provided 100% of resource managers with the tools needed for the role. More traditional methods would have meant longer lead times, more complicated logistics, higher costs, and likely a much lower rate of attendance.
Over the next few years, Leasys will continue its digital experimentation on development processes, unlocking the full potential of methodological flexibility.
In the short term, the evolution and transformation of the company and the Group's set of financial services will put digitalisation at the service of Human Resources, especially in terms of any issues that may arise such as change management, engagement or brand identity.
We'll seek to balance times when physical presence is or is not required, speed up learning and delivery processes, benefit from lower costs and engage more participants with opportunities for professional growth at all levels of the company.
We believe that technology has also become instrumental in supporting internal communication and in conveying messages from senior management to the company population, be it at virtual town hall meetings to announce company objectives, strategies and visions, or though information teasers at set intervals to explain scenarios, targets and developments.

Patrizio Scifo
Head of Human Resources

Remarketing continues to grow and focus on digital channels

The last two years have been characterised by growing consumer demand and the limited availability of new products due to difficulties in sourcing raw materials. Demand has outstripped supply, which has led to an exponential growth in market prices.

The environment remains particularly favourable for operators in the sector: in 2022 the number of used cars sold was more than double that of new cars. Leasys has not been affected by the market downturn and continues to perform well: in 2022, it even improved its results in terms of volume (+8%) compared to the previous year. Through Clickar, the Group's remarketing recorded excellent results and, with around 41,000 sales in Europe, made a positive contribution to the consolidated income statement.

Matteo Merlo

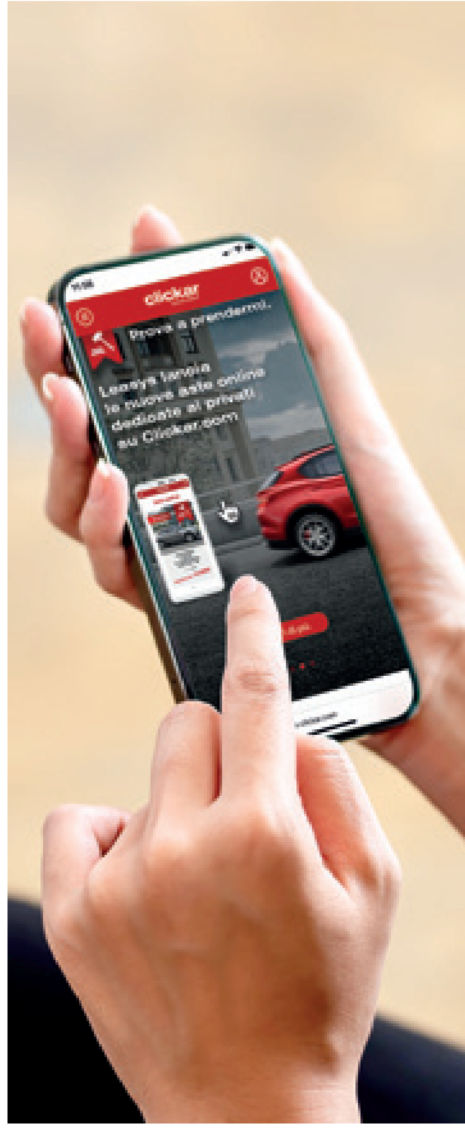
Head of Remarketing

Leasys is therefore a key player in the used car market for both B2B and B2C targets.

In recent years, we have considered it essential to invest in digitalisation, and today we can provide our customers a fully online experience from the choosing the vehicle right through to payment with no commission costs. Through the clickar.com website, Leasys also caters for private customers by offering a wide range of guaranteed and safe multi-brand vehicles, with up-to-date maintenance records and low mileage.

The Clickar site has also proven to be the main sales channel on the business target as in 2022 alone, more than 650 auctions were launched with more than 28,000 adjudications.

Complementing the digital channels, the Clickar Point sales network provides fundamental support for private customers serving as a local point of reference, while our dedicated sales team provides business users with ongoing support in both the purchase and after-sales phases.



Focus on the customer experience

At Leasys, we believe in putting the customer at the heart of work and our top priority is the customer journey, with the ultimate goal of improving the customer experience and, in turn, building customer loyalty.
One of the pillars supporting our customer experience strategy is customer satisfaction, be it a private individual or a large company. To this end, we have adopted a customer satisfaction measurement system that ensures timely monitoring of feedback received from customers about their experience at the various stages of the customer journey.

Davide Pupello
Head of Customer Care

This is the 'Net Promoter Score' (NPS) that we implemented this year: a benchmark model used by companies all over the world to assess customer satisfaction and brand loyalty. This indicator allows us to analyse the perception that customers have of our products and services and to identify areas for improvement so that we can implement specific action plans.
A special focus is then placed on large companies on which we carry out periodic surveys to measure the level of satisfaction of fleet managers, using a benchmarking system run by an external partner, which measures customer satisfaction across 12 different service areas.
Out of other big players in the industry, in 2022 Leasys positioned itself as the market leader in fleet manager satisfaction. This result rewards Leasys' 20 years of experience with a service system that puts the customer first. Indeed, the added value of our offer comes from the quality of our services: we follow the customer through all phases of the life of the rental, providing all assistance they may require.
We also believe that effective customer support also requires investment in new technologies: technological innovation and the development of new corporate digital ecosystems has an important impact on the customer experience and on the way companies interact with the customer.
As such, in recent years Leasys has invested in a digital transformation process to provide its customers with digital contact channels to request support as well as to independently manage their vehicle services, such as the Umove app and the MyLeasys portal, which allows Fleet managers to consult and monitor the fleet remotely, with a global and dynamic overview of the entire car fleet and services included.
Another key pillar of the customer experience strategy is our Customer Care, which is available 24/7 and highly specialised to meet all customer needs.
Customer Care is an important touchpoint for customers who turn to our advisors for their needs.
In 2022, around 500,000 requests were handled: in 85% of cases within 5 working days and with a 75% resolution rate within the first phone call. To make the Customer Care service even more efficient, in 2022 we decided to partner with Stip – an Italian start-up accelerated by LVenture Group and Berkeley SkyDeck – to use Artificial Intelligence to make our support service even more efficient by automating some activities on the company's digital channels.

High quality standards and tailored services

The high quality standard of our services stems from listening closely to customer needs as they evolve with the changing historical and market context. In uncertain scenarios, such as that of the past year, demand (especially from companies with large fleets) has moved towards increasingly flexible rental solutions in order to reduce the risk of unexpected costs, and solutions focused on high standards in terms of process optimisation and logistical efficiency.

Maria Grande
Head of Fleet Operations

With over 20 years' experience in managing the fleets of companies and public bodies, Leasys has proven it has the solidity and culture to respond to these changing needs by offering new products, services and technology that can be tailored to best suit the specific needs of each customer.

We have always provided dedicated service channels for large fleets, with operators trained in customised services such as managing maintenance appointments and accounting support.

A team of qualified experts provide constant and high-level management of decision-making and operational processes at every stage of the contract.
In addition to traditional support channels, we also offer digital channels to facilitate logistics and monitoring by fleet managers and to make it easier for drivers to manage their vehicle use services, thereby streamlining our administrative management and optimising the customer journey.

In this regard, Leasys provides its MyLeasys customers with an online account where Fleet Manager can consult and monitor their fleet remotely, with a global and real-time overview of all car fleet data.

This can also be accessed via smartphone, thanks to a simple and intuitive interface which provides a dynamic overview of the entire car fleet and services included.

New technology also guides the development of new products designed for increasingly shared and environmentally sustainable mobility. One example is Leasys I-Share, a corporate car sharing platform for company vehicles.

Processes and services at the heart of the digital transformation

The year 2022 was one of great development for Leasys, which has long believed in seeking innovative solutions and applying new technologies.
As part of its business strategy, Leasys belies it is key to invest in digitalisation to optimise the effectiveness and efficiency of its processes and increasingly meet customer needs by boosting customer satisfaction.
Investments in digitisation not only simplify business activities, but also make our product offering more competitive by providing our customers direct access to the many services available to them.

Marco Barbieri
Head of Business Process & Data Governance

As part of this vision, Leasys' work in 2022 was geared towards digitising the credit process and infomobility services.
In the long-term rental sector, the process of scoring and accessing credit is a fundamental step where the sales network can turn a sales proposal into a contract. Leasys has chosen to invest in the digitisation of this process, not only with the aim of speeding up the credit scoring process for customers, but also to have a standard metric in all European markets in which it operates.
The project involved integrating the quotation app with the credit platform, which will develop both the AI engine used to analyse files and the way we access credit databases, giving us a clear, real-time decision to communicate to the customer. This will bring about clear benefits in terms of both timeframes and transparency.
The other area of work involves infomobility services to give customers the ability of remote monitoring of their vehicle or fleet through two digital apps: MyLeasys where customers login into their online account on the website, and the Leasys Umove app.
With the latest telediagnostic devices installed on the vehicles, the fleet manager can access a flow of information that provides accurate monitoring of the fleet in real time, ensuring streamlined management and cost optimisation. Meanwhile, drivers can access vehicle management functions such as: viewing routes travelled and the respective consumption, and receiving alerts in the event of attempted theft or exceeding pre-determined speed limits.
Leasys has extended the MyLeasys portal and Umove app to all 10 markets in which it operates, thereby ensuring a single app landscape for all customers across Europe.
Lastly, 2022 was a year of great commitment for Leasys: in view of the future merger with Free2move Lease, Leasys was involved in a major design process (at the system and process level) to achieve technical and operational convergence between the two long-term rental companies of the Stellantis Group.
This process will end in H1 2023 and will have a broad international scope, impacting all markets in which the two companies operate.

Report on operations

DECEMBER 31ST, 2022

Macroeconomic scenario and the car market

GLOBAL ECONOMIC SLOWDOWN

3,1%
growth in 2022

1,3%
growth expected in 2023

REGISTRATIONS DOWN

-7%
compared to 2021

-28%
compared to pre-pandemic volumes

The year 2022 was very complex. After the pandemic, expectations of recovery were dashed by the geopolitical crisis, the economic consequences of which further complicated the international situation and that of Italy.

The uncertainty of the war between Russia and Ukraine has further impacted economic activities, presenting the global economy with new challenges.

One of the main areas of focus in the macroeconomic scenario is the rate of price increases, which are the highest they've been in advanced countries in decades. Inflation has weighed heavily on the economic outlook, leading to higher production costs for companies, lower real income for households, and forcing central banks to tighten monetary policies.

Another challenge for the European and global economy was the tension in the energy market: from the beginning of 2019 to late November 2022, oil and natural gas prices increased by 54% and 392% respectively, despite recent declines.

All these factors negatively affected the growth of the global economy, which is expected to be 1.3% in 2023 (compared to an average growth of 2.7% over the last 10 years, and 3.1% in 2022).

In the car market, 2022 closed with a 7% drop in registrations at European level compared to 2021, and volumes more than 28% lower than pre-pandemic. It should be noted, however, that in the second half of the year, the market recovered, which meant that losses were contained for the year as a whole. The reversal of the trend from previous months began in August and lasted until December, when volumes were up 14.8% compared to the same month in 2021.

In H2, it was Germany and Italy in particular that recorded the strongest recoveries compared to the previous year according to ACEA.

Outlook for 2023

In 2022 Leasys succeeded to establish itself as the leader of the long-term rental market in Italy, with a market share of 20%, confirming its position at the top of the NLT operator rankings for the fourth year in a row[3].

A positive performance by Leasys, which strengthens the company's leadership in a complex year for the automotive sector. Thanks to its ability to react quickly to a changing and uncertain environment, Leasys has been able to lead the market and pave the way for further growth, which will materialise in the first half of next year.

In, 2023 we will see the birth of a new pan-European rental company thanks to the merger of Leasys with Free2Move Lease, as a result of the agreement signed by Crédit Agricole Consumer Finance and Stellantis. A transformation that aims to further develop the company's international positioning, with a target of one million vehicles by 2026 and the goal of becoming the European leader in mobility.

The new rental company will harness the experience of the two brands Leasys and Free2Move Lease to target customers looking for wide-ranging, flexible and accessible products.

3. Ranking drawn up by Dataforce based on data provided by the Ministry of Infrastructure and Sustainable Mobility and ACI/PRA.

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 are essentially related to the economic, regulatory and market environment and that 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 national 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 cyclicality. 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 semi-conductors) can affect both outlook and financial results.

The geo-political context, marked first and foremost by the Russia-Ukraine conflict, has significantly impacted the economic cycle of the past year and, as there is no sign of a hostilities ending any time soon, will continue to affect 2023 with modest GDP growth rates and inflation rates remaining high. Moreover, Covid-19 though under control in terms of the spread and severe effects, remains an element of uncertainty that adds to an unfavourable geo-political picture.

The FCA Bank Group complies with 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 normal course of our business. Our provisioning policies for 'provisions for risks and liabilities' – together with our close monitoring of ongoing proceedings – ensure we can promptly consider any possible effects on our financial statements.

Management and coordination activities

Through 21 December 2022, Leasys S.p.A. adhered to the strategic and operating guidelines provided by the parent company FCA Bank S.p.A., which exercised management and coordination activities pursuant to Article 2497-bis of the Italian Civil Code.
On 21 December 2022, FCA Bank S.p.A. transferred the investment held in Leasys S.p.A. (representing 100% of the share capital) to LeaseCo Société par actions simplifiée, a company incorporated under French law on 29 July 2022 with its registered office in Poissy, 2-10 Boulevard de l'Europe (France).
As of that date, Leasys S.p.A. is no longer subject to the management and coordination of FCA Bank S.p.A.
Note also that, as at 31 December 2022, Leasys S.p.A. is not subject to the management and coordination of LeaseCo S.a.s. as the latter is not yet operational.

Distributed dividends and reserves

During the year, no dividends were paid to shareholders.

Events subsequent to the reporting date

No events occurred after the reporting date that would require an adjustment to the results presented in the Financial Statements at 31 December 2022. The company is closely monitoring the development of potential issues and economic repercussions related to the conflict between Russia and Ukraine. Based on the evidence and information available and the analyses performed, there is no exposure to entities traceable to Russia, Ukraine and Belarus, there are no direct impacts deriving from the Russia-Ukraine conflict or the respective geo-political situation, and all information available on possible indirect impacts has been reflected in the financial statements and made available to you.

Significant events and strategic operations

Covid-19 and the russia-ukraine conflict – potential impacts

After 2020, a year when Covid-19 severely affected global economic performance, world economies in 2021 and H1 2022 proved less sensitive to the trends of the pandemic, particularly following high vaccination rates in many countries. In the latter part of the year, with the end of China's 'zero-covid policy', the pandemic began to develop once again in China and other countries Asian countries. Although future developments are still uncertain, the spread and most serious effects of the disease now seem to be under control.
The Russia-Ukraine conflict continues to pose a risk to the business cycle. Events have confirmed the assessments by leading analysts, that the conflict would be long-lasting with the risk of spreading. Oil and gas prices fell in the latter part of the year, the former mainly due to reduced demand, and the latter due to milder weather and accumulated stock. Nonetheless, base scenarios place 2023 as a transitional year, with small GDP growth and still high inflation rates, albeit lower than in 2022.

FCA Bank group corporate structure changes

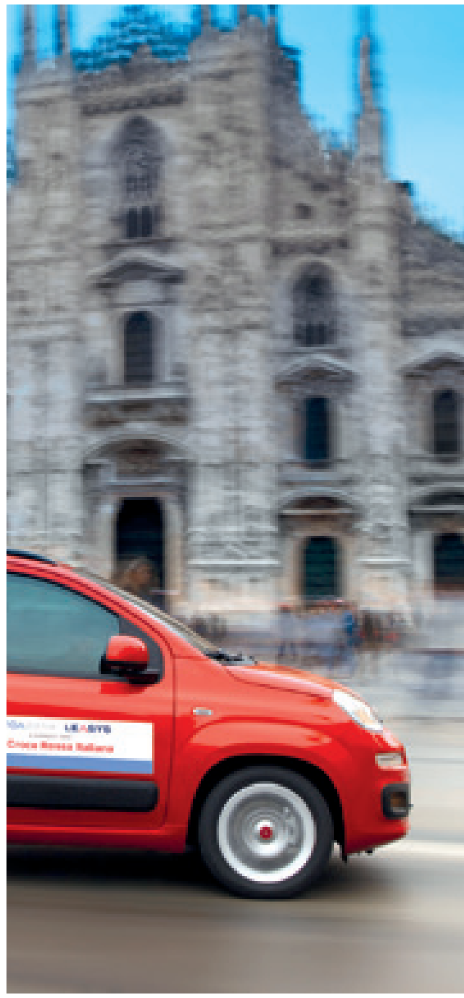
The year 2022 was characterised by a major reorganisation of the rental business, which developed along two axes: the creation of the Drivalia Group and the sale of the Leasys Group.
With regard to Drivalia, the short-term rental companies (operating in seven countries under the company name Drivalia) were transferred from Leasys S.p.A. to FCA Bank S.p.A. and Drivalia S.p.A. in H1 2022.

Leasys Group

In accordance with shareholders' agreements (see also the section on "Stellantis N.V. and corporate evolution"), the Leasys group was sold by FCA Bank to LeaseCo, a French multi-brand operating leasing company, in which Stellantis and CACF each hold a 50% stake, resulting from the merger of activities of Leasys and F2ML. The sale took place on 21 December 2022.

Stellantis N.V. and corporate evolution

The sale of the Leasys Group on 21 December 2022 is the first step in the evolution of FCA Bank's corporate structure and is part of a broader process of transformation involving Stellantis.
On 17 December 2021, Stellantis N.V. had announced that it had entered into exclusive negotiations with BNP Paribas Personal Finance ("BNPP PF"), Crédit Agricole Consumer Finance ("CACF") and Santander Consumer Finance ("SCF") to enhance its current European-wide financing offering.
The industrial shareholder planned to set up a multi-brand operating leasing company in which Stellantis and CACF would each hold a 50% stake, resulting from the merger of activities of Leasys and F2ML, and to reorganise the financing activities through joint ventures set up with BNPP PF or SCF in each country to manage the financing activities for all Stellantis brands. As described above, the sale of Leasys is part of this process of creating the multi-brand operating leasing company.
The above agreements, signed on 1 April 2022, are expected to be completed at the beginning of Q2 2023, depending also on authorisation from the relevant authorities.



Divestments of the Leasys Group

During 2022, the Leasys Group divested the following companies:

- **Leasys Rent S.p.A. (Drivalia S.p.A)**
  On 29 April 2022, Leasys S.p.A. sold its shares representing the entire share capital of Leasys Rent S.p.A. to FCA Bank S.p.A.

- **Leasys Rent France S.A.S.**
  On 31 May 2022, Leasys S.p.A. sold its shares representing the entire share capital of Leasys Rent France S.A.S. to Drivalia S.p.A.

- **ER Capital Ltd.**
  On 31 May 2022, Leasys S.p.A. sold its shares representing the entire share capital of ER Capital Ltd to Drivalia S.p.A.

- **Leasys Rent España S.L.U.**
  On 31 May 2022, Leasys S.p.A. sold its shares representing the entire share capital of Leasys Rent España S.L.U. to Drivalia S.p.A.

- **Leasys Hellas SM S.A.**
  On 31 May 2022, Leasys S.p.A. sold its shares representing the entire share capital of Leasys Hellas SM S.A. to Drivalia S.p.A.

- **A Lease & Mobility A/S (Drivalia Lease Danmark A/S)**
  On 17 February 2022 Leasys S.p.A. established the company A Lease & Mobility A/S in Denmark by subscribing and paying up the entire share capital of €903 thousand.

On 11 November 2022, the company name of A Lease & Mobility A/S was changed to Drivalia Lease Danmark A/S.

On 1 December 2022, Drivalia Lease Danmark A/S acquired the entire business of the Danish subsidiary of Leasys S.p.A. from A Lease & Mobility, Filial af Leasys S.p.A.

On 5 December 2022, Leasys S.p.A. transferred the shares representing the entire share capital of Drivalia Lease Danmark A/S to Drivalia S.p.A.

Commercial policy

Despite the economic downturn, which has also affected the automotive sector, the Leasys Group's commercial activity has helped consolidate its leadership in the Italian market and continue its growth path at European level.

This result reflects the Group's commitment to developing an innovative and diversified offer of increasingly flexible and accessible rental solutions, in response to the growing need for flexibility from both corporate and private consumers.

Leasys has also confirmed its commitment to supporting sustainable mobility by offering dedicated products and services that put the customer at the centre of an ecosystem designed to promote hassle-free green mobility.

Staff management

LEASYS GROUP WORKFORCE 2022

589 resources

-331
resources compared to 2021

The Leasys Group offers mobility services and puts people first, whether employees or external customers.

One of its key objectives is to attract, retain and motivate highly qualified staff, as well as to reward those who uphold, believe in and promote the company's values through remuneration structures tied to long-term value creation.

At 31 December 2022, the Leasys Group's workforce totalled 589 resources (down 331 compared to 31 December 2021).

This decrease is mainly due to the sale of the following companies: Leasys Rent S.p.A. (with subsidiary Sadorent S.A.), Leasys Rent France S.A.S., ER Capital Ltd., Leasys Rent España S.L.U.., Leasys Hellas SM S.A., A Lease & Mobility A/S (Drivalia Lease Danmark A/S).

Quantitative spot data is calculated for the workforce as at 31 December 2022.

Financial policy

In 2022, the Treasury Department ensured the management of liquidity and financial risks based on the guidelines provided by the Central Treasury of FCA Bank Group, and in line with the risk management policies established by the Leasys S.p.A. Board of Directors.

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.

In 2022, the Treasury activity guaranteed 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 sudden increase in base rates during the year.

Rating

On 12 January 2022, after Leasys announced its future corporate developments in December 2021, which were then ratified in April, Fitch put it on 'positive rating watch'.
On 13 January 2023, after Leasys left the consolidation scope of FCA Bank and its own methodology criteria was applied, Fitch improved Leasys' rating by 1 notch from BBB+ to A- (with stable outlook).

Leasys' rating 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 31 December 2022 is as follows:

Description	% of total external funding sources	% of total balance sheet liabilities
Crédit Agricole Group	20%	15%
Third-party financial institutions	38%	28%
Factoring	3%	2%
Market (Green Bond)	23%	17%
Securitisation	16%	12%
Non-financial liabilities	-	26%
Total	**100%**	**100%**

In 2022, in addition to the drawdowns made (or renewed) under the Committed Facility made available by the Crédit Agricole Group, bank lines were taken out (or renewed) with third-party credit and financial institutions for over €900 million. In particular, 2022 saw the Group's début into the world of ABS: Indeed, Leasys structured an asset-backed financing operation based on long-term rental receivables – the first operation of its kind in the Italian market.

Rental fees are financed on a revolving basis, for 24 months, under an innovative ring-fenced securitisation structure, where the Italian special purpose vehicle, Leasys Asset Backed Italian Rental Securitisation One S.r.l. (Labirs 1) issued asset-backed securities to provide Leasys with limited-recourse financing. Senior securities (amounting to €860 million) were subscribed by two leading banks, while junior securities (amounting to €465 million) are held by Leasys.

The transaction was structured in line with the Simple, Transparent and Standardised Securitisations criteria (STS) set out in Regulation (EU) 2402/2017. In December, the Leasys Group also made its return to the capital market where, following a virtual roadshow where it met with major European investors, it successfully placed a €750 million transaction maturing in December 2024 with a fixed-rate coupon of 4.375%.

Financial risk management

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

It should be noted that the Group's risk management policies only allow the use of interest rate derivative transactions for hedging purposes.

Interest rate profiles are aligned 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 year led to a constant and substantial hedging of the risk in question, minimising the impact of the volatility of market interest rates.

In terms of exchange rate risk, the company's policy does include 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 through the use of Foreign Exchange Swaps (note that the Group's risk management policies only allow the use of foreign exchange transactions for hedging purposes).

Risk management on residual values

Residual value means the value of the vehicle when the relevant rental contract ends. For long-term rentals, the risk on the residual values of the leased vehicles is generally borne by the lessor company, unless specifically agreed with third parties, based on the difference between the vehicle's market value at the end of the rental period and the book value of the asset itself.

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

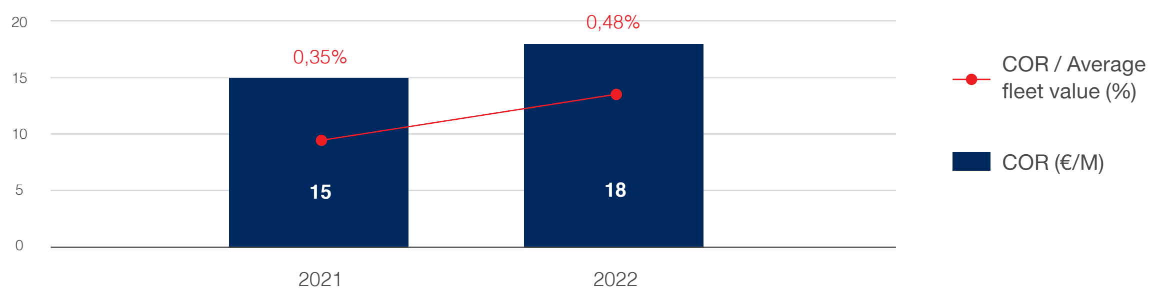
Leasys and its subsidiaries have long established and adopted Group-wide guidelines for determining and monitoring residual values over time.
The model used to calculate Residual Values Provisions is updated quarterly to ensure the most appropriate assessment of the hedges. There are no particular critical issues concerning the risk on the vehicle fleet's residual values.

Credit risk management

Leasys' cost of risk performance is the result of factors such as:

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

This enables to keep impaired loans and customers/contracts showing an increase in risk at very low levels. The cost of risk continued to perform well in 2022 (at 0.48%), essentially in line with budget forecasts.



During the year, several actions were taken in different areas in order to contain the cost of risk and improve portfolio quality.

In particular, the Italian company undertook the following key activities in terms of portfolio and vehicles in the fleet (representing around 70% of the group):

- Modernisation of the software platforms used for credit acceptance, collection and reporting to ensure a higher level of data integration. At the same time, the strategies and rules applied to the processes were reviewed with a view to increased efficiency.
- Inclusion of credit mitigants dedicated to new Leasys customers in the newly established company segment with the aim of increasing volumes and acceptance rates, while preserving credit risk;
- Development of rules as part of the strategy to identify cases with a lower risk profile in outcomes in order to facilitate a possible exemption process based on in-depth analysis;
- Fine-tuning of the recovery processes on an ongoing basis to boost efficiency and ensure timely actions.

In the other foreign companies of the Leasys Group, 2022 saw ICT actions implemented to develop and/or strengthen automatic decision-making processes, and improve response times for credit assessments.

As a result of the numerous actions listed above, and despite strong growth in the portfolio, the Leasys Group's receivables over 90 days past due proved very low (1.05%), lower than budget expectations and down on the previous year.

Risk management and internal control

The Company has adopted an internal control system (ICS) to detect, measure and verify on a continuous basis the risks related to the performance of its activities. The ICS involves Corporate Bodies, control functions and committees, the Supervisory Board, the Independent Auditors, top management and all the staff.

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

- verifying the implementation of the Company's strategies and policies;
- containing risk within the limits indicated in the framework for determining risk appetite (Risk Strategy);
- safeguarding the value of assets and protecting against losses;
- ensuring effective and efficient business processes;
- ensuring reliability and security of company information and IT procedures;
- preventing the risk of the Company being involved - even involuntarily - in unlawful activities, particularly those tied to money laundering, usury and terrorism financing;
- ensuring operations comply with the law and with internal policies, regulations and procedures.

Control functions

To ensure sound and prudent management, the Company combines the profitability of the business with a conscious assumption of risk and fair operating conduct.

The Group's internal controls are centrally overseen by the Internal Audit, Risk & Permanent Control and Compliance functions. These functions (which are independent from an organisational point of view) operate by maintaining a constant link with the corresponding functions of FCA Bank S.p.A. In particular, Compliance and Risk & Permanent Control report to the Chief Executive Officer, and the Internal Audit function reports directly to the Board of Directors. At operational level, three there are types of control:

- level 1 controls – to ensure proper conduct of day-to-day operations and individual transactions, carried out by operational structures or incorporated into IT procedures;
- level 2 controls – to help establish risk measurement methods and that operations are consistent with risk objectives. These are entrusted to structures other than operational functions, in particular the Risk & Permanent Control and Compliance functions;
- level 3 controls – carried out by the Internal Audit function, to identify anomalous trends, violations of procedures and regulations, and to assess the overall functioning of the internal control system.

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 drawing up the audit plan based on a periodic risk assessment and coordinating audit missions. He/she periodically reports on the results and progress of the audit plan to the Board of Directors, Internal Control Committee and Board of Statutory Auditors.

The internal audit process involves an annual mapping of risks, at individual company level, using a common method issued by the parent company.
For subsidiaries that do not have a local internal audit function, risk mapping is centralised. The results of internal audit activities on individual companies are monitored via a reporting system, regarding:

- the progress of the audit plan, with an explanation of any discrepancies;
- the status of implementation of the recommendations issued.

The Board of Directors is periodically informed about the results of the audits, the action plans undertaken, the progress of the plan and the extent of implementation of the recommendations issued by the individual companies.

Risk and permanent control

The mission of this function is to manage the control and risk prevention system. The Risk & Permanent Control structure consists of people working on permanent controls who are not involved in business activities. Level 2 controls performed by the Risk & Permanent Control function relate to all risks specific to the management of the Company's daily business, the mapping of which is highlighted within the Risk Strategy.

The Company updates its Risk Strategy on an annual basis to outline the risk profile it is willing to bear in order to pursue its strategic objectives.

It is updated with the approval of the Board of Directors, and monitored by the Board on an ongoing basis. Developing the Risk Strategy as a reference framework for determining risk propensity (which sets the risk-return objectives the Company intends to achieve ex ante) also helps to disseminate the risk culture more broadly within the Company.

The Risk & Permanent Control (R&PC) function liaises with the relevant contacts at FCA Bank S.p.A. as well as its contacts at foreign Legal Entities and Branches.

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

Compliance

The objective of the Compliance Function is to monitor Compliance and Anti-money Laundering risks and to manage relations with the Supervisory Authorities. The Compliance Function reports directly to the Company's Chief Executive Officer.

To assess the adequacy of internal procedures with respect to the objective of preventing the violation of any laws, regulations and self-regulatory rules, the Function:

- identifies – in cooperation with the company bodies concerned and with Legal Affairs in particular – the rules applicable to the company, and assesses their impact on activities, processes and procedures;

- proposes procedural and organisational changes to ensure the risks of non-compliance are adequately addressed;
- prepares information flows to the corporate bodies and other corporate control functions;
- verifies the effectiveness of the procedural and organisational adjustments suggested to prevent the risk of non-compliance;
- coordinates the activities of the Supervisory Board, updating the Organisation, Management and Control Model pursuant to Legislative Decree 231/01;
- helps to identify training needs and participates in staff training activities to disseminate a corporate culture based on the principles of honesty, fairness and respect for rules.

The Function is involved in the ex-ante regulatory compliance assessment of all innovative projects, including the operation of new products or services.

For Anti-money Laundering and Anti-terrorism controls, the Function verifies that company procedures are consistent with the objective of preventing and tackling the violation of any external regulatory standards (laws and regulations) and self-regulatory rules on money laundering and financing of terrorism.

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

Bodies involved in overseeing the system of internal controls

To supplement and complete the ICS, the Company has set up 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 the findings of the audit;
- provide information about the progress of the action plans;
- present the Audit Plan and its progress;
- analyse any issues arising from assessments of the internal control system.

Moreover, the Committee incorporates the functions of the Anti-Fraud Committee with the aim of monitoring fraud events, the effectiveness of fraud prevention mechanisms, and the adequacy of control systems relating to fraud detection.

The ICC meets quarterly. The Chief Executive Officer completes the internal control system, as the senior person responsible for implementing the necessary operational and adjustment measures (in the event of shortcomings or anomalies emerging) in order to have a complete and integrated overview of the results of the controls carried out.

Supervisory body

With regard to the function of preventing administrative liability pursuant to Legislative Decree No. 231/01, a Supervisory Body was set up for Leasys S.p.A. with the task of overseeing the correct application of the "Organisation, Management and Control 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 Board of Statutory Auditors;
- carries out periodic checks on the Model's actual ability to prevent offences, normally with the help of the Compliance Department, the Internal Audit Department, the Risk & Permanent Control Department, as well as with support from other internal departments as and when they are needed.

The Company's Supervisory Board is made up of the head of the Compliance department and head of the Internal Audit department of FCA Bank, as well as an external professional to serve as Chair who has experience in legal and criminal matters.

Board of statutory auditors

The Board of Statutory Auditors consists of three regular members and two alternates, appointed for a period of three financial years.

The Board of Statutory Auditors is entrusted with the duties set out in Article 2403(1) of the Italian Civil Code.

The Board of Statutory Auditors currently in office was appointed on 29/03/2022 and its term of office will expire with the Shareholders' Meeting to approve the Financial Statements at 31/12/2024.

Turin, 23 February 2023

for the Board of Directors
Chief Executive Officer
Rolando D'Arco

Consolidated financial statements

DECEMBER 31ST, 2022

Consolidated balance sheet
Assets

Assets items	Note	Total 31/12/2022	Total 31/12/2021
Vehicles	1	4,859,709	4,072,217
Other tangible assets	2	2,518	6,248
Rights of use	3	32,795	34,928
Goodwill	4	81,212	113,194
Other intangible assets	5	30,083	29,951
Equity investments	6	0	18
Derivative financial instruments	9	42,147	5,284
Pre-paid tax assets	8	54,281	88,401
TOTAL NON-CURRENT ASSETS		**5,102,746**	**4,350,240**
Inventories	10	87,569	51,205
Receivables from customers	11	816,995	890,749
Other current receivables and assets	12	816,889	603,049
Cash and cash equivalents	13	314,985	682,798
Derivative financial instruments	9	145,128	22
Tax receivables	15	7,550	4,909
Total current assets		**2,189,116**	**2,232,733**
Total assets		**7,291,862**	**6,582,973**

In thousands of EUR

Consolidated balance sheet
Liabilities and Shareholders' Equity

Liabilities items and Shareholders' Equity	Note	Total 31/12/2022	Total 31/12/2021
Share capital		77,979	77,979
Profit (loss) brought forward		314,431	191,341
Other reserves - other		109,116	(4,755)
Profit for the year		146,801	123,090
Total Shareholders' Equity		**648,328**	**387,656**
Financial payables (non-current)	17	1,168,538	1,471,182
Bonds issued	17.4	2,109,484	498,198
Leasing liabilities (non-current)	17.2	25,704	30,727
Derivative financial instruments	9	1,419	3,924
Employee benefits	18	3,976	7,160
Provisions for risks and liabilities	19	14,114	12,370
Deferred tax liabilities	8	89,415	53,229
Total non-current liabilities		**3,412,650**	**2,076,790**
Financial payables (current)	17	2,154,740	3,337,118
Leasing liabilities (current)	17.2	7,585	4,561
Trade payables	20	881,453	606,515
Derivative financial instruments	9	29,093	643
Other current liabilities	21	140,524	157,537
Tax payables	22	17,489	12,153
Total current liabilities		**3,230,884**	**4,118,527**
Total Shareholders' Equity and liabilities		**7,291,862**	**6,582,973**

In thousands of EUR

Consolidated Income Statement

Items	Note	31/12/2022	31/12/2021
Income from leases		965,503	834,398
Write-downs from leases		(748,703)	(606,871)
Costs from leases - loans		(41,658)	(11,850)
Margin from leases	**1**	**175,142**	**215,676**
Revenues from services		582,596	484,384
Costs for services		(544,215)	(465,210)
Margin on services	**2**	**38,382**	**19,174**
Income from car sales		139,210	94,905
Costs of cars sold		(38,943)	(56,229)
Margin on cars sold	**3**	**100,267**	**38,676**
Gross operating margin		**313,791**	**273,526**
Payroll costs	4	(61,753)	(64,153)
Other operating expenses	5	(17,912)	(19,500)
Depreciation and amortisation	6	(11,546)	(14,321)
Total operating expenses		**(91,211)**	**(97,974)**
Credit losses	7	(18,285)	(14,702)
Non-recurring income (expenses)		(34)	50
Operating profit		**204,261**	**160,901**
Profit before tax		**204,261**	**160,901**
Income tax	8	(57,460)	(37,811)
Profit for the year		**146,801**	**123,090**

in thousands of EUR

Consolidated Statement of Comprehensive Uncome

Amounts	31/12/2022	31/12/2021
Profit (loss) for the year	**146,801,184**	**123,089,521**
Other income components net of tax without reclassification to the income statement	**1,867,740**	**402,266**
Defined benefit plans	1,867,740	402,266
Other income components net of tax with reclassification to the income statement	**112,003,107**	**13,629,226**
Exchange rate differences	(4,400,072)	3,893,762
Cash flow hedging	116,403,179	9,735,464
Total other income components net of tax	**113,870,847**	**14,031,492**
Overall income	**260,672,031**	**137,121,013**

in thousands of EUR

Statement of Changes in Consolidated Shareholders’ Equity at 31/12/2022

				Allocation of previous year’s result		Changes in the year									
							Shareholders’ Equity transactions								
	Balance at 31/12/2021	Change in opening balances	Balance at 01/01/2022	Reserves	Dividends and other uses	Change in reserves	Issue of new shares	Acquisition of treasury shares	Interim dividends	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for 2022	Shareholders’ Equity 31/12/2022
Capital:															
a) Ordinary shares	77.979.400		77.979.400												77.979.400
b) other shares	0		0												0
Share premiums	0		0												0
Reserves:			0												0
a) of earnings	191.341.329		191.341.329	123.089.521											314.430.850
b) other	0		0												0
Valuation reserves	-4.754.610		-4.754.610											113.870.847	109.116.237
Equity instruments	0		0												0
Interim dividends	0		0												0
Treasury shares	0		0												0
Profit (loss) for the year	123.089.521		123.089.521	-123.089.521										146.801.184	146.801.184
Shareholders’ Equity	**387.655.640**		**387.655.640**												**648.327.671**

Amounts in EUR

Statement of Changes in Consolidated Shareholders’ Equity at 31/12/2021

	Balance at 31/12/2020	Change in opening balances	Balance at 01/01/2021	Allocation of previous year's result: Reserves	Allocation of previous year's result: dividends and other uses	Changes in the year: Change in reserves	Shareholders' Equity transactions: Issue of new shares	Acquisition of treasury shares	Interim dividends	Distribution of extraordinary dividends	Change in equity instruments	Derivatives on treasury shares	Stock options	Comprehensive income for 2021	Shareholders' Equity 31/12/2021
Capital:															
a) Ordinary shares	77.979.400		77.979.400												77.979.400
b) other shares			0												0
Share premiums			0												0
Reserves:			0												0
a) of earnings	104.218.906		104.218.906	87.122.423											191.341.329
b) other			0												0
Valuation reserves	-18.786.102		-18.786.102											14.031.492	-4.754.610
Equity instruments			0												0
Interim dividends			0												0
Treasury shares			0												0
Profit (loss) for the year	87.122.423		87.122.423	-87.122.423										123.089.521	123.089.521
Shareholders’ Equity	**250.534.628**	**0**	**250.534.628**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**137.121.014**	**387.655.640**

Amounts in EUR

Consolidated Cash Flow Statement (Indirect method)

Items	Total 31/12/2022	Total 31/12/2021
Profit (loss) for the year	**146,801**	**123,090**
Adjustments to reconcile net income to cash flow from operating activities:	**872,180**	**653,847**
Depreciation of tangible and intangible assets and rights to use leased assets	760,250	621,192
Net impairment/(reversal) of trade and other receivables	18,285	14,702
Net change in deferred tax assets (liabilities)	36,186	-19,857
Income tax	57,460	37,811
Change in working capital:	**-46,251**	**-310,838**
Inventories	**-36,364**	**-25,058**
Receivables from customers	**55,469**	**-73,185**
Trade payables	274,938	45,802
Provisions for risks and liabilities	1,744	-5,563
Other assets and liabilities	-342,038	-252,835
Cash flow generated (absorbed) by operating activities (a)	**972,730**	**466,099**
Investments:		
Intangible assets, tangible assets and rights to use leased assets	-1,510,029	-1,379,304
Equity investments	17	0
Financial receivables and other financial assets	34,120	38,253
Cash flow generated (absorbed) by investment activities (b)	**-1,475,892**	**-1,341,051**
Change in current financial liabilities and other	-1,191,032	1,546,044
Change in non-current financial liabilities	1,300,437	-112,187
Change in Hedging and non-hedging derivatives receivable/payable	25,944	-8,271
Cash flow generated (absorbed) by financing activities (c)	**135,349**	**1,425,586**
Total cash flow (e = a+b+c+d)	**-367,813**	**550,634**
Net cash and cash equivalents at the start of the year (f)	**682,798**	**132,164**
Net cash and cash equivalents at the end of the year (h = e+f+g)	**314,985**	**682,798**

in thousands of EUR

Consolidated Explanatory Notes

DECEMBER 31ST, 2022

LEASYS

PART A - ACCOUNTING POLICIES

A.1 General part

SECTION 1

Statement of compliance with international accounting standards

These Consolidated Financial Statements at 31 December 2022 have been drawn up in accordance with the IAS/IFRS International Accounting Standards approved by the European Commission pursuant to European Union Regulation No. 1606 of 19 July 2002 and implemented in Italy by Legislative Decree 38 of 28 February 2005, supplemented by the relevant interpretations – Standing Interpretations Committee (SIC) and International Financial Reporting Interpretations Committee (IFRIC) – issued by the International Accounting Standard Board (IASB) in place at year-end.

SECTION 2

General drafting principles

The Consolidated Financial Statements consist of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Cash Flow Statement, and Notes to the Financial Statements, and are accompanied by a directors' report on the Group's performance.

The general criteria adopted when drawing up these Financial Statements was the historical cost method, except for the financial statement items which – in accordance with the IAS-IFRS – must be recognised at fair value as indicated in the measurement of the individual items.

All amounts are shown in thousands of EUR unless otherwise indicated.

In addition to the amounts for the reporting period, the Financial Statements and Notes also present the corresponding comparative figures as at 31 December 2021.

The Leasys Group's Consolidated Financial Statements have been drawn up in accordance with the general principles established by IAS 1. Specifically:

- **Balance Sheet and Income Statement.**

Out of the various options permitted by IAS 1, the Company has chosen to present the balance sheet items by distinguishing between current/non-current, and to present the income statement by classifying costs by nature.

When drafting the financial statements, some specific items (typical of rental companies) have been included for a better understanding of the business and its results.

Current/non-current classification

Assets and liabilities in the Company's financial statements are classified on a current/non-current basis.

An asset is current when it:

- is assumed to be realised, or is held for sale or consumption, in the ordinary course of business;
- is held primarily for the purpose of trading;
- is expected to be realised within 12 months after the end of the reporting period; or
- is made up of cash or cash equivalents unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period.

All other assets are classified as non-current.
A liability is current when it:

- is expected to expire in its normal operating cycle;
- is held primarily for the purpose of trading;
- must be extinguished within 12 months of the end of the reporting period;
- the entity does not have an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

This classification is not affected by contractual terms of the liability that could, at the counterparty's discretion, result in the liability being settled through the issuance of equity instruments. The Company classifies all other liabilities as non-current.

Prepaid and deferred tax assets/liabilities are classified as non-current assets/liabilities.

Consolidated Statement of Comprehensive Income.

The Statement of Comprehensive Income shows, in addition to profit for the year, the other income components divided into those "without reclassification" and those "with reclassification to the Income Statement".

Statement of Changes in Consolidated Shareholders' Equity.

The statement of changes in shareholders' equity shows the breakdown of and changes in shareholders' equity for the reporting period and the previous year.

Consolidated Cash Flow Statement.

The Cash Flow Statement has been drafted based on the indirect method.

Principle of going concern, competence and consistency in the drafting of the Financial Statements.

With regard to the going concern principle used when drawing up the Financial Statements, it is believed that the Group will continue to operate in the foreseeable future. Accordingly, the Consolidated Financial Statements for the year ended 31 December 2022 have been drawn up on an accrual basis as a going concern.

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

Fair value measurement

The Group measures financial instruments such as derivatives, and non-financial assets such as property investment, 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 unobservable inputs.

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 property investments and 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 real estate, 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 real estate and 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 year.

▸ Accounting of securitisation transactions.

In securitisation transactions, Leasys underwrites junior securities. As a result of these transactions, the Company recognises the assigned receivables portfolio under assets, since the conditions for derecognition were not met pursuant to IFRS 9.

▸ • Risks and uncertainties associated with the use of estimates.

IAs per the IFRS, management is required to make valuations, 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 book value of certain key items entered in the Consolidated Financial Statements at 31 December 2022, 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 case, the changes are entered 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 enter and disclose them in the Financial Statements; in particular, using measurement models to record the fair value of financial instruments not listed in active markets;

- quantifying provisions for personnel and provisions for risks and liabilities;
- the recoverability of deferred tax assets and goodwill.

SECTION 3

Scope of Consolidation

The scope of consolidation at 31 December 2022 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 what the entity's objectives are, the activities determining its returns and how these activities are governed;
- the power 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 (***)	SHAREHOLDING %
Leasys S.p.A	Turin - Italy	Rome - Italy	1	LeaseCo S.a.s	100
Leasys S.p.A Sucursal en España	Turin - Italy	Madrid - Spain	1		100
Leasys S.p.A Branch Germany	Turin - Italy	Rüsselsheim - Germany	1		100
Leasys S.p.A Branch Belgium	Turin - Italy	Brussels - Belgium	1		100
ALease&Mobility Branch Danish	Glostrup - Denmark		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

Moreover, the special purpose vehicle is included in the scope of consolidation in relation to securitisation transactions, details of which are provided below

COMPANY NAME	REGISTERED OFFICE
LABIRS ONE S.r.l	Conegliano Veneto - Italy

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

Consolidation Method

When drafting the Consolidated Financial Statements, the financial statements of the parent company and its subsidiaries (drawn up in accordance with homogeneous IAS/IFRS accounting standards) are included “line by line” by adding together the corresponding values of assets, liabilities, shareholders’ equity, revenues and expenses for each item.

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 date.

For foreign companies which draw up their financial statements in a currency other than the euro, assets and liabilities are converted at the reporting date exchange rate, while revenues and expenses are converted at the average exchange rate for the period.

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

Exchange differences on the assets of consolidated subsidiaries are recognised as reserves in the Consolidated Financial Statements and are only reversed to the Income Statement in the year when the loss of control occurs. The exchange rates used to convert the financial statements at 31 December 2022 are as follows:

	Spot 31/12/2022	Average 31/12/2022	Spot 31/12/2021	Average 31/12/2021
Polish Zloty (PLN)	4.690	4.687	4.597	4.565
Danish Krone (DKK)	7.437	7.440	7.436	7.437
British Pound Sterling (GBP)	0.887	0.853	0.840	0.860

Other information

The following have been used to prepare the Consolidated Financial Statements:

- the draft financial statements at 31 December 2022 of the parent company Leasys S.p.A.;
- the accounting results at 31 December 2022 (approved by the competent bodies and functions) of the other companies, consolidated line-by-line, are adjusted to take account of consolidation requirements and, where necessary, to bring them in line with Group accounting standards.

SECTION 4

Events subsequent to the reporting date

No events occurred after the reporting date that would require an adjustment to the results presented in the Consolidated Financial Statements at 31 December 2022.

SECTION 5

Other aspects

The Consolidated Financial Statements and the Financial Statements of the parent company have been audited by PricewaterhouseCoopers S.p.A. in accordance with Legislative Decree No. 39 of 27 January 2010.

INTERNATIONAL ACCOUNTING STANDARDS APPROVED BY THE EUROPEAN UNION, EFFECTIVE FROM 1 JANUARY 2022

As required by IAS 8, the table below sets out the new international accounting standards and amendments to standards already in force, which have become mandatory as of FY 2022.

Amendments to: IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; Annual Improvements 2018-2020.

On 14 May 2020, the IASB published amendments to IFRSs.

- The amendments to IFRS 3 Business Combinations updated the reference in IFRS 3 to the revised version of the Conceptual Framework, without resulting in any changes to the requirements of the standard;
- the amendments to IAS 16 Property, Plant and Equipment do not allow the amount received from the sale of goods produced before the asset was ready for use to be deducted from the cost of the asset. These sales revenues and related costs will be recognised in the income statement;
- the amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets clarify which cost items should be considered when assessing whether an agreement will be at a loss;
- the annual improvements make minor changes to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture, and to the Illustrative Examples accompanying IFRS 16 Leases.

All amendments will come into force on 1 January 2022.

The adoption of these standards had no impact on the Group's consolidated financial statements.

ACCOUNTING STANDARDS, IFRS AND IFRIC AMENDMENTS AND INTERPRETATIONS APPROVED BY THE EUROPEAN UNION, WHICH ARE NOT YET REQUIRED TO BE APPLIED, AND WHICH, AT 31 DECEMBER 2022, HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

IFRS 17 – Insurance Contracts, including the amendments to IFRS 17.

On 18 May 2017, the IASB issued the new International Accounting Standard on insurance contracts with effect from 1 January 2021.

The new international accounting standard for accounting insurance contracts (formerly known as IFRS 4) serves to improve investors' understanding of insurers' risk exposure, income and financial position. The IASB has finalised the final text, ending a long consultation phase.

IFRS 17 is a complex standard that will include some key differences from current accounting in both the measurement of liabilities and recognition of profits.

IFRS 17 applies to all insurance contracts. The accounting model of reference ("General Model") is based on discounting expected cash flows, "risk adjustment" and a "Contractual Service Margin" (CSM), which cannot be negative and which represents the present value of up-front profits, released by way of depreciation.

On 25 June 2020, the IASB issued amendments to IFRS 17 Insurance Contracts to help companies implement the Standard and make it easier for them to explain their financial performance. The fundamental principles introduced when the Board first published IFRS 17 in May 2017 remain unchanged. The changes, which respond to stakeholder feedback, are designed to:

- reduce costs by simplifying certain requirements of the Standard;
- make financial performance easier to explain;
- facilitate the transition by postponing the effective date of the Standard to 2023 and reducing the burden of applying IFRS 17 for the first time.

The Regulation allows companies to make agreements characterised by intergenerational mutualisation and adequate cash flows, exempt from the requirement of grouping into annual cohorts in line with IFRS 17.

Companies must apply the provisions as of 1 January 2023.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure on Accounting Policies.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure on Accounting Policies.

On 12 February 2021, the IASB issued narrow scope amendments to the IFRS Standards.

The Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) amends IAS 1 as follows:

- an entity is now required to disclose information about relevant accounting standards instead of significant accounting standards;
- several paragraphs have been added to explain how an entity can identify material information about accounting standards and to provide examples of when information about accounting standards is likely to be material;
- the amendments clarify that disclosures about accounting standards may be material because of their nature, even if the amounts involved are immaterial;
- the amendments clarify that disclosures about accounting standards are relevant if users of an entity's financial statements would require them to understand other significant information in the financial statements;
- and the amendments clarify that if an entity discloses immaterial information about accounting standards, said information must not conceal material information about the accounting standards.

In addition, IFRS Practice Statement 2 was amended by adding guidance and examples to explain and demonstrate how to apply the 'four-step materiality process' to accounting policy disclosures in order to support the amendments to IAS 1.

Changes are applied prospectively. The amendments to IAS 1 are effective for annual periods beginning on or after 1 January 2023. Early application is permitted.

Once an entity has applied the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement 2.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.

On 12 February 2021, the IASB issued amendments to IAS 8.

The amendments clarify how companies should distinguish between changes in accounting standards and changes in accounting estimates. This distinction is important because changes in accounting estimates are only applied prospectively to future transactions and other future events, whereas changes in accounting standards are generally also applied retrospectively to past transactions and other past events.

Companies sometimes have difficulty distinguishing between accounting standards and accounting estimates. Therefore, the Interpretations Committee received a request to clarify this distinction. The Interpretations Committee noted that it would be helpful if more clarity were provided and brought to the attention of the IASB for future consideration.

The amendments are effective for financial years beginning on or after 1 January 2023. Early application of changes is permitted.

Amendments to IAS 12 Income Taxes: Tax related to Assets and Liabilities arising from a Single Transaction.

Lo IASB ha pubblicato le modifiche allo IAS 12 "Imposte differite relative ad The IASB published amendments to IAS 12 "Tax related to Assets and Liabilities arising from a Single Transaction" to clarify how companies account for deferred taxes on transactions such as leases and decommissioning obligations in view of achieving more standardised statements.

Under certain circumstances, companies are exempt from recognising deferred taxes when posting assets or liabilities for the first time. Previously, there had been some uncertainty as to whether or not the exemption applied to transactions such as leases and decommissioning obligations, for which companies may recognise both an asset and a liability.

The amendments clarify that the exemption does not apply to such transactions and that companies are required to recognise deferred taxes. The objective of these amendments is to reduce the diversity in the recognition of deferred taxes on leases and decommissioning obligations.

The amendments are effective for financial years beginning on or after 1 January 2023. Early application is permitted

Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information.

The International Accounting Standards Board (IASB) has issued a narrowly focused amendment to the transition requirements in IFRS 17 Insurance Contracts, providing insurers with the option to make the information more useful for investors when applying the new Standard for the first time.

The amendment only relates to the transition of insurers to the new Standard and does not affect any other requirements of IFRS 17.

IFRS 17 and IFRS 9 Financial Instruments have different transition requirements. For some insurers, these differences may cause temporary accounting mismatches between the financial assets and liabilities of insurance contracts in the comparative information presented in their financial statements when applying IFRS 17 and IFRS 9 for the first time.

The amendment to the transitional provisions of IFRS 17 allows companies to overcome one-off classification differences in comparative information from the previous year upon the first-time application of IFRS 17 and IFRS 9 Financial Instruments.

The amendment will help insurers avoid these temporary accounting mismatches and, in turn, make the comparative information more useful for investors. This is achieved by providing insurers with an option to present comparative information on financial assets.

IFRS 17, including this amendment, is effective for annual periods beginning on or after 1 January 2023.

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

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 statement of financial position, 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 the payables a company may settle by converting it 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.

Due to the Covid-19 pandemic, the IASB has proposed postponing the effective date, initially set for 1 January 2022, to 1 January 2023. Early application of changes is permitted

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 of leases unrelated to sale and leaseback transactions.

The amendment applies retrospectively for annual periods beginning on or after 1 January 2024. Early application is permitted.

SECTION 6

Summary of the main accounting standards

a) 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 year 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 profit and loss 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.

b) Equity investments in subsidiaries

Equity investments are recorded on the settlement date. When recognising equity interests, they are initially recognised at cost, including any directly attributable transaction costs or income. Subsidiaries are companies in which the parent company directly or indirectly owns more than half of the voting rights or when, even with a smaller proportion of voting rights, the parent company has the power to appoint the majority of the investee's directors or determine the investee's financial and operating policies in order to obtain benefits from its activities. Equity investments are measured at cost and adjusted for impairment if necessary.

If there is evidence that the value of an investment may have decreased, the recoverable amount of the investment is estimated, taking into account the value of the future cash flows that the investment may generate, including the investment's final disposal value. If the recoverable amount is lower than the carrying amount, the difference is recognised in profit and loss.

If the reasons for the impairment loss cease to apply as a result of an event occurring after the impairment was recognised, reversals of the impairment loss are recognised in profit and loss.

Investments are derecognised when the contractual rights to the cash flows from the assets expire or when the investment is disposed of, transferring the significant risks and rewards of ownership thereof.

A.2
Part relating to the main statement items

SUMMARY OF THE MAIN IAS/IFRS INTERNATIONAL ACCOUNTING STANDARDS 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, 'Property, 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 Company shall depreciate 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 buildings 15%

The carrying amount of an item of property, 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) is recognised in the income statement at the time when the item is derecognised.
The residual values, useful lives and depreciation methods of property, 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 statement of financial position – 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 profit and loss;
- separates the total amount of cash paid out 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 statement of financial position.

Activities for Right of Use

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 amortised 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 amortised 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 statement of financial position.

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 statement of financial position 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.

Goodwill

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

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.

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 year 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 each year closing at least.

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 depreciation, 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 year 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 Company 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 participates in securitisation programmes resulting from long-term driverless car leases as a borrower and underwriter of 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 are underwritten by investors; lower-ranking classes (junior), whose repayment is subordinate to that of senior securities, are underwritten by the Leasys company in the securitisation transaction.

Therefore, since the Company subscribed to 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 the 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

On the profit and loss side, the following are stated in the financial statements:

- the total charge for the year 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 statement of financial position) 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 up till that moment in the Shareholders' 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 LIABILITIES

Provisions for risks and liabilities 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 liabilities 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 less 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 Valuation 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

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

I ricavi provenienti da contratti con clienti sono riconosciuti quando sono percepiti ed è pertanto certo che saranno ricevuti i benefici futuri e tali benefici possono essere quantificabili in modo attendibile e sono rilevati quando il controllo dei beni o dei servizi è trasferito al cliente per un importo che riflette il corrispettivo al quale la Società si aspetta di avere diritto in cambio di tali beni o servizi.

I ricavi dei canoni di locazione sono rilevati in conformità con quanto previsto dall'IFRS 15 su base lineare per tutta la durata del noleggio.

Quando all'inizio del contratto di noleggio i clienti effettuano un pagamento iniziale (downpayment) i pagamenti sono rilevati nello stato patrimoniale e contabilizzati a conto economico in modo lineare per tutta la durata del contratto di noleggio.

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 Leasys 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.

In Leasys' financial statements, the brand contribution is recorded as deferred income.

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 year in which they are incurred

TAXES

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

Current taxes

Current tax assets and liabilities for the year 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 under either receivables or payables.

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 book value of some of the most key items in the Financial Statements at 31 December 2021, 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 case, the changes are entered in the income statement either in the period in which they occur or in subsequent periods. Set out below are the main assumptions which, at the reporting date, required subjective assessments by management:

- 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 allows for a grouping of credits according to their characteristics (e.g. geographical area, product, customer, etc.).
  - For each category, receivables are divided by seniority (receivables past due by less than 30 days, receivables past due by more than 30 days but less than 90 days, etc.), and a write-down percentage is applied for each seniority category.

- Determining the fair value of financial instruments to be used for financial statement reporting purposes; in particular, the use of measurement models for recognising the fair value of financial instruments;
- assessing the recoverability of goodwill and other intangible assets;
- quantifying provisions for personnel and provisions for risks and liabilities;
- estimates and assumptions about the recoverability of deferred tax assets.

Deferred tax assets are recognised to the extent where it is probable that future taxable profit will be available, against which the losses may be utilised. 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.

- Determination of the recoverable amount of Tangible Assets

Residual value means the value of the vehicle when the relevant rental contract ends. For long-term rentals, the risk on the residual values of the leased vehicles is generally borne by the lessor company, unless specifically agreed with third parties, based on the difference between the vehicle's market value at the end of the rental period and the book value of the asset itself.

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 Values Provisions is updated quarterly to ensure the most appropriate assessment of the hedges. There are no particular critical issues concerning the risk on the vehicle fleet's residual values.

PART B - INFORMATION ON THE CONSOLIDATED BALANCE SHEET

A breakdown of the main Balance Sheet items is provided below

Amounts are expressed in thousands of euros.

ASSETS - TANGIBLE ASSETS

1. VEHICLES

This item amounts to €4,859,709 thousand, up €787,492 thousand compared to the previous year due to the increase in fleet managed. A breakdown is provided below.

1.1 VEHICLES: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Owned vehicles	**1,733**	**5,991**	**(4,258)**
Gross amount	3,456	7,729	(4,273)
Accumulated depreciation	(1,724)	(1,738)	15
Rental vehicles	**4,218,959**	**3,705,242**	**513,717**
Gross amount	5,661,169	4,913,054	748,115
Accumulated depreciation	(1,442,209)	(1,207,812)	(234,398)
Vehicles in stock	**33,063**	**13,541**	**19,523**
Gross amount	52,662	22,228	30,435
Accumulated depreciation	(19,599)	(8,687)	(10,912)
Vehicles for hire	**605,953**	**347,443**	**258,510**
Gross amount	605,953	347,443	258,510
Total	**4,859,709**	**4,072,217**	**787,492**
Gross amount	**6,323,241**	**5,290,454**	**1,032,787**
Accumulated depreciation	**(1,463,532)**	**(1,218,237)**	**(245,295)**

The above item includes the following:

- Own cars, mainly company cars and vehicles assigned to company staff for €1,733 thousand (net of accumulated depreciation);
- Cars and commercial vehicles rented to third parties for a total of €4,218,959 thousand (net of accumulated depreciation);
- Goods in stock for €33,063 thousand and goods awaiting rental for €605,953 thousand. These assets identify vehicles awaiting contractual activation and delivery, and are not subject to depreciation until their delivery and activation.

1.2 VEHICLES: Annual change

Shown below are changes in stocks in 2022.

Items (in thousands of EUR)	Owned vehicles	Rental vehicles	Vehicles in stock	Vehicles for hire	Total
Net opening balances	**5,991**	**3,705,242**	**13,541**	**347,443**	**4,072,217**
Acquisitions	604	1,292,680	1,328	609,893	1,904,506
Other acquisitions	604	1,292,680	1,328	609,893	1,904,506
Divestments	(213)	(323,278)	(5,730)	(13,200)	(342,421)
Value recoveries	-	(31,841)	-	-	(31,841)
Depreciation	(848)	(642,090)	-	-	(642,938)
Exchange rate differences	(195)	(13,383)	-	(0)	(13,578)
Calculated exchange rate difference (-)	(195)	(13,383)	-	(0)	(13,578)
Other changes	(3,606)	231,628	23,924	(338,182)	(86,237)
Other changes (+)	166	340,491	26,892	477	368,026
Other changes (-)	(159)	(86,546)	(2,968)	(334,727)	(424,400)
Net closing inventories	**1,733**	**4,218,959**	**33,063**	**605,953**	**4,859,709**

Purchases for the year refer to new registrations in 2022, over 50% of which relate to hybrid and electric vehicles (up 10% compared to the previous year).
The decrease is mainly due to the sale of vehicles, which increased slightly compared to the previous year

2. TANGIBLE ASSETS

This item amounts to €2,518 thousand down €3,730 thousand from the previous year, mainly due to the sale of the Mobility and Rent companies. It is broken down as follows

2.1 OTHER TANGIBLE ASSETS: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Land and Buildings	**0**	**370**	**(370)**
Gross amount	0	1,922	(1,922)
Accumulated depreciation	0	(1,552)	1,552
Machinery and equipment	**1,044**	**4,134**	**(3,090)**
Gross amount	2,118	7,430	(5,312)
Accumulated depreciation	(1,074)	(3,297)	2,223
Industrial and commercial equipment	**196**	**232**	**(36)**
Gross amount	366	443	(77)
Accumulated depreciation	(170)	(211)	41
Other tangible fixed assets	**1,278**	**1,512**	**(234)**
Gross amount	2,452	2,437	16
Accumulated depreciation	(1,175)	(925)	(250)
Total	**2,518**	**6,248**	**(3,730)**
Gross amount	**4,937**	**12,232**	**(7,296)**
Accumulated depreciation	**(2,419)**	**(5,985)**	**3,566**

2.1 OTHER TANGIBLE ASSETS: Annual change

Shown below are changes in stocks in 2022.

Items (in thousands of EUR)	Land and Buildings	Machinery and equipment	Industrial and commercial equipment	Other tangible fixed assets	Total
Net opening balances	**370**	**4,134**	**232**	**1,512**	**6,248**
Acquisitions	-	483	182	196	861
Other acquisitions	-	483	182	196	861
Divestments	-	(118)	(41)	(96)	(255)
Depreciation	(3)	(267)	(60)	(333)	(663)
Exchange rate differences	-	(8)	-	(1)	(9)
Calculated exchange rate difference (-)	-	(8)	-	(1)	(9)
Other changes		(3,180)	(117)	-	(3,664)
Change in scope of consolidation (-)			(117)	-	(3,664)
Net opening balances	**-**	**1,044**	**196**	**1,278**	**2,518**

The change is mainly due to investments relating to the electrification project of the Mirafiori plant and the sale of the Mobility stores to Drivalia S.p.A.

ANGIBLE ASSETS

3. RIGHTS OF USE

As provided under international accounting standards (IFRS 16 in particular), the Group avails itself of the exemption from the standard for leases with a duration of 12 months or less or for assets with low value. As such, leases of more than 12 months are accounted for in this item, unless the underlying asset is of low value.

The item amounted to €32,795 thousand, down €2,133 thousand compared to the previous year. A breakdown is provided below.

3.1 RIGHTS OF USE: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Property	**32,795**	**34,848**	**(2,052)**
Gross amount	45,260	52,418	(7,158)
Accumulated depreciation	(12,465)	(17,570)	5,105
Machinery and equipment	**-**	**81**	**(81)**
Gross amount	-	131	(131)
Accumulated depreciation	-	(50)	50
Total	**32,795**	**34,928**	**(2,133)**
Gross amount	**45,260**	**52,549**	**(7,289)**
Accumulated depreciation	**(12,465)**	**(17,620)**	**5,155**

IFRS 16) entered into by the Group for buildings used for the Companies' operating activities, such as buildings used as offices. These leases generally last more than 12 months.

3.2 RIGHTS OF USE: Annual change

Shown below are changes in stocks in 2022.

Items (in thousands of EUR)	Property	Machinery and equipment	Total
Net opening balances	**34,848**	**81**	**34,928**
Acquisitions	8,515	-	8,515
Depreciation	(3,480)	-	(3,480)
Other changes (-)	(7,087)	(81)	(7,167)
Net closing inventories	**32,795**	**-**	**32,795**

4. GOODWILL

Goodwill at 31 December 2022 amounted to €81,212 thousand, and is made up of:

- €78,480 thousand for goodwill generated in 2001 due to the creation of Leasys S.p.A.;
- €2,732 thousand relating to the goodwill generated in 2020 from the sale of Leasys Portugal S.A. by FCA Bank to Leasys S.p.A.

In 2022, of goodwill was down €31,982 thousand compared to 2021 (€113,194 thousand) due to the sale of the New Mobility Rent companies to FCA Bank S.p.A.

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..

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").

Impairment Test Results

Goodwill is tested for impairment at least once a year or more frequently if circumstances indicate that the carrying amount may be impaired.
At the reporting date, there were no conditions or findings following testing that would indicate an impairment loss.

- the discount rate of 12.47% was calculated as the cost of capital, considering a risk-free rate of 2.56%, a business risk premium of 8.47% and a beta of 1.17%;
- the growth rate is estimated at 3.5%.

The recoverable and book values are shown below.

CGU - amounts in €M	Goodwill	Book value	Recoverable amount	Surplus to book value
Leasys Group	81.2	648.3	3744.2	3095.8
Total	81.2	648.3	3744.2	3095.8

Moreover, sensitivity analyses were performed by simulating a change in the significant parameters of the impairment test, including a 20% decrease in the Net Result, to take into account a potential worsening of economic market conditions. At the end of this analysis, the recoverable amount was higher than the book value.

5. OTHER INTANGIBLE ASSETS

The item amounted to €30,083 thousand, up €60,033 thousand compared to the previous year. A breakdown is provided below.

5.1 OTHER INTANGIBLE ASSETS: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Industrial patent rights and intellectual property	**16,581**	**21,769**	**(5,189)**
Gross amount	63,071	62,465	605
Accumulated depreciation	(46,490)	(40,696)	(5,794)
Concessions, licenses, trademarks and similar rights	**169**	**327**	**(158)**
Gross amount	14,272	14,239	33
Accumulated depreciation	(14,104)	(13,912)	(192)
Other intangible fixed assets	**2,519**	**5,547**	**(3,028)**
Gross amount	24,268	29,277	(5,010)
Accumulated depreciation	(21,748)	(23,730)	1,982
Fixed assets in progress and advances	**10,814**	**2,308**	**8,507**
Gross amount	10,814	2,308	8,507
Total	**30,083**	**29,951**	**132**
Gross amount	**112,425**	**108,289**	**4,136**
Accumulated depreciation	**(82,343)**	**(78,339)**	**(4,004)**

The following should be noted with regard to intangible fixed assets:

- Industrial patents and intellectual property rights (amounting to €16,581 thousand) mainly refer to costs incurred for adapting the IT system features to the Company's needs as a result of the internationalisation process;
- Other intangible assets (amounting to €2,519 thousand) were down €3,028 thousand compared to 2021, mainly due to the sale of the Mobility & Rent companies;
- Fixed assets in progress (amounting to €10,814 thousand) consist of the capitalisation of projects with a 2023 go-live date, and mainly relate to LeaseCo and additions to the IT system.

5.2 OTHER INTANGIBLE ASSETS: Annual change

Shown below are the changes in balances in 2022

Items (in thousands of EUR)	Industrial patent rights and intellectual property	Concessions, licenses, trademarks and similar rights	Other intangible fixed assets	Fixed assets in progress and advances	Total
Net opening balances	**21,769**	**327**	**5,547**	**2,308**	**29,951**
Acquisitions	2,759	34	1,343	9,362	13,497
Other acquisitions	2,759	34	1,343	9,362	13,497
Divestments	(2,465)	-	(1,009)	-	(3,474)
Value recoveries	-	(1)	-	-	(1)
Depreciation	(6,333)	(75)	(655)	-	(7,064)
Exchange rate differences	(4)	-	(14)	-	(18)
Calculated exchange rate difference (-)	(4)	-	(14)	-	(18)
Other changes	855	(117)	(2,692)	(855)	(2,809)
Other changes (+)	855	-	-	-	855
Other changes (-)	-	-	(903)	(855)	(1,758)
Change in scope of consolidation (-)	-	(117)	(1,789)	-	(1,906)
Net closing inventories	**16,581**	**169**	**2,519**	**10,814**	**30,083**

6. EQUITY INVESTMENTS

The table below details the equity investments held by the Leasys Group:

Items (in EUR)	Location (Country)	Currency	Share of ownership	Book value
Long-term investments				
FCA Security S.c.p.A.	Italy	EUR	0%	150
TOT. Equity investments				**150**

8. TAX ASSETS AND LIABILITIES

Pre-paid tax assets (amounting to €54,281 thousand as detailed below) are down €34,120 thousand compared to the previous year.

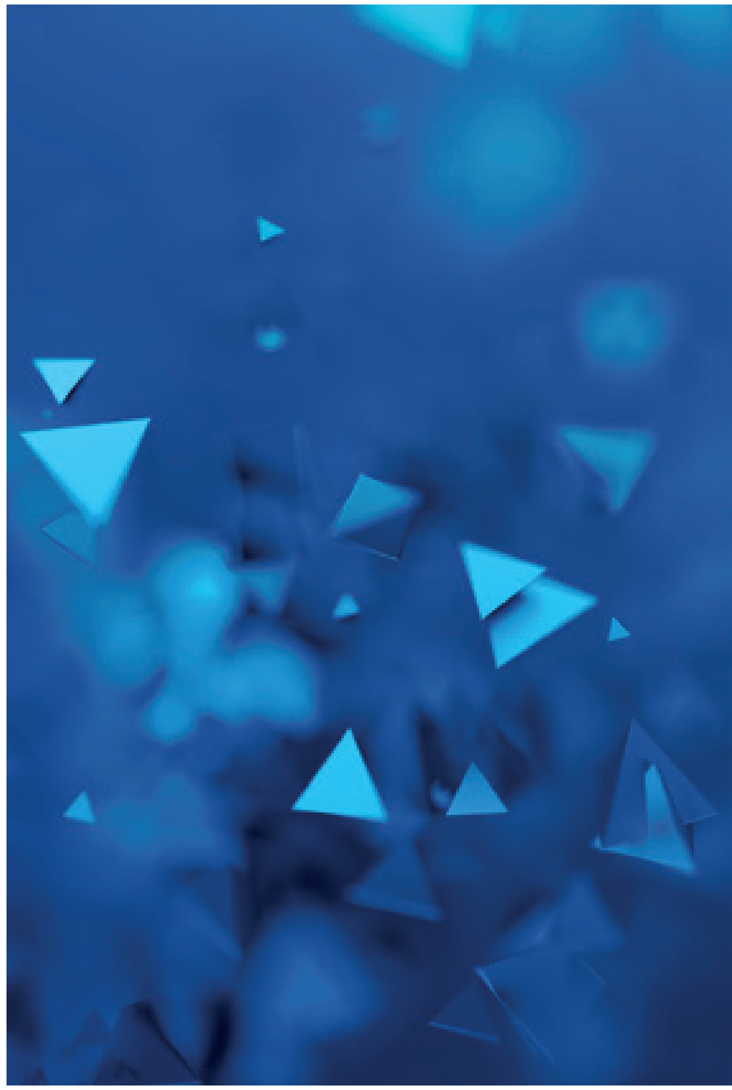
Deferred tax liabilities (amounting to €89,415 thousand) are up €36,186 thousand compared to the previous year

8.1 TAX ASSETS AND LIABILITIES: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Pre-paid tax assets	**54,281**	**88,401**	**(34,120)**
With counter-entry in the Income Statement	53,892	87,456	(33,563)
With counter-entry in Shareholders' Equity	389	945	(556)
Deferred tax liabilities	**89,415**	**53,229**	**36,186**
With counter-entry in the Income Statement	52,317	53,204	(888)
With counter-entry in Shareholders' Equity	37,099	25	37,073

8.2 TAX ASSETS AND LIABILITIES: Annual change

Items (in thousands of EUR)	With counter-entry in the Income Statement	With counter-entry in Shareholders' Equity	Total	With counter-entry in the Income Statement	With counter-entry in Shareholders' Equity	Total
1. Opening amount	**87,455**	**945**	**88,401**	**53,204**	**25**	**53,229**
2. Increases	**15,622**	**340**	**15,962**	**2,759**	**37,099**	**39,858**
2.1 Deferred/pre-paid tax recognised during the year	15,622	340	15,962	2,759	37,099	39,858
a) relating to previous years	5,430	-	5,430	3,185	-	3,185
c) other	10,192	340	10,532	(426)	37,099	36,673
3. Decreases	**(49,186)**	**(896)**	**(50,082)**	**(3,647)**	**(25)**	**(3,672)**
3.1 Deferred/pre-paid tax cancelled during the year	(48,336)	(855)	(49,191)	(3,598)	-	(3,598)
a) reclassifications	(43,801)	-	(43,801)	(8,159)	-	(8,159)
d) Other	(4,535)	(855)	(5,390)	4,561	-	4,561
3.3 Other decreases	(850)	(40)	(890)	(49)	(25)	(74)
Calculated exchange rate differences (-)	(850)	(40)	(890)	(9)	-	(9)
Change in scope of consolidation (-)	0	-	0	(40)	(25)	(65)
4. Closing amount	**53,892**	**389**	**54,281**	**52,317**	**37,099**	**89,415**



9. 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	860,000	22,395
Hedging derivatives	1,325,149	42,147	2,819,838	122,733
Interest rate risk	**1,325,149**	**42,147**	**3,679,838**	**145,128**
Currency risk				
Total derivative assets	**1,325,149**	**42,147**	**3,679,838**	**145,128**
Derivative liabilities				
Trading derivatives	0	0	1,720,000	24,895
Hedging derivatives	97,635	1,418	247,049	4,198
Interest rate risk	**97,635**	**1,418**	**1,967,049**	**29,093**
Currency risk				
Total derivative liabilities	**97,635**	**1,418**	**1,967,049**	**29,093**

This item includes derivative financial instruments to manage interest rate risk, with a notional value at 31 December 2022 of €7,069,671 thousand, and a fair value of €217,787 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 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 stipulated 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 31 December 2022.
Due to the sudden rise in interest rates, particularly in H2 2022, the fair value of hedging derivatives was up from 2021.

CURRENT ASSETS

10. INVENTORIES

The 'Inventories' item (amounting to €87,569 thousand) refers to vehicles that have ended their contractual rental period and are held for sale. The figure is up €36,364 thousand compared to the previous year.

The change is due to the increase in vehicles returned by Drivalia S.p.A. mainly in the last quarter of the year.

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Total change
Vehicles intended for sale	87,569	51,205	36,364
Total	**87,569**	**51,205**	**36,364**

11. RECEIVABLES FROM CUSTOMERS

The item amounted to €816,995 thousand, down €73,754 thousand compared to the previous year. A breakdown is provided below.

11.1 RECEIVABLES FROM CUSTOMERS: breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Total change
Vehicle rental receivables	757,621	692,292	65,329
Allowance for doubtful accounts	(47,338)	(39,934)	(7,404)
Receivables from financial leases	109,501	195,123	(85,622)
Allowance for doubtful accounts	(2,789)	(2,923)	134
Other receivables	-	46,190	(46,190)
Receivables from customers - net values	**816,995**	**890,749**	**(73,754)**

11.2 CHANGES IN ALLOWANCE FOR DOUBTFUL ACCOUNTS

Shown below are the changes in the allowance for doubtful accounts in 2022.

Items (in thousands of EUR)	31/12/2022	31/12/2021
Initial value	**(42,857)**	**(40,229)**
Upward changes	**(17,078)**	**(15,145)**
Provision for the year	(17,078)	(14,412)
Other changes	-	(733)
- Calculated exchange rate differences (+)	-	(242)
- Other changes (+)	-	(491)
Downward changes	**9,808**	**12,517**
Value recoveries	347	565
from valuation	347	565
Gains on disposal (-)	1,143	2,219
Write-offs	7,256	9,705
Other changes	1,062	28
- Calculated exchange rate differences (-)	261	28
- Change in scope of consolidation (-)	801	-
Total	**(50,127)**	**(42,857)**

Trade receivables are non-interest-bearing and generally have maturities of 30 to 90 days.

12. OTHER CURRENT RECEIVABLES AND ASSETS

These amounted to €816,889 thousand, up €213,807 thousand on the previous year, due to a general increase in the categories of receivables included under "Other receivables".

In particular, advances to suppliers rose by €121,600 thousand, consolidated VAT receivables from FCA Bank S.p.A. rose by €46,685 thousand, and receivables related to the sale of vehicles under buy-back agreements rose by €26,499 thousand.

It is broken down as follows:

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Total change
Personnel-related receivables	164	241	(77)
Receivables from social security institutions	16	41	(25)
Deposits	537	3,045	(2,508)
Other receivables	816,172	599,722	216,450
Total	**816,889**	**603,049**	**213,840**

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were down €367,813 thousand compared to 31 December 2021. The decrease was mainly due to the utilisation of cash accumulated at the end of the previous year to meet the financial requirements generated by the increase in the fleet in 2022, as well as the sale of the Mobility & Rent companies.

Cash and cash equivalents include deposits of the securitisation special purpose vehicles, amounting to €28,544 thousand.

The table below breaks down the cash and cash equivalents held by the Company:

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Total Change
Bank and post office deposits	314,980	682,749	(367,768)
Cash on hand	4	49	(45)
Total	**314,985**	**682,798**	**(367,813)**

15. TAX RECEIVABLES

This item amounted to €7,550 thousand (up €2,641 thousand compared to 31 December 2021).

The table below provides a breakdown of tax receivables.

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Total Change
Direct tax receivables	7,550	4,909	2,641
Total tax receivables	**7,550**	**4,909**	**2,641**

LIABILITIES

17. NET FINANCIAL DEBT

Net financial debt amounted to €5,151,067 thousand, up €492,079 thousand compared to the previous year.

The breakdown is as follows:

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
A. Cash on hand	4	49	(45)
B. Bank and post office deposits	314,980	682,749	(367,768)
D. Cash (A+B+C)	**314,985**	**682,798**	**(367,813)**
E. Current financial receivables	-	-	-
F. Current bank debt	2,001,634	3,275,901	(1,274,266)
G. Current portion of non-current debt	4,381	3,856	524
H. Other current financial liabilities	153,105	61,217	91,888
I. Current financial debt (F+G+H)	**2,159,120**	**3,340,974**	**(1,181,854)**
J. Net current financial debt (I-E-D)	**1,844,136**	**2,658,176**	**(814,040)**
K. Non-current bank debt	1,168,538	1,471,182	(302,644)
L. Bonds issued	2,109,484	498,902	1,610,582
M. Other non-current payables	28,908	30,727	(1,819)
N. Non-current financial debt (K+L+M)	3,306,931	2,000,811	1,306,120
O. Net financial debt (J+N)	**5,151,067**	**4,658,987**	**492,079**

17.1 NON-CURRENT AND CURRENT FINANCIAL LIABILITIES: Breakdown

This item amounted to €5,466,051 thousand, up €124,266 thousand compared to the previous year.

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Long-term financial payables	**1,168,538**	**1,471,182**	**(302,644)**
Bank loans (share beyond 12 months)	1,114,277	1,468,051	(353,774)
Other financial payables	54,261	3,131	51,130
Bonds issued	**2,109,484**	**498,198**	**1,611,287**
Medium-/long-term financial lease liabilities	**25,704**	**30,727**	**(5,023)**
Total non-current financial liabilities	**3,303,726**	**2,000,107**	**1,303,354**
Short-term financial payables	**2,162,325**	**3,341,679**	**(1,179,354)**
Overdrawn current accounts	52,943	56,898	(3,956)
Bank loans (share within 12 months)	2,001,634	3,275,901	(1,274,266)
Other financial payables	100,163	4,319	95,844
Liabilities under short-term financial leases	7,585	4,561	3,024
Total current financial liabilities	**2,162,325**	**3,341,679**	**(1,179,354)**
Total financial liabilities	**5,466,051**	**5,341,785**	**124,266**

The increase in loans compared to the 2021 financial year is mainly due to the financial requirements needed to cover the increase in business volumes in terms of company fleet, which grew in 2022 compared to the previous year.

17.2 LEASE LIABILITIES

Lease liabilities, amounting to €33,289 thousand, arose exclusively from the application of IFRS 16, and mainly relate to leases of employee housing and office premises.

Detailed below are the maturity dates of the lease liabilities (referred to in the table above):

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Current lease liabilities - Minimum future payments <1 year	7,585	4,561	3,024
Lease liabilities - Minimum future payments between 1 and 5 years	18,753	19,878	(1,125)
Lease liabilities - Minimum future payments beyond 5 years	6,951	10,849	(3,898)
Total minimum payments	**33,289**	**35,287**	**(1,999)**
Current value	**33,289**	**35,287**	**(1,999)**

17.4 DEBENTURE LOANS ISSUED

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Current share	(2,116)	(704)	(1,412)
Non-current share	2,111,600	498,902	1,612,698
Total book value	**2,109,484**	**498,198**	**1,611,287**

On 15 July 2021, Leasys issued the Stellantis Group's first Green Bond, successfully placing a €500-million transaction maturing in July 2024. Leasys used the proceeds from the Green Bond to finance its fleet of electric and plug-in hybrid vehicles, while expanding its network of electric charging points.

A second bond for €750 million was issued on 7 December 2022, maturing on 7 December 2024.

This item also includes securities issued by the special purpose vehicle in December 2022 as part of the securitisation transaction, amounting to €860.

18. DEFINED BENEFIT COMPANY RETIREMENT PLANS

18.1 EMPLOYEE BENEFITS: Breakdown

The item amounted to €3,976 thousand, down €3,183 thousand on the previous year.

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Defined benefit plans	2,586	5,525	(2,939)
Other long-term benefits	1,391	1,635	(244)
Total defined benefit plans	**3,976**	**7,160**	**(3,183)**

The liability for post-employment benefits recognised in the balance sheet represents the current value of the defined benefit obligation, adjusted for actuarial gains and losses and previously unrecognised expenses for past work. The provisions for defined benefit retirement plans and the annual cost recognised in the income statement are determined by external actuaries using the Projected Unit Credit Method.

18.2 EMPLOYEE BENEFITS: Annual change

Changes in 2022 are shown below.

Items (in thousands of EUR)	Defined benefit plans	Other long-term benefits	Total employee benefits
A. Net opening balances	**5,525**	**1,635**	**7,160**
B. Increases	**146**	**19**	**165**
B.1 Provision for the year	126	19	145
- calculated exchange rate differences (+)	20	0	20
C. Decreases	**(3,085)**	**(263)**	**(3,348)**
C.1 Payments made	(303)	(83)	(386)
C.2 Other changes	(2,333)	(181)	(2,514)
- calculated exchange rate difference (-)	-	(2)	(2)
- change in scope of consolidation (-)	(449)	(93)	(542)
- other decreases (-)	(1,884)	(85)	(1,969)
D. Closing inventory	**2,586**	**1,391**	**3,976**

18.3 EMPLOYEE BENEFITS: Changes in actuarial liability

Items (in thousands of EUR)	Defined benefit plans	Other long-term benefits	Total employee benefits
Opening actuarial liability	**5,525**	**1,635**	**7,160**
Costs for services	**-**	**42**	**42**
Financial charges	(3)	(2)	(5)
Actuarial losses/(gains) from changes in demographic assumptions	(3)	(7)	(10)
Actuarial losses/(gains) from changes in financial assumptions	(556)	(121)	(677)
Other actuarial losses/(gains)	169	58	227
Disbursements	(60)	(65)	(125)
Other movements	(2,486)	(150)	(2,636)
Closing actuarial liability	2,586	1,391	3,976

19. PROVISIONS FOR RISKS AND LIABILITIES

This item amounted to €14,114 thousand, up €1,744 thousand compared to the previous year

19.1 PROVISIONS FOR RISKS AND LIABILITIES: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Provision for legal disputes	385	554	(169)
Provision for future risks and liabilities for operating leases	3,477	2,554	923
Other provisions for risks and liabilities	10,252	9,262	990
Total provisions for risks and liabilities	**14,114**	**12,370**	**1,744**

The item “Provision for legal disputes” reflects the risks associated with cases where the risk of losing the case is probable. In the current year, a provision was made for €211 thousand and a utilisation of €143 thousand.

Most of the cases considered to have a probable risk of being lost related to disputes in which the company was being sued as the owner of vehicles involved in motor accidents. A minority of cases also relate to lawsuits involving the company due to defects in the vehicles sold.

The item “Provision for future risks and liabilities for operating leases” mainly includes the provision for agency termination risks. The item “Other provisions for risks and liabilities” mainly includes the provision for self-insurance and provision for personnel risks.

19.2 PROVISIONS FOR RISKS AND LIABILITIES: Annual change

Changes in 2022 are shown below.

Items (in thousands of EUR)	Provision for legal disputes	Provision for future risks and liabilities for operating leases	Other provisions for risks and liabilities	Total 31/12/2022
A. Net opening balances	**554**	**2,554**	**9,262**	**12,370**
B. Increases	**234**	**933**	**5,450**	**6,616**
Provision for the year	234	933	5,070	6,236
Other changes	-	-	380	380
Other changes (+)	-	-	380	380
C. Decreases	**(403)**	**(10)**	**(4,460)**	**(4,872)**
Use during the year	(158)	(10)	(3,965)	(4,133)
for release	(158)	(10)	(3,965)	(4,133)
Other changes	(245)	(0)	(495)	(739)
Automatic exchange rate differences (-)	-	(0)	(53)	(53)
Change in scope of consolidation (-)	(245)	-	(394)	(639)
Other changes (-)	-	-	(47)	(47)
D. Closing inventory	385	3,477	10,252	14,114

For supplementary defined benefit retirement plans, the actuarial values required by IAS 19 Employee Benefits is determined by an independent actuary using the Project Unit Credit Method as detailed in Part A – Accounting Policies.

20. TRADE PAYABLES

Trade payables (€881,453 thousand) rose by €274,938 thousand compared to the previous year due to higher investments and higher costs incurred as a result of the increased fleet

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Trade payables	591,451	420,005	171,447
Deferred income for operating leases	160,155	124,448	35,707
Other accrued expenses and deferred income	7,077	6,198	879
Other	122,769	55,864	66,905
Total trade payables	**881,453**	**606,515**	**274,938**

Shown below are the terms and conditions of the liability listed above:
- trade payables do not generate interest expenses and are normally settled between 30 and 60 days;
- other payables are non-interest-bearing and are settled at six months on average.

21. THER CURRENT LIABILITIES

Other current liabilities for €140,524 thousand were down €17,034 thousand on the previous year, mainly due to the sale of the Mobility & Rent companies and the decrease in “Deferred Brand Contribution” under Other Payables

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Payables to insurance companies	16,738	15,749	989
Payables to customers for security deposits	-	195	(195)
Payables to staff and social security institutions	3,578	4,222	(644)
Other payables	120,207	137,372	(17,165)
Total other payables	**140,524**	**157,537**	**(17,015)**

22. TAX PAYABLES

This item amounted to €17,489 thousand, up €5,335 thousand compared to 31 December 2021, mainly due to IRAP payables.

The table below provides a breakdown of tax payables

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Indirect tax payables			
Direct tax payables	16,624	11,806	4,818
Other taxes	865	347	517
Total tax payables	**17,489**	**12,153**	**5,335**

PART C - INFORMATION ON THE CONSOLIDATED INCOME STATEMENT

Shown below is a breakdown of the main items of the Income Statement.

Amounts are expressed in thousands of euros.

1. GROSS OPERATING MARGIN

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Income from leases	**965,503**	**834,398**	**131,106**
Operating lease payments	965,503	834,398	131,106
Leases - result of financial operations	**(41,658)**	**(11,850)**	**(29,808)**
Financial charges	(61,194)	(30,044)	(31,150)
Interest on debenture loans	(3,317)	-	(3,317)
Expenses from derivatives designated as hedging instruments	(2,633)	(7,452)	4,819
Interest payable to banks	(38,991)	(14,462)	(24,529)
Interest payable to other lenders	(7,915)	(639)	(7,276)
Other financial charges	(8,338)	(7,490)	(847)
Financial income	19,536	18,193	1,343
Dividends from equity investments	-	-	-
Interest from customers	11,549	11,701	(152)
Interest from other loans	215	40	175
Income from derivatives designated as hedging instruments	3,535	5	3,530
Other financial income	4,236	6,447	(2,211)
Costs from leases - depreciation	**(748,703)**	**(606,871)**	**(141,832)**
Operating lease depreciation	(695,185)	(566,869)	(128,316)
Fees payable on buy backs	(53,518)	(40,002)	(13,516)
Total margin from leases	**175,142**	**215,676**	**(40,534)**

Revenues are recognised in accordance with the provisions set out in the "revenues" section of the accounting standards herein and are recognised on a straight-line basis over the duration of the rental period. Any revenue arising from these unbudgeted contracts is recognised as revenue in the period in which it accrues.

The change in the margin on leases (for €40,534) was due to the combined effect of the increase in rental fees (€131,106 thousand), the increase in depreciation costs of leased vehicles (€141,832 thousand) and the increase in financial expenses (€29,808 thousand) mainly due to higher contractual interest rates than the previous year as a result of the change in financial market conditions.

2. MARGIN FROM SERVICES

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Revenues from services	**582,596**	**484,384**	**98,212**
Service payments for operating leases	391,189	354,166	37,023
Insurance claims and compensation	735	774	(39)
Other operating lease income	186,804	125,946	60,858
Other income from services	3,868	3,498	370
Costs for services	**(544,215)**	**(465,210)**	**(79,004)**
Costs for vehicle services	(478,453)	(408,934)	(69,519)
Costs for commercial services	(64,036)	(56,159)	(7,877)
Other costs for services	(1,726)	(117)	(1,609)
Total Margin from Services	**38,382**	**19,174**	**19,208**

This item mainly consists of revenues and ancillary costs relating to maintenance services offered to the customer together with the rental of the car.

The change in the service margin (€19,208 thousand) was mainly due to the net effect of the increase in service fees (€98,212 thousand) and the increase in vehicle and commercial service costs (€79,004 thousand).

3. MARGIN FROM VEHICLE SALES

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Vehicle sales revenues	**139,210**	**94,905**	**44,305**
Capital gain on sale of leased assets	120,383	71,886	48,497
Proceeds from residual values	7,360	5,971	1,389
Other revenue	11,467	17,048	(5,581)
Costs for vehicle sales	**(38,943)**	**(56,229)**	**17,286**
Capital losses on sale of leased assets	(22,740)	(43,018)	20,279
Provisions on residual values	(1,168)	(342)	(826)
Logistics costs	(15,035)	(12,869)	(2,166)
Total margin from vehicle sales	**100,267**	**38,676**	**61,591**

The increase of €61,591 thousand in the margin on vehicle sales was mainly due to the increase of €44,305 thousand in revenues from the sale of vehicles.

4. PAYROLL COSTS

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Salaries and wages	(27,415)	(32,859)	5,443
Social security contributions	(6,605)	(7,814)	1,209
Defined benefit plans	(135)	(180)	45
Defined contribution plans	(1,795)	(1,983)	187
Other long-term plans	(4)	(92)	88
Other costs	(25,798)	(21,225)	(4,573)
Total Payroll Costs	**(61,753)**	**(64,153)**	**2,400**

Payroll costs were down €2,400 thousand compared to the previous year as a result of the decrease in the Group's workforce (from 915 to 589) due to the new company divestments in 2022.

The item "Salaries and wages" includes salaries and bonuses (of employees and managers) amounting to €27,415 thousand.

The item "Social security contributions" includes contributions for employees amounting to €6,605 thousand.

The item "Defined contribution plans" classifies the contributions to supplementary retirement plans paid by the company.

The item "Other costs" mainly includes 'Labour costs' for external staff and 'Incentive costs for Sales staff'.

5. OTHER OPERATING EXPENSES

Total other operating expenses fell by €1,588 thousand on the previous year.

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Net provisions for risks and liabilities	**(735)**	**(987)**	**252**
Other operating expenses	**(17,177)**	**(18,513)**	**1,336**
IT services	(5,561)	(4,731)	(830)
Technical, legal, administrative and professional services	(10,171)	(9,523)	(648)
Charges and provisions for indirect taxes and duties	(818)	(1,298)	480
Other costs	(626)	(2,961)	2,335
Total other operating expenses	**(17,912)**	**(19,500)**	**1,588**

6. DEPRECIATION AND AMORTISATION

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Amortisation of rights to use third-party assets	(3,728)	(6,005)	2,277
Depreciation of other tangible assets	(745)	(1,103)	359
Depreciation of intangible assets	(7,074)	(7,213)	139
Total depreciation and amortisation	**(11,546)**	**(14,321)**	**2,775**

This item amounted to €11,546 thousand (down €2,775 thousand compared to 31 December 2021).

7. CREDIT LOSSES

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Write-downs of current and non-current financial assets	(20)	(70)	50
Losses on current and non-current financial assets	(58)	-	(58)
Write-downs of receivables from customers	(21,255)	(18,184)	(3,071)
Losses on receivables from customers	(376)	(305)	(71)
Reversal of values on customer receivables	3,423	3,856	(433)
Total credit losses	**(18,285)**	**(14,702)**	**(3,584)**

This item amounted to €18,285 thousand (up €3,584 thousand compared to 31 December 2021).

The item "Allowance for doubtful accounts" includes the provision for doubtful accounts according to the simplified IFRS 9 approach as defined herein, amounting to €21,255 thousand, and also includes the costs of credit collection.

8. INCOME TAX

8.1 INCOME TAX: Breakdown

Items (in thousands of EUR)	Total 31/12/2022	Total 31/12/2021	Change
Current taxes for the year	(27,464)	(21,332)	(6,133)
Current taxes from previous years	(260)	150	(409)
Total current taxes	**(27,724)**	**(21,182)**	**(6,542)**
Change in prepaid taxes	(32,556)	(36,364)	3,809
Change in deferred taxes	2,820	19,735	(16,915)
Total taxes on income from continuing operations	**(29736)**	**(16,629)**	**(13107)**
Total income taxes	**(57,460)**	**(37,811)**	**(19,648)**

Income taxes for the year amounted to €57,460 thousand, up €19,648 thousand compared to the previous year.

8.2 RECONCILIATION BETWEEN THE THEORETICAL TAX BURDEN AND ACTUAL TAX BURDEN (IRES)

The reconciliation between the tax burden recorded in the financial statements and the theoretical tax burden, determined based on current tax rates in Italy, is as follows:

Items in thousands of EUR	Total 31/12/2022
Profit before tax from continuing operations	204,261
Taxes on theoretical income from continuing operations	49,023
Effect of fully or partially non-deductible expenses - increases	4,497
Effect of wholly or partly non-taxable income - decreases	(8,507)
Consolidation effect	738
Actual income taxes from continuing operations, excluding IRAP (a)	**45,751**
IRAP - theoretical tax burden	7,966
Effect of charges not forming part of the tax base	1,351
Consolidation effect	(623)
IRAP - Actual tax burden (b)	**8,694**
Adjustment of prior years' taxes (c)	**3,015**
Total actual tax burden (a+b+c)	**57,460**

PART D - RELATED-PARTY TRANSACTIONS

QUALITATIVE INFORMATION

Strategies and processes underlying loan securitisation transactions

Leasys carries out securitisation transactions – pursuant to Law No. 130/1999, as subsequently amended and supplemented – with a view to achieving four results:

- diversifying financing sources: securitisation is an important alternative source of financing for the Company with respect to ordinary bank funding;
- improving its liquidity position: the Company's potential capacity to securitise receivables also provides key support for its liquidity position.
- optimising the cost of funding: the structures used to carry out securitisations and the quality of the assigned portfolio enable a competitive cost of funding by achieving a high rating;
- possible streamlining of risk-weighted assets associated with the securitised portfolio.

As at 31 December 2022, the Company carried out a securitisation transaction pursuant to the combined provisions of Article 7(1)(a) and (2-octies) of Law No. 130/1999 and Article 4-bis of Decree-Law No. 162 of 30 December 2019. The structure of said transaction provides that the Special Purpose Entity – Leasys Asset Backed Italian Rental Securitisation One S.r.l or 'Labirs One S.r.l' for short – (which would traditionally be the assignee of the receivables) operates in this transaction as the Lender or funder. It grants a loan of €1,365,000 thousand to Leasys (which would traditionally be the Originator, i.e., the assignor of the receivables), which operates in this particular transaction as the Borrower or lender. This pursuant to a loan agreement under Article 7(1)(a) of Law No. 130/1999 (the "Article 7 Loan") between Labirs One and Leasys, guaranteed by Allocated Assets established pursuant to Article 4-bis of Decree-Law No. 162 of 30 December 2019 (converted into Law No. 8 of 28 February 2020) (Article 4-bis) and pursuant to Article 7(2-octies) of Law 130 by resolution of Leasys' Board of Directors on 25/11/2022 and registered in the Companies' Register of the Chamber of Commerce of Rome on 28/11/2022 under No. 180606/2022.

Pursuant to this resolution, the allocated assets include the following relationships, receivables and financing rights offered to the special purpose vehicle:

- receivables arising from long-term car rental contracts entered into by Leasys in the ordinary course of its business in accordance with the laws and regulations applicable at the time the contract was entered into, as well as in accordance with the policies adopted by Leasys;
- receivables claimed by Leasys relating to the residual value of the vehicles, said residual value
- is to be understood as equal to the last available value indicated by Leasys in its accounting systems
- the long-term rental contracts for driverless vehicles entered into by Leasys with its customers which give rise to the Initial Assigned Receivables (as amended and/or supplemented within the limits and conditions set out below);
- vehicles leased on a long-term basis pursuant to the Initial Assigned Contracts
- a bank account opened by Leasys with The Bank of New York Mellon SA/NV Milan branch, IBAN: IT23I0335101600001228109780 and its balance;

Labirs One S.r.l. did not purchase from Leasys the securitised receivables or other assets, which therefore remained under Leasys' ownership. In fact, Leasys retained title to the assets and retained primary responsibility for their management and collection. As such, the debtors of the assets shall continue to pay Leasys any amounts due in respect of the assets as provided for in the relevant contracts or by law, and as per any further instructions provided to the debtors.
Pursuant to the resolution constituting the allocated assets, the assets (as well as the proceeds deriving from the management, collection, disposition and/or sale thereof) will be used: 1) to repay the Article 7 Loan in full to the Lender in accordance with Article 4-bis of Decree-Law No. 162 of 30 December 2019 and Article 7(2-octies) of Law 130/1999; 2) to cover the expenses incurred by the Company for the outstanding transaction; 3) to repay the principal of the notes issued by Labirs One S.r.l.
The Leasys securitisation transaction is a private transaction that does not provide for the assignment of a rating on the securities.
The securitisation transaction carried out by Leasys is a revolving transaction, i.e. the originator company has the right to periodically assign additional receivables in compliance with the restrictions set out in the securitisation agreement and within the limits of the amount of the programme itself, for a

predetermined period, so as to constantly maintain the existing portfolio at the level it was at the time of the initial issue.
Following the issue date and during the revolving period, Leasys shall be entitled to assign to the allocated assets the additional receivables as specified above, taking economic effect from the subsequent cut-off dates as established in the securitisation agreements, for the benefit of the special purpose vehicle and as a security for the payment of any amount relating to the Article 7 Loan.

Revolving Structure

In the case of revolving transactions as described above, for a predetermined period the Special Purpose Entity (SPE) may purchase additional portfolios of receivables which have the same economic-legal nature and similar risk profile, the purchase of which may be financed either through the capital proceeds from the receivables in the outstanding portfolio at the time of issue of the ABS securities, of which the originator company had previously become the assignee, or through further issues of securities within the amount limits of the securitisation programme.

At the end of the revolving phase, the securities issued are redeemed in accordance with the contractually agreed priorities.
The revolving structure allows the fixed costs of the transaction to be amortised over a longer period, optimising the cost of the transaction.

Liquidity Line management

The originator company may be required, depending on the rating agencies' valuation methodologies, to allocate a liquidity line or cash deposit to support the Special Purpose Entity in forms that may be formally different from each other.

The size of this amount is contractually determined and shall enable the vehicle to meet any temporary liquidity requirements (typically on payment dates) that may arise from the application of the "waterfall" payment structure described below.

"Waterfall" structure

The "waterfall" payment structure identifies the priorities for the allocation of available cash within the Special Purpose Entity.

In the case of transactions originating from rental receivables, the waterfall structure provides – in a simplified manner – for the following types of payments:

- vehicle expenses (mainly expenses relating to the transaction's service providers);
- swaps (contractually stated in order to cover against the risk of fluctuating interest rates of the Special Purpose Entity);
- servicer remuneration;
- interest on securities;
- replenishment/remuneration of the liquidity line;
- other items.

Servicing activities

The role of servicer of securitisation transactions is always performed by the originator company.

The role of servicer of transactions requires compliance with a series of qualitative parameters tied to the proper management of the assets underlying the securities issued by the Special Purpose Entity, as well as an adequate organisational structure in terms of management and specialised staff.

Operationally, the servicer will:

- manage outstanding contracts in accordance with its credit and collection policies and regulations (in agreement with the Special Purpose Entity and the trustee/representative of the transactions' noteholders), along with the requirement to report also to the rating agencies in the event of significant events;
- make records of collections and recoveries, and transfer the relevant amounts. Collections made by the servicer of the various transactions are transferred to a segregated current account on a daily basis and transferred to the Special Purpose Entity at a set frequency for each transaction (monthly) on the earliest possible payment date, when they are used for the payments set out in the waterfall structure;
- perform monitoring, reporting and verification activities on the transaction (Paying Agent / Calculation Agent / Agent Bank activities are assigned to a third-party banking entity).

Servicing activities are remunerated by the Special Purpose Entity at market conditions.

Risks associated with securitisation ransactions

The company participates in the programmes as an originator, servicer and investor of the junior securities and is responsible for structuring the securitisation transactions and performing the checks and monitoring of the regular performance of the transactions, as well as servicing activities including the production of the periodic reports required under the agreement.

To address securitisation risks, Leasys S.p.A. has adopted:

- a comprehensive organisational model;
- a process for identifying, monitoring and mitigating securitisation risks in specific internal procedures.

Each new securitisation transaction, structured by the Securitisation and Risk Transfer department of the Treasury and validated by the CFO & Deputy General Manager, is submitted for the approval of the NPA Committee, which is chaired by the CEO & General Manager, by its front lines and by second-level internal control functions.
The approval minutes and any opinions issued by the company's second-level control functions are forwarded, along with the product concept, to the Board of Directors for final approval.

The Treasury is responsible for structuring all group operations, for direct management (in Italy), and for managing relations with rating agencies and investors.

Risk & Permanent Control defines and develops the methods, policies and procedures for the detection, assessment, monitoring, measurement and mitigation of Level 2 securitisation risks, and expresses its opinion within the NPA Committee.
Internal Audit, at least once every three years, checks the degree of adequacy of the internal control system, and verifies compliance with regulations relating to the management of securitisation transactions and servicing activities carried out by LEASYS S.p.A.

The control tools used by the company include the following processes:

- checks of the entire documentary and contractual framework of the transaction by Treasury - Securitisation and Risk Transfer, in cooperation with internal and external legal firms;
- checks of the fairness and economic appropriateness of the transaction as a whole by Treasury - Securitisation and Risk Transfer;
- Risk & Permanent Control and also directly responsible for permanent second-level checks on securitisation transactions.

QUANTITATIVE INFORMATION

Outstanding securitisation transactions

As of 31 December 2022, Leasys has only one securitisation transaction outstanding with the company Labirs One S.r.l. for a nominal value of €1,303 million.

Securitisation Company	LABIRS ONE SRL
Originator	LEASYS SPA
Issuer	LABIRS ONE SRL
Servicer	LEASYS SPA
Arrangers	UniCredit AG/ Credit Agricole and investment bank, Milan Branch
Underlying activities	Long-term rental
Currency	Euro
Transaction start date	27/12/2022
Transaction end date	27/12/2024
Other information	Revolving
Rating agencies	n.a.

Amounts in Euro

Amount and Securities outstanding			
Name	Class A1	Class A2	Class M
Seniority level	Senior	Senior	Junior
ISIN	IT0005523482	IT0005523490	IT0005523524
Rating	n.a.	n.a.	n.a.
Stock exchange listing	unlisted	unlisted	unlisted
Date of first issue	14/12/2022	14/12/2022	14/12/2022
Legal maturity	01/04/2039	01/04/2039	01/04/2039
Nominal value issued	430,000,000	430,000,000	465,300,000
Value outstanding at year-end	430,000,000	430,000,000	465,300,000
Underwriter securities	PADEL Finance DAC	LMA S.A.	Leasys SpA

PART E - RELATED-PARTY TRANSACTIONS

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	74,143	74,143
Other current receivables and assets	0	0	549,773	549,773
Derivative instrument assets	0	0	3,180	3,180
Receivables from customers	0	0	16,086	16,086
Total in assets	**0**	**0**	**643,183**	**643,183**
Financial payables (current and non-current)	0	0	405,072	405,072
Trade payables	0	0	143,604	143,604
Total in liabilities	**0**	**0**	**-548,676**	**-548,676**

RELATED-PARTY TRANSACTIONS: INCOME STATEMENT ITEMS

Items in thousands of EUR	Shareholders	Executives	Other related parties	Total
Gross operating margin	**0**	**0**	**30,614**	**30,614**
Operating costs	**0**	**0**	**-14,197**	**-14,197**

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.

OTHER INFORMATION

FEES PAID TO EXTERNAL AUDITORS

Fees for statutory audit services provided totalled €593 thousand net of VAT, Consob contributions and reimbursement of expenses.

Group auditors belonging to the PricewaterhouseCoopers network

Amounts in millions of EUR

Type of service	Service provider	Service recipient	Fees
Audit	PricewaterhouseCoopers	LEASYS Spa	102
		CLICKAR	24
		LEASYS Austria G.m.b.H.	12
		LEASYS France S.A.S.	51
		LEASYS S.p.A. Spanish Branch	18
		LEASYS Nederland B.V.	27
		LEASYS Polska Sp.Zo.o.	74
		LEASYS Portugal S.A.	31
		LEASYS S.p.A. German Branch	130
Total			**468**

Other external auditors

Type of service	Service provider	Service recipient	Fees
Audit	EY S.p.A.	LEASYS UK Ltd	125
Total			**125**

GUARANTEES, COMMITMENTS AND CONTINGENT LIABILITIES

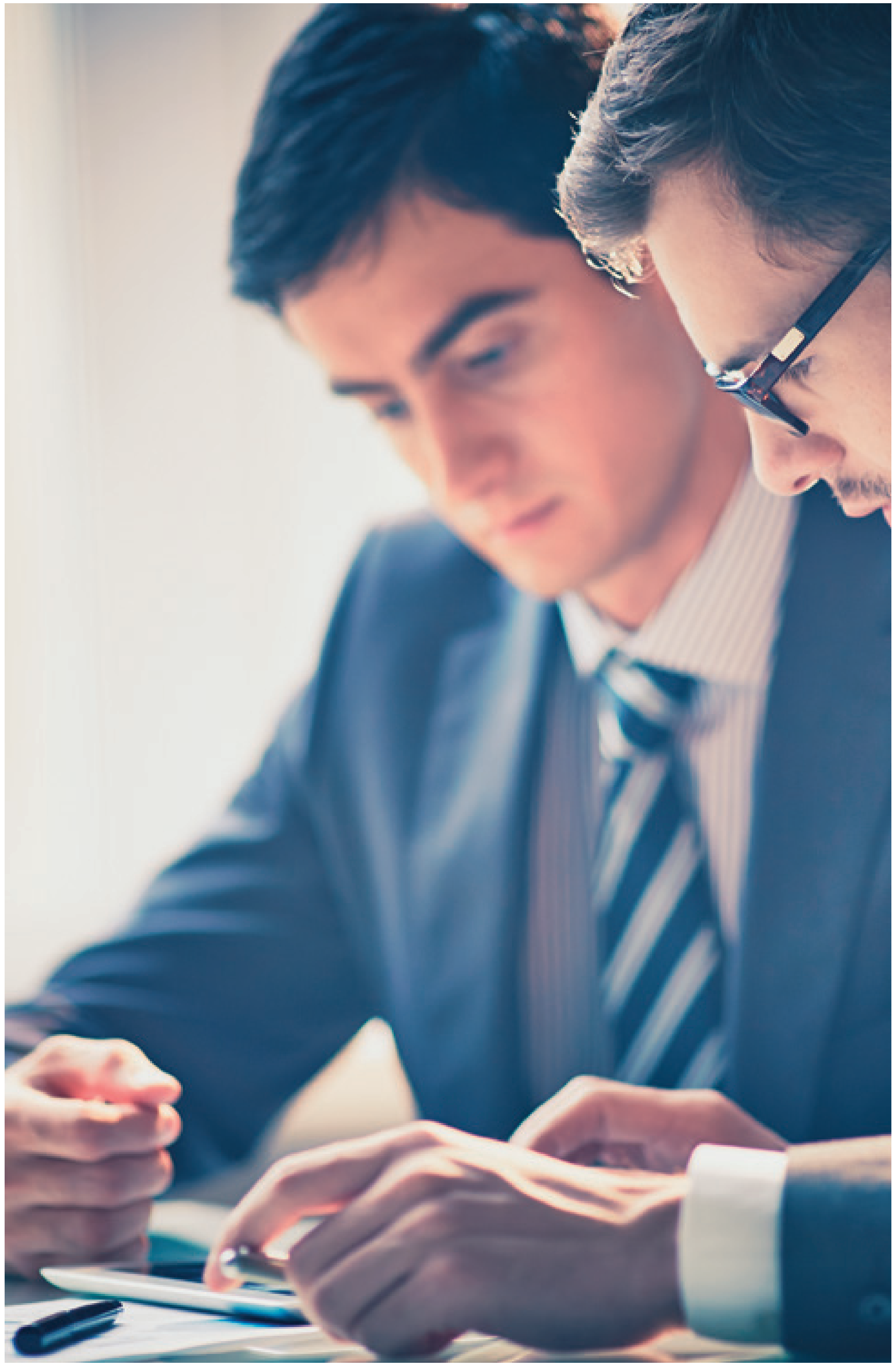
The table below details the guarantees provided and commitments undertaken by the parent company Leasys S.p.A., representing the most significant component of the Group's overall exposure:

Guarantees (values in thousands of euros)	Balance at 31/12/2022	Balance at 31/12/2021	Change
Guarantees received			
Banking	4,590	3,785	806
Insurance	57	57	-
Total guarantees received	**4,647**	**3,842**	**806**
Guarantees provided			
Banking	121,901	252,157	(130,256)
Insurance	121	121	-
Other	-	110,000	(110,000)
Total guarantees provided	**122,022**	**362,278**	**(240,256)**

The guarantees provided consist of sureties granted to Leasys S.p.A. as guarantee for the correct fulfilment of the requirements set out in the rental contracts entered into with customers who are essentially part of government bodies.

itments (values in thousands of euros)	Balance at 31/12/2022	Balance at 31/12/2021	Change
For issuing final guarantee after contract award	2,867	-	2,867
Total commitments	**2,867**	**-**	**2,867**

The table shows the provisional guarantee for participating in tender procedures pursuant to Article 93(8) of Legislative Decree No. 50/2019.



PART F - LEASE INFORMATION

SECTION 1 - LESSEE

In accordo con quanto previsto ai paragrafi 51-59 dell'IFRS 16, si riportano In accordance with paragraphs 51-59 of IFRS 16, the following disclosures relate to leases where the Leasys Group is the lessee.

By analysing the leases falling within the scope of IFRS 16, the Group has identified real estate leases as being the most significant. These mainly include office premises.

There are no sub-lease agreements.

In accordance with the exemptions granted under the standard, the Leasys Group has chosen not to apply IFRS 16 to leases with a total duration of less than or equal to 12 months or to leases with an underlying asset value, when new, that is less than or equal to €5,000. In this case, these leases payments are recognised as an expense (similarly to what was done in the past).

SECTION 2 - LESSOR

The Leasys Group provides financial and operational leases in the markets in which it operates to support the automotive business of the FCA Group and its partner companies.
In the rental sector, the Leasys Group's services are aimed at large companies and SMEs, as well as professionals and private individuals.

In the capacity of lessor, the risk associated with the Group's ongoing rights for underlying assets is managed through:

- buyback agreements;
- collateral: security deposits;
- guarantees: bank and insurance guarantees and sureties.

For agreements where Group companies directly bear the risk for the residual value of the lease, where there is no buy-back agreement with the dealer or manufacturer, quarterly monitoring is carried out in order to allocate a residual value provision.

PART G - 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	INTERNATIONAL	ITALY
	31/12/2022	31/12/2022	31/12/2022
Rental margin/Margin on cars sold	**313.8**	**114.5**	**199.3**
Net operating costs	-91.2	-41.8	-49.4
Cost of risk	-18.3	-4.4	-13.9
Other income/expenses	0.0	0.0	0.0
Operating result	**204.3**	**68.2**	**136.0**
Taxes	-57.5	-16.8	-40.7
Net result	**146.8**	**51.5**	**95.3**

Sector information (€/M)	TOTAL	INTERNATIONAL	ITALY
	31/12/2021	31/12/2021	31/12/2021
Rental margin/Margin on cars sold	**273.5**	**180.3**	**93.2**
Net operating costs	-98	-58.1	-39.9
Cost of risk	-14.7	-12.8	-1.9
Other Income/Expenses	0.1	0.0	0.0
Operating result	**160.9**	**109.5**	**51.4**
Taxes	-37.8	-30	-7.8
Net result	**123.1**	**79.5**	**43.6**

The Leasys Group, whose main activity consists of providing rental services – including the purchase, insurance, maintenance and resale of vehicles to external customers – operates through an organisational structure divided into the following business lines: Long Term Rental, Mobility & Rent, through to the disposal in 2022, and Remarketing.

All inter-company transactions between Group companies were removed for consolidation purposes.

Below is a breakdown of activity by business line:

Sector information (€/M)	LONG-TERM RENTAL	MOBILITY & RENT	REMARKETING	TOTAL
	31/12/2022	31/12/2022	31/12/2022	31/12/2022
Rental margin/Margin on cars sold	**204.2**	**11.1**	**98.5**	**313.8**
Net operating costs	-82.2	-7.9	-1.1	-91.2
Cost of risk	-18.2	-0.1	0	-18.3
Other Income/Expenses	0.0	0.0	0	0.0
Operating result	**103.8**	**3.1**	**97.4**	**204.3**
Taxes	-29.3	-0.7	-27.5	-57.5
Net result	**74.5**	**2.4**	**69.9**	**146.8**

Sector information (€/M)	LONG-TERM RENTAL	MOBILITY & RENT	REMARKETING	TOTAL
	31/12/2021	31/12/2021	31/12/2021	31/12/2021
Rental margin/Margin on cars sold	**204.9**	**34.4**	**34.2**	**273.5**
Net operating costs	-77.3	-19.5	-1.1	-98
Cost of risk	-14.2	-0.5	0	-14.7
Other Income/Expenses	0.1	0	0	0.1
Operating result	**113.4**	**14.3**	**33.1**	**160.9**
Taxes	-26.1	-4.1	-7.6	-37.8
Net result	**87.3**	**10.3**	**25.5**	**123.1**

At the end of 2022, the activities of the Long-Term Rental business line achieved a net result of €74.5 million (down approximately 14.62% compared to 31 December 2021).

Assets in the Mobility & Rent business line fell to €2.4 million (down approximately 77.1% compared to 31 December 2021) due to the divestments made in 2022.

Lastly, the activities of the Remarketing business line rose significantly compared to 31 December 2021 (up to €69.9 million).

PART H - OTHER INFORMATION

RECONCILIATION OF LEASYS SPA SHAREHOLDERS' EQUITY AND CONSOLIDATED FINANCIAL STATEMENTS

	Shareholders' Equity	including: Result for the period
Shareholders' Equity and Profit for the period of Leasys S.p.A.	**556,104,940**	**130,425,249**
Shareholders' equity and Profit for the period of consolidated companies net of minority interests	118,239,731	41,870,225
Consolidation adjustments:	(26,016,999)	(25,494,290)
Derecognition of carrying value of consolidated investments	(143,354,000)	0
Other consolidation adjustments	117,337,001	(25,494,290)
Shareholders' Equity and Profit for the period attributable to Leasys S.p.A. Shareholders	**648,327,672**	**146,801,184**
Shareholders' Equity and Profit for the period of the Consolidated Financial Statements	**648,327,672**	**146,801,184**

PUBLIC INFORMATION STATE BY STATE

Date 31/12/2022

List of Leasys Group companies by location and nature of business, pursuant to Article 89 of Directive 2013/36/EU of the European Parliament and of the Council (CRD IV)

GEOGRAPHICAL LOCATION OF ESTABLISHMENT	COMPANY	NATURE OF THE BUSINESS
AUSTRIA	Leasys Austria GmbH	Financial
BELGIUM	Leasys S.p.A (Belgian Branch)	Non-financial
DENMARK	ALease&Mobility (Danish Branch)	Non-financial
FRANCE	Leasys France S.a.S	Non-financial
GERMANY	Leasys S.p.A (German Branch)	Non-financial
ITALY	Leasys S.p.A. Clickar S.r.l.	Non-financial
NETHERLANDS	Leasys Nederland B.V.	Non-financial
POLAND	Leasys Polska Sp.Zo.o.	Non-financial
PORTUGAL	Leasys Portugal S.A.	Non-financial
UNITED KINGDOM	Leasys UK Ltd	Non-financial
SPAIN	Leasys S.p.A (Spanish Branch)	Non-financial

GEOGRAPHICAL LOCATION OF ESTABLISHMENT	NATURE OF THE BUSINESS	RENTAL MARGIN (Amounts in thousands of eur)	NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES	PROFIT OR LOSS BEFORE TAX (Amounts in thousands of eur)
AUSTRIA	FINANCIAL	3,524.0	5	163.7
BELGIUM	NON-FINANCIAL	1,545.7	8	159.4
DENMARK	NON-FINANCIAL	2,616.9	-	1,066.1
FRANCE	NON-FINANCIAL	30,728.0	32	18,397.0
GERMANY	NON-FINANCIAL	12,124.5	12	7,403.9
GREECE	NON-FINANCIAL	1,940.7	-	1,210.8
ITALY	NON-FINANCIAL	202,448.8	440	162,168.3
NETHERLANDS	NON-FINANCIAL	3,786.2	8	2,134.8
POLAND	NON-FINANCIAL	4,274.0	24	592.3
PORTUGAL	NON-FINANCIAL	3,589.6	9	1,916.8
UNITED KINGDOM	NON-FINANCIAL	33,384.2	24	24,243.1
SPAIN	NON-FINANCIAL	16,972.6	24	10,898.9

Turin, 23 February 2023

for the Board of Directors
Chief Executive Officer
Rolando D'Arco

Auditors’ report

DECEMBER 31ST, 2022

LEASYS

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the Sole Shareholder of Leasys SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Leasys Group (the "Group"), which comprise the consolidated balance sheet as of 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated shareholders' equity and the consolidated statement of cash flows for the year then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Leasys SpA (the "Company") pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the parent company Leasys SpA or to cease operations, or have no realistic alternative but to do so.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

www.pwc.com/it

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with *governance*, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010

The directors of Leasys SpA are responsible for preparing a report on operations of Leasys Group as of 31 December 2022, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of Leasys Group as of 31 December 2022 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of Leasys Group as of 31 December 2022 and is prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 13 March 2023

PricewaterhouseCoopers SpA

Signed by

Alessandro Parrini
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers