MOBILITY PIONEERS

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31ST, 2021

LEASYS

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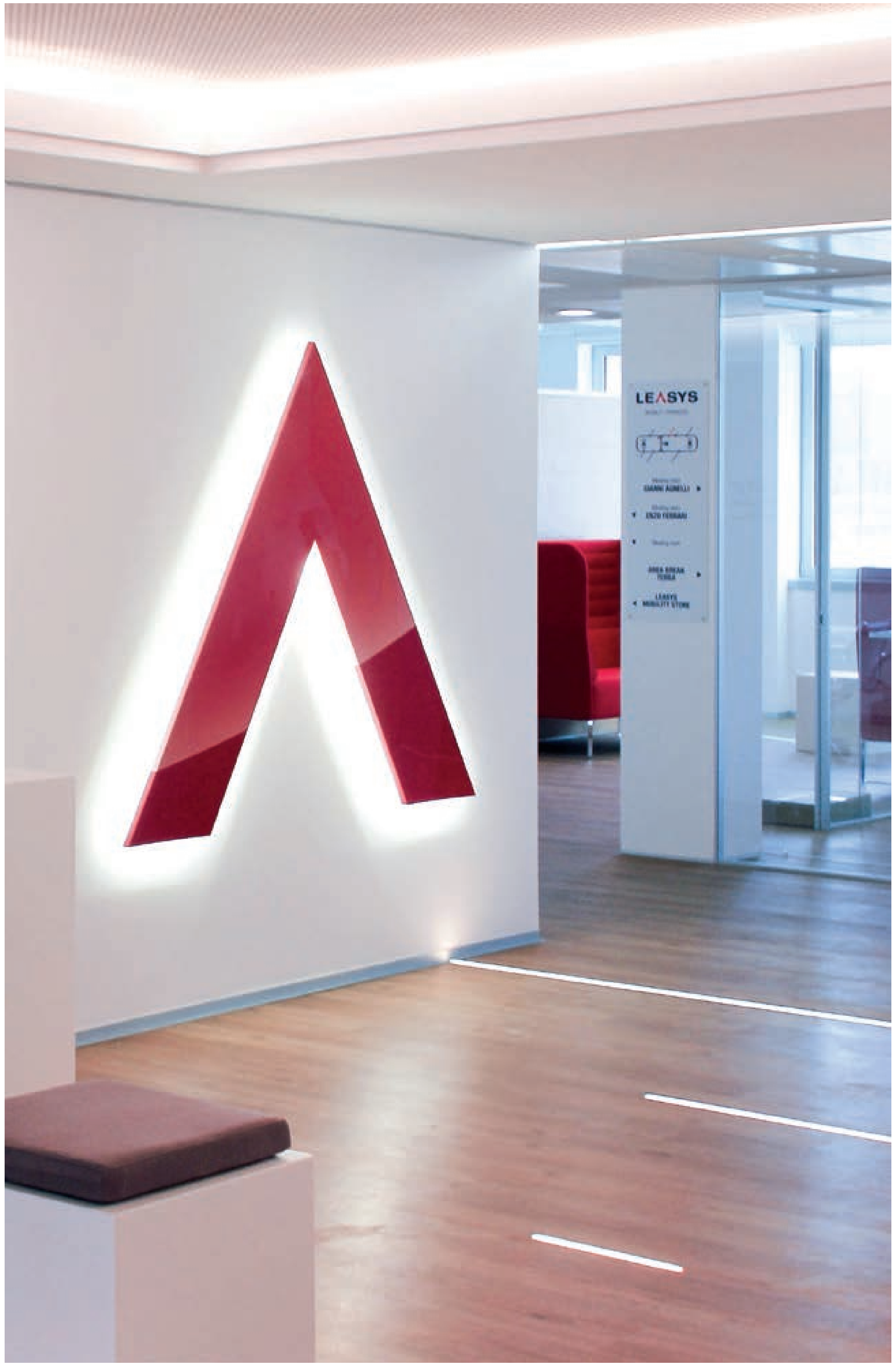
31 DECEMBER 2021

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 E.A.I. of Turin No. 960205 Management and coordination pursuant to Article 2497 of the Italian Civil Code. FCA BANK S.p.A.



Introduction

The Consolidated Financial Statements of the Leasys Group as at 31 December 2021 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 the respective interpretations of the International Financial Reporting Interpretations Committee (IFRIC), approved by the European Commission pursuant to European Union Regulation No. 1606 of 19 July 2002, implemented in Italy by Legislative Decree No. 38 of 28 February 2005.

The Consolidated Financial Statements consist of the Balance Sheet, Profit and Loss Statement, Statement of Comprehensive Income, Statement of Changes in Shareholder Equity, Cash Flow Statement, and the Notes to the Financial Statements, and are accompanied by a directors' report on the group's business performance, operating results and financial position. 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 report of the Board of Statutory Auditors and the report of the independent auditors pursuant to Legislative Decree No. 39 of 27 January 2010.

The notices of the most recent significant events are also available on the Leasys corporate website (**www.leasys.com**).

Key data

274 €/MLN
Rental margin

6,6%
On average assets

15 €/MLN
Cost of risk

0,4%
On average assets

98 €/MLN
Net operating expenses

2,3%
On average assets

123 €/MLN Net income

363.384
Managed fleet

4,8 €/MLD
Value of the fleet at year-end

12
Countries in which we operate

915
Employees

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Leasys: a stellar year for the Stellantis galaxy

GIACOMO CARELLI
CEO and General Manager
of FCA BANK and
Chairman of LEASYS

The year 2021 was exciting on many levels. Back in January 2021, Leasys was appointed as one of the two mobility brands of Stellantis, the world's fourth largest car manufacturer, resulting from the merger between FCA and PSA. In the following months, as the economy gradually recovered and the European Green Deal gathered pace, Leasys demonstrated that it is responsive to new market challenges, not only as the mobility brand of the new industrial group, but also as a leading player in Italy and one of the leaders in Europe in the long-term rental business.

Thanks to a qualified and committed team and with a total fleet of approximately 400,000 vehicles, Leasys worked tirelessly to support and encourage Stellantis to branch out in Europe by teaming up with the various brands of the new automotive group. Meanwhile, the company also strengthened its role as a trailblazer in the field of mobility by offering flexible, digital and environmentally sustainable services that are designed to effectively meet customer needs "from one minute to a lifetime".

In July, Leasys also made its debut on the capital market, with a €500 million Green Bond, allocated entirely to developing its electric vehicle fleet and fast-charging infrastructure. This is the first time that our Group and Stellantis carry out a financial transaction of this magnitude. The range of rental and mobility services dedicated to hybrid and electric vehicles was also widened: in fact, several products that were successfully tested in Italy, such as Miles and Unlimited, were introduced into new European markets.

Leasys Rent has expanded its network of Leasys Mobility Stores, which are now operating in three different markets Italy, France and Spain and will soon be available in the UK, Portugal and other European countries. Moreover, on an international level, branch offices were opened in Austria and Greece. The number of countries in which Leasys is present now stands at 12. In addition to these openings, Easirent and Sadorent were acquired respectively in the UK and Portugal. Also during the year, LeasysGO!, the car-sharing service exclusively dedicated to the New electric 500, opened to the public in Turin, Milan and Rome.

Building on the excellent work done over the last few years, the year 2021 came to a close with an important announcement for the future of Leasys and of long-term rental in general. In an effort to reorganise their business with a strategic outlook, Stellantis and Crédit Agricole Consumer Finance have embarked on an ambitious new project that will be built around two main pillars: on the one hand, the merger between Leasys and Free2Move Lease will give rise to a multi-brand, modern and digital pan-European joint venture company offering long-term rental services. On the other hand, the fact that Crédit Agricole Consumer Finance has acquired 50% of the shares in FCA Bank and Leasys Rent, currently owned by Stellantis, will bring a new player in the field of car finance, rental and *subscription services*, and short- and medium-term mobility into the global market.

As regards the new joint venture between Stellantis and Crédit Agricole Consumer Finance, it will be based on Leasys's companies, systems and long-term rental services, building on the achievements made possible by the professionalism and expertise of the company's team and by the ground-breaking solutions launched in the last few years.
The agreements regarding such transactions, which should be signed in early 2022, will be effective by the first half of 2023. An exciting future lies ahead, filled with opportunities and potential for success. In fact, in the future, our Group is set to play an active part in making mobility more sustainable, innovative and accessible to all.

> "Leasys worked tirelessly to support and encourage Stellantis to branch out in Europe by teaming up with the various brands of the new automotive group."

Leasys continues to grow and looks to the future

ROLANDO D'ARCO
LEASYS Chief Executive Officer

2021 was a year of significant milestones, but also one of great challenge. It was a year when Leasys - a key European players in long-term rentals - confirmed its leadership in Italy, with a market share of almost 22.7% (source: Dataforce 2021). This result was achieved thanks to its twenty years of experience in mobility services, during which the company has maintained its role as a pioneer of mobility, offering a wide range of innovative, sustainable, digital and increasingly integrated solutions. These elements underpin the company's strategy and allow it to offer its customers (consumer, professional or corporate) a range of solutions to fit their wide-ranging needs.

Its two decades of history culminate with Leasys becoming a brand of the large new Stellantis corporation, opening up important opportunities; by working in partnership with the Group's automotive brands and designing increasingly innovative and green solutions, we have been able to maintain high performance and expand our business potential in this period of great change.

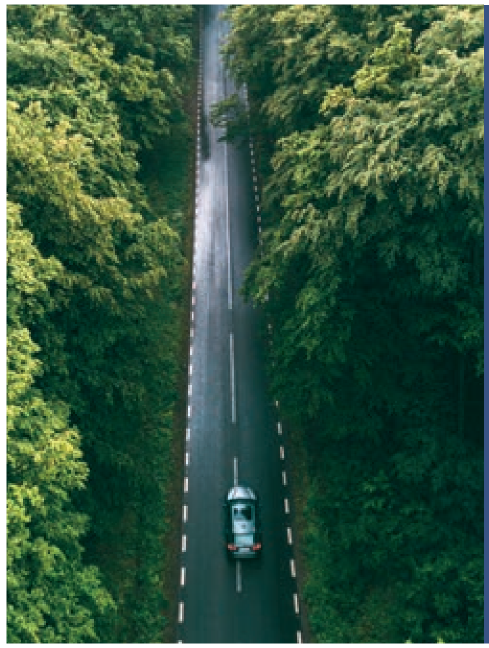
Leasys has therefore clearly set out its responsibility towards the ecological transition by presenting its electrification strategy. Its commitment is now being put into practice in two ways: by gradually converting the fleet to zero emissions through solutions that promote the customer's electric mobility experience, and through major infrastructure investments which have brought the largest private network of fast charge points in Italy under the company's ownership.

This real eco-sustainable revolution has been launched to make electric mobility more accessible, which Leasys has chosen to finance by issuing its first 500-million-euro Green Bond, maturing in July 2024. The operation is a first for any Stellantis Group company and has a very high-quality order book, with € 2.3 billion raised from more than 129 investors. This confirms a high level of confidence that stems not only from the credibility of the brand, but also from procedures such as the ESG Policy, which sets out Leasys' principles in terms of environmental, social and governance sustainability. The success of the operation will allow the company to complete its evolution towards zero-impact mobility, and propel it into the future.

The company's growth path is therefore continuing on a well-defined trajectory, as it rises to the major challenges of the coming months with renewed enthusiasm. Following the agreement between Crédit Agricole Consumer Finance and Stellantis, Leasys and Free2Move Lease will merge to create a pan-European rental company with approximately 700 thousand vehicles. The merger will take effect in 2023 with the ambitious aim of creating a cutting-edge player (specialising in long-term multi-brand leasing for individuals and businesses), set to take the top position in Europe with a fleet of over one million cars by the end of 2026.

Such developments demonstrates how, for more than two decades, Leasys has never stopped looking towards the future and paving the way for the mobility of tomorrow.

> "By working in partnership with the Group's automotive brands and designing increasingly innovative and green solutions, we have been able to maintain high performance and expand our business potential."



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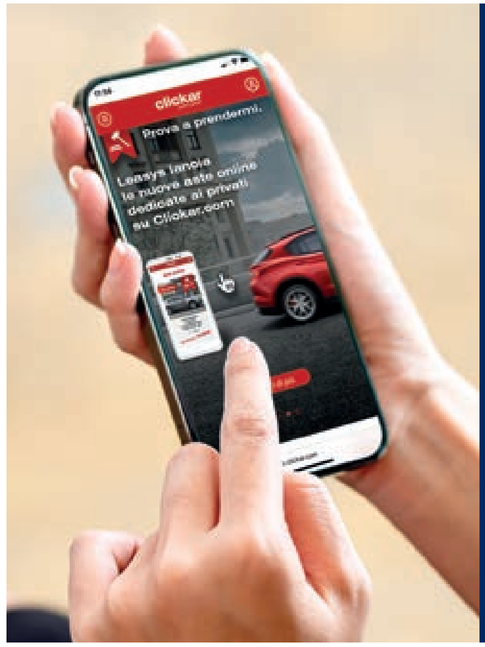

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Administration and control bodies

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
Riccardo Rota

INDEPENDENT AUDITORS

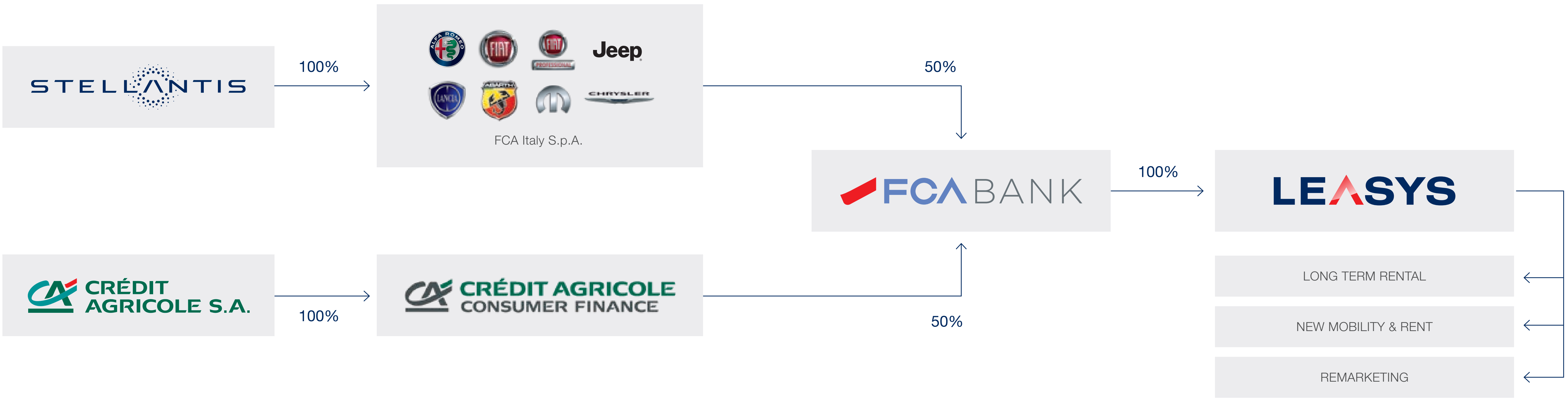
PricewaterhouseCoopers S.p.A.

*appointed with effect from 1 December 2021

Shareholder structure

Leasys S.p.A. is wholly owned by FCA Bank S.p.A., a bank mainly engaged in car loans, through an equal joint venture between Stellantis N.V. and Crédit Agricole S.A.

Shareholder structure



Ownership structure

LEASYS

LONG-TERM RENTAL

100%

- Leasys S.p.A. (Belgian Branch)
- ALease&Mobility (Danish Branch) [1]
- 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) [3]
- Leasys Hellas SM S.A. (GR) [5]
- Leasys Austria GmbH (AT)

NEW MOBILITY & RENT

100%

- Leasys Rent France S.A.S. (FR) [2]
- Leasys Rent Espana S.L.U. (ES) [4]
- ER Capital LTD
- Leasys Rent S.p.A. (IT)
  - 100%
  - Sado Rent S.A.

REMARKETING

100%

- Clickar S.r.l. (IT)

Legal entity

Branch

1. On 30 November 2021, the Danish subsidiary Leasya S.p.A. changed its name to ALease&Mobility. Filial af Leasys S.p.A.
2. On 1 October 2020, the companies AIXIA LOCATION S.A.S., RENT ALL S.A.S. and AIXIA SYSTEMES S.A.S., by way of TUP ("Trasmission Universalle de Patromoine"), merged into the company LEASYS RENT FRANCE S.A.S.
3. On 4 November 2020, Leasys S.p.A. took over all the shares of "FCA Dealer Services Portugal S.A." held by Fca Bank S.p.A. On 23 December 2020, FCA Dealer Services Portugal S.A. changed its name to Leasys Portugal S.A.
4. On 5 November 2020, Leasys S.p.A. acquired shares representing 100% of the share capital of DRIVALIA CAR RENTAL S.L.U. - a company based in Alicante, subsequently renamed Leasys Rent Espana S.L.U.
5. On 22 December 2020, Leasys acquired all the shares held in FCA Capital Hellas S.A. from FCA Bank S.p.A. On 4 January 2021, FCA Capital Hellas S.A. changed its name to Leasys Hellas SM S.A.

Geographical presence

UNITED KINGDOM
Leasys UK Ltd

DENMARK
Leasys S.P.A. (Danish Branch)***

POLAND
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
FCA Leasing GmbH

FRANCE
Leasys France S.A.S.
Leasys Rent France S.A.S.

PORTUGAL
Leasys Portugal S.A.

SPAIN
Leasys Rent Espana S.L.U.**
Leasys S.p.A. (Spanish Branch)

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

GREECE
Leasys Hellas SM S.A.*

* On 4 January 2021, FCA Capital Helias S.A. changed its name to Leasys Helias SM S.A.
** On 1 March 2021, DRIVALIA CAR RENTAL S.L.U. changed its name to Leasys Rent Espana S.L.U.
*** On 20 November 2021, the Danish subsidiary Leasya S.p.A. changed its name to ALease&Mobility. Filial af Leasys S.p.A.

Results of operations

Economic data (€/m)	31/12/2021	31/12/2020
Rental margins	274	191
Net operating costs	-98	-84
Cost of risk	-15	-13
Earnings before tax	161	94
Net result	**123**	**87**
Asset value[1]		
Average	4,172	3,368
End of year	4,789	3,739
Ratio (on average asset value)		
Rental margin	6.6%	5.7%
Net operating costs	2.3%	2.5%
Cost of risk	0.4%	0.4%

[1] The value of assets is the sum of vehicles and receivables from customers net of the respective provisions

Business lines

The Leasys Group's mobility services are able to meet the various needs of all types of customers, from large companies and SMEs through to professionals and private individuals. This integrated mobility system aims to provide a complete range of services and products for customers seeking more tailor-made solutions. In 2021, the company placed a strong emphasis on electric mobility, by integrating its offer of green solutions to help build more sustainable mobility and reduce carbon dioxide emissions. In 2021, Leasys further expanded the network of Leasys Mobility Stores - a capillary network which makes all the mobility solutions it offers available for subscription. It also developed an infrastructure of free electric recharging points for its customers in large cities, stations and airports.

Leasys operates through an organisational structure divided into three business lines: Long Term Rental, New Mobility & Rent and Remarketing.

	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
Other income/expenses	0,1	0,0	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**
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	MOBILITY & RENT	REMARKETING	TOTAL
Economic data (€/M)	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Rental margin/Margin on cars sold	167,9	22,0	0,8	190,6
Net operating costs	-73,8	-9,7	-0,7	-84,3
Cost of risk	-12,6	-0,2	0,0	-12,9
Other income/expenses	0,3	0,0	0,0	0,3
Operating result	**81,7**	**12,0**	**0,1**	**93,8**
Taxes	-3,4	-3,3	0,0	-6,6
Net result	**78,4**	**8,7**	**0,1**	**87,1**
Commitments				
Average	3.108	197	63	3.368
End of year	**3.445**	**233**	**61**	**3.739**
RATIO (OF AVERAGE COMMITMENTS)				
Rental margin/Margin on cars sold	5,4%	11,2%	1,3%	5,7%
Net operating costs	**2,4%**	**4,9%**	**1,2%**	**2,5%**
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 innovative rental solutions Leasys offers are accompanied by a wide range of services that enable customers to ensure their mobility for a fixed monthly fee, including all accessory charges, and to benefit from the professionalism of Leasys' assistance services.

Leasys has made product innovation one of its competitive advantages. Over the years, it has developed rental solutions with flexibility in terms of duration, such as Be Free, or in terms of distance through the pay-per-use product Leasys Miles. In the last year, it has also provided dedicated solutions for electric vehicles such as Unlimited. What's more, Leasys' innovation has been rewarded by consumers with prestigious awards such as "Product of the Year" for Be Free (2019) and Noleggio Chiaro (2020) in the automobile services category, and for Leasys Miles (2021) in the car services category.

New Mobility & Rent

This business line includes short- and medium-term rentals, mobility subscriptions and car-sharing activities. The geographical scope of this business line was expanded in 2021 and includes Italy, France, Spain, the United Kingdom and Portugal.

New Mobility & Rent promotes the most advanced flexible and digital mobility solutions such as CarCloud: the first true mobility subscription where people can choose the most suitable vehicle for their needs, replace it the number of times they wish, and access the service in a completely digital mode, collecting their chosen vehicle from one of the Leasys Mobility Stores in the area. At the end of 2021, to complete the portfolio of products already available, BE Free Evo was launched - a long-term subscription designed by Leasys to rent a car for up to 24 months by credit card.

Lastly, LeasysGO! - an innovative car-sharing platform based on the iconic electric Fiat 500 - supports and encourages sustainable, shared, 100% electric and 100% digital mobility.

Remarketing

The Leasys Group provides 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 the product is guaranteed by the certified origin of the cars, certifying the proper performance of scheduled maintenance. Photographs of each car with detailed and 360° views are accompanied by reports from accredited and independent experts.

> Leasys's innovation, has been rewarded by "Product of the Year" for Be Free (2019) and Noleggio Chiaro "Smart Renting" (2020) Leasys Miles (2021)

Nikos Hamodrakas

CFO

Financial strategy and Green Bonds

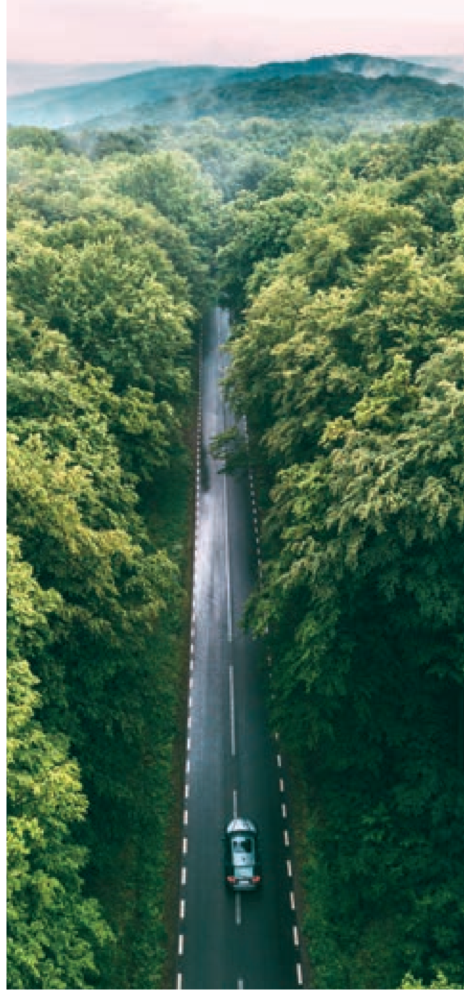
Within the context of climate change and the challenges it represents globally, Leasys believes that the mobility industry has a responsibility to minimize its CO_2 footprint. As a result, electric mobility is a pivotal point of our Company's development strategy and is considered essential for our growth as an integrated mobility operator. In this context, we recognize the specific needs of consumers looking to a transition from internal combustion engines to electric powertrains and we embrace the challenge, supporting this transition through innovative products and services that respond to those emerging needs, as well as helping to develop the infrastructure required to achieve the transition.

In 2021, another step in this direction was taken when Leasys established its Green Bond Framework with the three-pronged aim of aligning our Company's funding strategy with its mission, sustainability strategy and objectives, diversifying the Company's sources of financing through investments in low carbon transportation and contributing to the development of the Green Bond Market adhering to the most advanced market standards. In accordance with this Framework, Leasys issued its inaugural Green Bond, whose proceeds will be allocated to the financing or refinancing of a) the investment made by Leasys Group to develop a network of charging points for electric vehicles and b) a selected pool of vehicles that are purchased by Leasys Group and are either vehicles with zero tailpipe emissions (i.e. electric vehicles, fuel cells vehicles, hydrogen vehicles) or vehicles with emission lower than 50 gCO_2e/km until 2025, and 0 gCO_2e/km from 2026 onwards.

The success of this endeavour was stunning. The combination of excitement around Leasys' debut trade, robust market backdrop and no competing supply contributed to an extremely strong book build. Execution dynamics were exceptional and unseen in recent market conditions: demand was extremely high and granularity back to levels seen in the best issue windows, testament of the appreciation of Leasys' and FCA Banks's credit story and of the specific Leasys' bond green features. As a result, our Company's inaugural Green Bond Issuance finalized at a triumphant €500 million.

Green bonds are intended to encourage sustainability and to support climate-related or other types of special environmental projects as well as to finance the cultivation of environmentally friendly technologies and the mitigation of climate change. Leasys is justifiably proud to participate in this growing financial market which has a cumulative issuance since 2015 of over €0.9 trillion. Yet, more than that, we are proud to have taken another step towards realizing our company strategy of low-emission mobility and environmental responsibility.

Leasys: Mobility Pioneers.
Sustainable as well.



Antonio Mansueto

Head of Compliance

Acting on our responsibility

Globally, nine out of ten citizens want to live in a more sustainable and equitable world in the post-Covid era, and 72% are imagining a lifestyle change, rather than a return to the past[1].

It is a strong and clear message conveyed to companies, which we fully share at Leasys and which translates into business choices geared towards ESG sustainability goals (Environmental, Social, and corporate Governance).

We are fully aware that the customer focus has now become a fundamental element for companies: today there can be no business without ethics and shared value. CSR - Corporate Social Responsibility - has therefore taken on a leading role.

In the context of climate change and the challenges it presents at international level, we believe that the mobility sector bears a responsibility to minimise its CO_2 footprint. With a fleet of almost 400,000 vehicles under management, Leasys is one of Europe's largest leasing and rental operators and, in turn, bears a responsibility to lead the transition towards a more sustainable mobility system.

As an employer of around 900 people across Europe, we feel it is both a duty and an opportunity to help improve the social well-being of our staff and the communities they serve.

Leasys is part of a major Group. The Company's governance structure is strong and ensures the sound management of its activities. Leasys' control system includes three levels, a system of Committees to monitor key risk and performance indicators, and independent oversight by the Company's Control Bodies.

Through our Environmental and Social strategies, underpinned by solid governance, we aim to help achieve the United Nations Sustainable Development Goals. Moreover, in 2021 Leasys adopted an ESG policy, which sets out the principles it has adopted in terms of environmental, social and governance sustainability.

Leasys has chosen to locate its European headquarters in Rome by moving to the Arte 25 office complex - the only new-generation building in the city of Rome to obtain the LEED PLATINUM certification[2], achieving estimated savings of 25% in energy consumption, 11% in water consumption and 34% in CO_2 emissions.

In line with our commitment and goals, at Leasys we have developed and implemented a global strategy based on low-emission mobility, as well as environmental and social responsibility.

Leasys, Mobility Pioneers
and Social Responsibility as well.

1. Survey published by the Word Economic Forum.

2. LEED (Leadership in Energy and Environmental Design) is the most widely used green building rating system in the world. It provides a framework for healthy, high-efficiency and energy-efficient green buildings.

Pietro Nardi

Head of Sales

Cutting-edge mobility

The year 2021 has been very positive for Leasys: we are celebrating the company's 20th year in business, with a growth path that shows no sign of stopping, confirming our place as an Italian leader in the mobility sector in 2021 for the third year running.

During the year, although there was limited growth in the automotive sector in Italy (+ 7%), long-term leasing actually continued to perform well (+18%). In line with market trends, Leasys achieved positive results, closing the year with a market share of 22.7% (source: Dataforce 2021). Performance at European level was also positive, with Leasys posting a growth in results.

Lastly, we should recall that in 2021 the entire automotive sector was affected by the "semiconductor crisis", which we believe will continue for much of 2022. The need to deal with scarce product availability and longer waiting times for car deliveries led us to implement a series of actions, offering corporate clients the option to extend their fleets by several months, and (especially for the most urgent mobility needs) for them to take advantage of "bridge" solutions such as car subscriptions or short- and medium-term rental solutions.

2021 was also the year of mobility geared towards environmental sustainability and electricity. This has been confirmed by customer demand based on market data, according to which more than 11% of cars registered in 2021 were electric or hybrid - double the share of last year (source: Dataforce).

We are now looking ahead to 2022 with the aim of further consolidating our strategy and extending our development plan, by continuing to focus on electric mobility and related services. Corporate mobility in the coming years will be characterised not only by a gradual transition to electric mobility but also by a renewed need for efficient fleet management.

In this context, rentals will continue to be the solution that best fits these needs.

Leasys,
Mobility Pioneers.

Laura Martini

Head of Marketing &
Business Development

Electric mobility: leading the change

Electric mobility has been the great protagonist of Leasys' development strategy for 2021, echoing the key talking point of sustainability in public opinion, companies and politics.

In a year when the car market contracted sharply, electrification in the automotive sector has instead shown positive and rapidly consolidating trends; market data in late November 2021 shows +170% year-on-year growth in registrations of plug-in cars. The preference for electric cars and plug-in hybrids is growing across the board for private individuals and companies of all sizes, but the fastest growth is currently among private consumers for electric cars.

The rental sector is leading the way in the purchase of these electric cars, as renting is the most viable alternative to buying a car, thanks to increasingly flexible and advantageous solutions available on the market which can provide major economic and management advantages, without the burden of ownership.

As a sector leader, Leasys' aim is to lead the transition to electric mobility and help create the conditions to encourage and accelerate its success. Our company's strategy has therefore been implemented through the development of specific products for newly powered vehicles - services which are "facilitators" of the electric experience and campaigns aimed at private and corporate customers, to build awareness of the benefits of electric cars and the renting opportunities for customers potentially interested in having a green car.

All cars rented with Leasys come with cables for public and domestic recharging, and the fee includes the Leasys e-Mobility Card enabling cars to be recharged for free at our Leasys e-parking recharging points or for a fee at the public network; all charging points can also be easily geolocated via the new Leasys Umove app.

Of course, the transition to electric vehicles will only happen as quickly as the necessary charging infrastructure is put in place. For this reason Leasys has invested and continues to invest in building its own charging network (with already more than 1,000 points in Italy) for the exclusive use of its customers, as well as in collaboration with suppliers specialising in consultancy, and in creating charging systems for even the largest fleets.

Leasys' strategy therefore places electric mobility at the centre of the development of its services and products, which are designed to promote new electric mobility customers; Leasys Miles and Unlimited are geared towards flexibility and are the two leading long-term rental solutions designed to promote more sustainable mobility.

Leasys Miles in particular is a long-term pay-per-use rental solution, voted "Product of the Year" 2021 in the Car Services category. It has a very low monthly fee, which includes the first 1,000 km and all services, plus a fixed cost tied to actual mileage. Leasys Miles is designed for all those who use their cars intermittently or for short journeys around town.

Leasys Unlimited is an innovative long-term leasing solution in the field of sustainable mobility and is dedicated exclusively to hybrid and electric models. It allows you to drive a new car with no down payment, no mileage limits and gives you the ability to recharge your car for free at all Leasys Mobility Stores.

Leasys, Mobility Pioneers
and the Change as well.

Paolo Manfreddi

Head of Leasys New Mobility & Rent,
CEO Leasys Rent S.p.A.

Mobility solutions on tap

The last two years have been key in terms of development for Leasys Rent. Four new acquisitions were completed in the short-term rental and mobility sector, enabling our company to expand our activities in Europe and confirm our role as an all-round mobility operator. In May 2020, the AIXIA Group completed its first acquisition in France, with its two brands: Rent&Drop for one-way rentals of commercial vehicles, and Rentiz for short-term rentals of premium segments, minibuses and microcars. In early November of the same year, we acquired Drivalia Car Rental in Spain. Lastly, in summer 2021 we acquired ER Capital LTD, which operates as Easirent in the UK, and in December 2021 we acquired Sadorent, a company operating in the Portuguese market.

As driving change is part of our DNA, we aim to be the leading brand in sustainable, flexible, innovative and digitised mobility.

With this in mind, in 2021 we created the first all-electric car-sharing service dedicated to the New E500: LeasysGO!, which was launched in early 2021 and is already in three Italian cities: Turin, Milan and Rome, with the prospect of expanding abroad.

One year after its launch, LeasysGO! has recorded over 200,000 rentals, producing savings of over 80 tonnes of CO_2 per month in the final months of the year, compared to the same use of a similar model with a combustion engine. Customers can use the service in two ways: prepaid by purchasing a package of minutes at an advantageous rate; or pay per use by paying a fee per minute, both while enjoying a 100% digital experience via the app.

Leasys' e-mobility revolution actually began back in June 2020: the month we inaugurated our first electrified Leasys Mobility Store, equipped with car charging points. The first of more than 600 in Europe that are fully electrified thanks to our E-parking, and more than 1,300 fast-charging stations, making it one of the most extensive and widespread private charging networks in Italy.

After outlining the targets and tools needed to revolutionise electric mobility, we began to work with a strong focus on the range of services we offer, as well as create new ones, to make it as flexible and heterogeneous as possible, dispelling customers' concerns over electric driving. With this objective in mind, Leasys Rent offers a wide range of services to interpret and complement the various needs of those wishing to rent a car: after Leasys FlexRent, CarCloud and Carbox, the latest arrival is Be Free EVO. Completing the range of subscription offers, this is the first long-term subscription, a brand new ready-to-go solution accessible only with a credit card; it allows you to have the car within 48 hours, to keep the price fixed for 24 months, with a fully digital service and the option to back out every month without penalty. The subscription can be paid for by credit card, with no credit checks, in just a few simple taps on your smartphone.

All these solutions make up an integrated package of highly flexible and modular solutions, which can bring customers closer to using electricity in a democratic way.

Leasys,
Mobility Pioneers.
Shared as well.

Patrizio Scifo

Head of Human Resources

Gender Neutrality Project

The year 2021 was an opportunity for Leasys to increasingly reaffirm its choice to apply, in a structural way, remuneration policies (both fixed and variable) aimed at equal opportunities and non-discrimination.

To bolster this commitment and build awareness of Gender Neutrality, Leasys has actively participated in setting out and implementing the Gender Neutrality Project - a Group-level initiative launched by FCA Bank in 2021, in compliance with the new guidelines issued by the European Banking Authority.

A key element of the Gender Neutrality Project is the desire to ensure gender neutrality in recruitment and hiring policies, succession planning, professional development and growth opportunities, and remuneration policies.

In the wake of this project, a series of initiatives have been launched, including:

- Setting improvement objectives on specific and significant KPIs, focusing on targets assigned to the HR professional family (i.e. gender-balanced recruiting, increased representation of women in managerial positions, gender-neutral remuneration).
- Awareness-raising in the organisation by highlighting the contribution of female staff to particularly relevant activities and/or projects, both in the external editorial plan (e.g. LinkedIn) and in internal communications.
- Launch of the pilot Grow & Inspire Mentoring Program - a female mentorship project which aims to develop and strengthen women's leadership in the company by supporting their decision-making and managerial growth within the Leasys Group organisation. More specifically, two first levels of Leasys CEOs played a role as mentors, along with four resources serving as mentees in a course that lasted from July to December.
- The Diversity, Inclusion and Belongingness training was launched, aimed at all staff with a role of hierarchical responsibility, to build awareness of diversity management issues and consolidate a culture of inclusion within teams.

We can confidently say that this path consolidated in 2021 will develop even further in the coming years, as Leasys will uphold its commitment to protecting Gender Neutrality and affirming active policies of inclusion and protection of diversity.

Leasys: Mobility Pioneers and Human Resources as well.

Matteo Merlo

Head of Remarketing

The Leasys company car is online

For years Leasys has been one of the leading international operators in the resale of used cars.

With 39,000 sales in 2021 alone, through the Clickar brand, the Group's remarketing activities have made an important contribution to the consolidated financial result.

In 2021, the used car market was characterised by significant price growth. This increase is due, on one hand, to the lack of new products (as a result of the lack of semiconductors), and on the other, to the reduction in "fresh" used products tied to the lower returns from end-of-lease rent-a-cars. In this particularly favourable market context, thanks to the availability of end-of-lease return products, as well as reliable, transparent and consolidated used car sales operations, the Group's remarketing line achieved excellent results and Leasys has continued to pursue its strategy of developing direct sales to private individuals.

The year 2021 also saw major developments in the Clickar.com platform aimed at giving private customers the ability to purchase select and guaranteed used Leasys vehicles entirely online.

On the Clickar.com website, private customers can also enjoy a fully online shopping experience, purchase a Leasys used vehicle of their choice, and choose whether to pay in a lump sum or take out a loan.

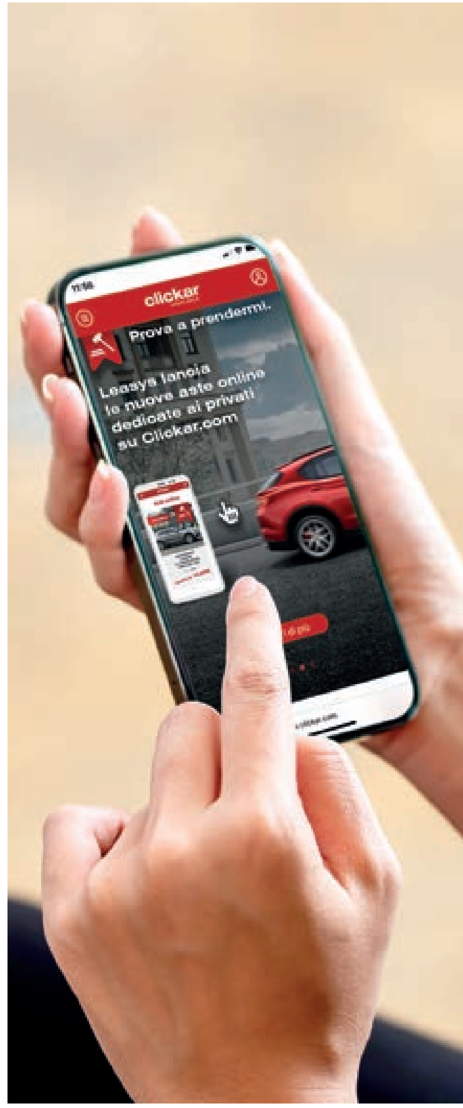
Thanks to its easy and intuitive service, the Leasys digital platform offers all target customers a wide range of reliable vehicles in excellent condition, which can be purchased from the digital display or through special auctions with no commission.

Online payments for vehicles can be made by online bank transfer or by FCA Bank financing: once customers have identified the vehicle they wish to purchase, they simply add it to their basket and select one of the two payment methods available. If paying via transfer, once the payment is made the customer receives the contractual documents and can complete the purchase. If the preferred option is with financing, customers can use a simple and intuitive tool to upload all the necessary documents, sign the contract digitally and receive the outcome of the credit assessment within a few days.

Both digital payment options are also available for vehicles sold at auction.

Once the purchase has been finalised or the financing process has been initiated, the vehicle can be collected from the Clickar Point.

Leasys, Mobility Pioneers, quality pre-owned as well.



Maria Grande

Head of Fleet Operations

Putting the customer at the centre

The cornerstone of Leasys' strategy is the ability to deliver innovative, flexible, efficient and sustainable mobility solutions that meet the needs of all types of customers, from large companies to private individuals. Customer services are an essential part of all Leasys products and are the cornerstone of the entire product strategy.

This strongly customer-oriented vision, combined with 20 years' experience in the mobility sector, has led us to build a system of services to support our customers at every step of the customer-journey: from delivery of the vehicle to one of our network centres or to the customer's home, through to 24/7 roadside assistance, maintenance at our partner centres, assistance for accident and bodywork damage claims or tyre changes, as well as all administrative procedures, right up to contract expiry and the subsequent return or renewal of the vehicle.

To assist customers throughout the area and with maximum professionalism, we select and use only the most qualified partners, those who can demonstrate that they are able to provide services in line with our expected quality standards. Today our service network consists of more than 200 Leasys Mobility Stores, selected based on the geographical needs and quality they can provide when assisting our fleet. We also rely on an extensive network of authorised tyre dealers, body shops and garages (around 2,000 in total), which means we can offer end customers widespread coverage of the area.

Alongside the more traditional service channels, including highly specialised 24/7 Customer Care, Leasys provides customers with contact channels and digital tools designed not only to provide assistance, but also to allow them to manage their car services independently. Using the U MOVE app, for example, customers can geolocate the nearest service centre, request a breakdown van, monitor their miles travelled (and compare it to the figure in their contractual terms), check notifications of any fines received, and monitor the vehicle in real time through the infomobility and telediagnosis services. For fleet managers, we have developed MyLeasys - a web platform designed specifically to manage company fleets, where you can access all information on the fleet at any time, monitor the use of the vehicles by company drivers, check any technical stoppages or service operations in progress, keep miles travelled under control, forecast renewal requirements, manage all administrative aspects and create reports on the fleet's main KPIs.

The services provided, whether through physical or digital channels, are then monitored on an ongoing basis thanks to internal process indicators and direct feedback from our customers. We analyse the quality of the service provided on a daily basis so as to quickly seize any opportunities for improvement.

Leasys, Mobility Pioneers
and Customer Care as well.

Marco Barbieri

Head of Business Process
& Data Governance

The value of ISO certification at Leasys

The ongoing evolution of the automotive services market in Italy over the last few years has required increasingly robust and effective management and control regulations.

With a regulatory context based on clear rules and control systems, Leasys has therefore chosen to adopt governance models to manage and monitor the quality and robustness of the processes and security of its technological park with a view to continuous improvement.

In an ever-growing market, it is no longer just the best offer that makes a company into a leader of its sector but the services it offers and the quality of their management and organisation by companies and how they are subsequently perceived by customers.

This approach has required solid internal growth in order to know how to manage organisational processes by structuring resources.
In 2017, based on the experience of Total Quality (6sigma), Leasys embarked on a quality path by certifying its processes in line with an internationally recognised standard: UNI EN ISO 9001:2015.

The certification of quality management systems makes it possible to structure and organise its production processes and resources in order to recognise and meet customer needs, while complying with mandatory requirements and upholding a commitment towards ongoing improvement. The certification process is based on the Deming principle: Plan, Do, Check, Act - an iterative four-step management method used for controls and ongoing improvement.

Over the years, the principles of the ISO 9001 certification have been assimilated and internalised throughout the organisation, bringing corporate awareness of the importance of organising and monitoring its activities at all levels of the company so as to improve and maintain high standards of service.

In-depth knowledge of internal processes has allowed Leasys to expand its territorial presence in 12 European markets in just a few years, transforming it into an international organisation.
In line with this trajectory, in 2021 Leasys achieved an important goal in obtaining the ISO/IEC 27001:2013 certification for its Information Security Management System.

This certificate conveys its compliance with the standard to Leasys' customers and stakeholders, as well as its commitment to ongoing improvement for the protection of data managed within its organisation and IT systems in order to ensure an adequate level of confidentiality, integrity and availability of information.

In line with the policies and the management system, the main security objectives set by Leasys are summarised below:

- to protect the interests of shareholders, customers, employees and third parties;
- to ensure compliance with applicable laws and regulations;
- to guarantee the security of information and processes through a standard model to identify and manage the respective risks;
- to minimise business risks by preventing and reducing the impact of incidents on company data and systems;
- to keep records of the systems designed and implemented;
- to keep evidence of authorisation processes and activities performed as requested by the business functions.

Leasys, Mobility Pioneers and and processes quality as well.

Report on operations

DECEMBER 31ST, 2021

LEASYS

Macroeconomic scenario and the car market

The world economy is now on a recovery path for 2021. However, supply-side constraints, rising commodity prices and the spread of the Omicron variant of Covid-19 continue to weigh on growth prospects in the short term.

In the euro area in particular, after two quarters of strong expansion, economic activity may be showing signs of slowing down in the latter part of the year. Inflation reached its highest level since the start of the European monetary union, mainly due to higher energy prices. The Governing Council of the European Central Bank announced their future plans to purchase public and private securities, while stressing that the guidance of monetary policy will remain expansionary and focused on the evolution of the macroeconomic framework.

According to Eurosystem projections published in December, euro area GDP is expected to grow by 5.1% in 2021, 4.2% in 2022 and 2.9% in 2023. Compared to the estimates produced in September, the estimate for 2021 remained largely unchanged, while for 2022 and 2023 estimates were revised down by 0.4% and up by 0.8% respectively. GDP's return to above pre-pandemic levels has been postponed by one quarter, until the first quarter of 2022.

For the car market, registrations (European Union + United Kingdom + EFTA) were down 1.5% in 2021 compared to 2020, with a total of 11.8 million units registered. The five most important European markets (Germany, UK, France, Italy and Spain) all reported negative figures compared to the previous year, ranging from -23.9% in Germany to -31.7% in Spain.

AUTOMOTIVE MARKET IN EUROPE

11.8 mln
new car registrations in 2021

-1,5%
compared to 2020

EURO AREA GDP

+5,1% 2021

+4,2% 2022

+2,9% 2023

Prospects for 2022

In 2021, business activity resumed relatively smoothly, with new production showing an increase of around 50% over the previous year. Financial results are still outstanding: the Group's net result of 123.1 million euros (up 40% on 2020) is the best financial result in the history of the Leasys Group to date.
In the current economic context, returning to pre-crisis levels remains key, but still uncertain, especially in terms of whether automotive partners can fully recover industrial production.

In 2022, the Leasys Group will continue its multi-brand activity and collaboration with industrial partners to launch the new products planned for 2022, while consolidating those recently introduced to the market.

Despite the current economic backdrop, the Board of Directors is confident that the Leasys Group's solid financial and organisational structure will allow it to react well to any continuation of the current unfavourable market situation and seize any opportunities that arise by offering rental and mobility solutions that better fit its customers' various needs.

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 macro-economic 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) can affect both outlook and financial results.

The extraordinary nature of Covid-19 has been particularly significant. Two years have now gone by since the start of the pandemic and the vaccination campaign has been going on for a year. With rising infections between late 2021 and early 2022, national governments do not seem inclined to impose the kind of shutdowns on economic activities seen at the start of the pandemic. However, there is ongoing uncertainty over the coming months, the impact on the economy and the Company's results tied to possible developments following the pandemic.

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

The company Leasys S.p.A., while operating in full managerial autonomy, adheres to the strategic and operational guidelines provided by the Parent Company FCA Bank S.p.A., which exercises management and coordination activities pursuant to Article 2497-bis of the Italian Civil Code.

This management and coordination has positive effects on the operations of the company and its results, as it allows the Company to achieve economies of scale by drawing on professional and specialised services with increasing levels of quality, and by concentrating its resources on managing the core business.

In particular, these guidelines have resulted in a Code of Conduct which has been adopted at Group level and in the development of general policies for financial management, human resources and communication. Moreover, the Group coordination includes certain services, mainly for sound credit risk management, by pooling the existing expertise of the Parent Company FCA Bank S.p.A..

DISTRIBUTED DIVIDENDS AND RESERVES

During the year, no dividends were paid to shareholders.

Significant events and strategic operations

Covid-19

After 2020, a year when the Covid-19 pandemic severely affected global economic performance, world economies in 2021 proved less sensitive to the pandemic, due in particular to high vaccination rates in many countries.

Economic growth was propped up in particular by the recovery of demand for services, thanks to post-lockdown reopenings. However, manufacturing activity was negatively affected by various factors, such as the scarcity of certain raw materials and difficulties in international logistics systems. Inflation is growing at a significant rate, mainly as a result of higher costs of energy sources. GDP recovery remains quite buoyant, particularly in the eurozone.

In the eurozone in particular, the European Central Bank will end its PEPP (Pandemic Emergency Purchase Programme) at the end of March 2022, while continuing to support the European economy through the APP (Asset Purchase Programme, i.e. the ordinary programme for buying government bonds), which will continue through to 2024.

FCA BANK GROUP REORGANISATION PROCESS

On 4 January 2021, the shareholders' meetings of FCA and PSA approved the merger to create the new entity Stellantis N.V. The merger came into effect on 16 January 2021.

On 17 December 2021, Stellantis N.V. 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") with the aim of enhancing its current European-wide financing offering.

In particular, Stellantis intends to:
- create a multi-brand operational leasing company in which Stellantis and CACF each hold a 50% stake, resulting from the combination of Leasys and F2ML activities, with the aim of becoming a European leader;
- reorganise the financing activities through JVs with BNPP PF or SCF in each country to manage the financing activities for all Stellantis brands.

As a result:
1. CACF would acquire 50% of the shares of FCA Bank and Leasys Rent currently owned by Stellantis, with the understanding that these entities will continue to carry out their financing activities primarily under existing and future White Label Agreements;
2. BNPP PF would carry out financing activities (excluding B2B operating leases) through JVs with Stellantis in Germany, Austria and the UK to become Stellantis' exclusive partner for financing activities in these countries;
3. SCF would carry out financing activities (excluding B2B operating leases) through a JV with Stellantis in France, Italy, Spain, Belgium, Poland, the Netherlands and through a commercial agreement in Portugal, to become Stellantis' exclusive partner for financing activities in these countries.

The relevant agreements are expected to be signed during the course of 2022 once the information and consultation procedures with staff representation bodies have been completed.

The proposed transactions will then be completed in the first half of 2023, once the necessary authorisation has been obtained from the relevant antitrust and market regulatory authorities.

LEASYS GROUP ACQUISITIONS

ER CAPITAL Ltd

On 23 July 2021, Leasys S.p.A acquired 100% of ER CAPITAL Ltd, a company operating as Easirent in the UK.

Easirent is one of the most dynamic short-term rental and mobility companies in the UK, and stands out for its reputation and quality of service, offering innovative products for a fully digitised customer journey.

Sado Rent - Automoveis de Aluguer Sem Condutor, S.A.

On 21 December 2021, Leasys Rent S.p.A. acquired 100% of Sado Rent - Automoveis de Aluguer Sem Condutor, S.A., a Portugal-based company providing short-term rentals.

In its almost 30 years of activity, Sado Rent has established itself as one of the most dynamic and solid car rental companies in Portugal, with a constantly growing turnover and fleet of over a thousand cars.

CHANGE IN REGISTERED OFFICE

On 21 February 2022, Leasys S.p.A. changed its registered office from Corso Giovanni Agnelli 200, 10135 Turin, to Corso Orbassano 367, 10137 Turin.

Commercial policy

LEASYS FLEET / 2021

400.000 vehicles
+23%
compared to 2020

In 2021, the Leasys Group further consolidated its collaboration with its business partners. Despite a context of economic contraction, which has also affected the automotive sector, the Leasys Group's commercial activity has helped consolidate its leadership of the Italian market and grow its fleet by 23% year on year (source: Dataforce 2021).

This result testifies to the Leasys Group's commitment to developing an integrated and innovative mobility offer that meets the growing needs for flexibility of corporate as well as private consumers.

2021 was also a year of transition to electric vehicles, and sustainable mobility was central to Leasys' strategy. Leasys has proven its commitment in this regard by offering dedicated rental solutions such as Leasys Miles and Unlimited and dedicated services that put the customer at the centre of an ecosystem designed to promote hassle-free green mobility. In this context, the Leasys commercial offer has been highly welcomed by the public, with short and medium-term rental products, mobility subscriptions, and car-sharing solutions.

Staff management

The Leasys Group offers mobility services and puts people at the centre, be they 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.

As of 31 December 2021, the Leasys Group's workforce totalled 915 resources (up 104 compared to 31 December 2020).

This increase is mainly tied to the ongoing internationalisation project and, in particular, to the acquisition of the company Easirent (later renamed ER CAPITAL in the UK) and of the company Sado Rent in Portugal.

Quantitative spot data is calculated for the workforce as at 31 December 2021.

LEASYS GROUP / 2021

915 employees
+104
compared to 2020

Financial policy

The Treasury Department ensures the management of liquidity and financial risks based on the indications provided by the Central Treasury of FCA Bank Group, 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 2021, treasury activities guaranteed the resources needed to finance the Group's business, keeping the cost of funding competitive to help improve rental margins.

Rating

On 2 November 2021, as it did with Crédit Agricole, Fitch upgraded the outlook on Leasys' rating from negative to stable.

Furthermore, on 12 January 2022, after Leasys announced its future corporate developments in December 2021, Fitch put it on 'positive rating watch'. Leasys' rating is therefore:

Company	Long-term rating	Outlook	Short-term rating	Long-term deposit rating
Fitch	BBB+	Stable, positive rating watch	F1	-

Structure of funding sources

The structure of sources of funds and liabilities at 31 December 2021 is as follows:

Description	% of total external funding sources	% of total balance sheet liabilities
Crédit Agricole Group	51,35%	41,29%
Third-party financial institutions	39,09%	31,43%
Factoring	0,12%	0,10%
Market (Green Bond)	9,45%	7,60%
Non-financial liabilities		19,58%
Total	**100%**	**100%**

In 2021, in addition to the drawdowns made or renewed under the Committed Facility made available by the Crédit Agricole Group, we took out or renewed bank lines for approximately €1,400 million with third-party credit and financial institutions.

The Leasys Group's début on the capital market was particularly significant: following a two-day virtual roadshow during which it met with major European investors, Leasys issued the Stellantis Group's first Green Bond in July 2021, successfully placing a €500 million transaction with a 0.00% fixed-rate coupon, maturing in July 2024. Leasys will use the proceeds of the Green Bond - which has attracted orders of €2.3 billion from 129 investors - to finance its fleet of electric and plug-in hybrid vehicles and expand its network of electric charging points, as described in its Green Bond Framework certified by Sustainalytics.

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.

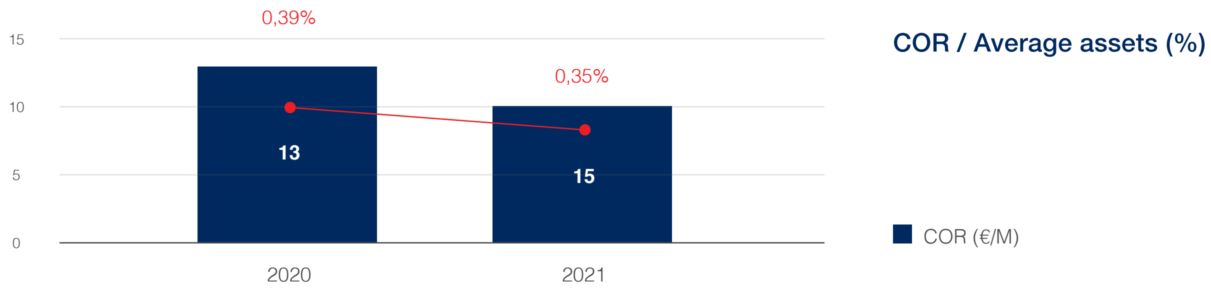
Leasys and its subsidiaries have long established and adopted Group-wide guidelines for determining and monitoring residual values over time. The model used to calculate Residual Values Provisions is updated quarterly to ensure the most appropriate assessment of the hedges. There are no particular critical 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. In 2021, the cost of risk continued to perform well.



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

- by including credit mitigants dedicated to a specific Promo Campaign for new Leasys customers in the newly established company segment, with the aim of increasing volumes and acceptance rates, while preserving credit risk;
- by introducing additional measures with reinforced controls for Rental Customers who have benefited from Covid-19 moratoria;
- by developing 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;
- by fine-tuning recovery processes on an ongoing basis to boost efficiency and ensure timely actions.

Risk management and internal control

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 the Parent Company 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 carried out centrally. 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 contact people at the parent company FCA Bank S.p.A. as well as its contact 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:

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

- 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 Compliance 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 (OdV) 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 the parent company FCA Bank, as well as an external professional with experience in legal and criminal matters to serve as Chairman.

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 25/03/2019 and its term of office will expire with the Shareholders' Meeting to approve the Financial Statements at 31/12/2021.

Turin, 23 February 2022

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

Consolidated financial statements

DECEMBER 31ST, 2021

Consolidated Balance Sheet
Assets

Entries	Notes	Total 31/12/2021	Total 31/12/2020
Vehicles		4,072,217,190	3,322,453,767
Other tangible assets	2	6,247,693	8,092,493
Rights of use	3	34,928,312	39,633,444
Goodwill	4	113,194,046	103,593,519
Other intangible assets	5	29,950,719	24,652,963
Equity investments	6	17,541	17,541
Derivative financial instruments	9	5,283,670	126,653,645
Pre-paid tax assets	8	88,400,779	-
Total non-current assets		**4,350,239,950**	**3,625,097,372**
Inventories	10	51,205,347	26,147,598
Receivables from customers	11	890,748,800	832,265,136
Other current receivables and assets	12	603,049,213	379,777,760
Cash and cash equivalents	13	682,797,976	132,164,222
Derivative financial instruments	9	22,490	-
Tax receivables	15	4,909,305	4,431,921
Total current assets		**2,232,733,131**	**1,374,786,637**
Total assets		**6,582,973,081**	**4,999,884,009**

Consolidated Balance Sheet
Liabilities and Shareholders' Equity

Entries	Notes	Total 31/12/2021	Total 31/12/2020
Shareholders' equity			
Share capital		77,979,400	77,979,400
Profit (loss) brought forward		191,341,329	104,218,906
Other reserves - other		(4,754,609)	(18,786,101)
Profit for the year		123,089,521	87,122,423
Total shareholders' equity		**387,655,641**	**250,534,628**
Financial payables (non-current)	17	1,471,182,129	2,076,917,826
Bonds issued	17	498,197,619	-
Leasing liabilities (non-current)	17	30,726,773	35,198,940
Derivative financial instruments	9	3,924,261	12,562,871
Employee benefits	18	7,159,794	7,336,734
Provisions for risks and liabilities	19	12,370,181	17,932,701
Deferred tax liabilities	8	53,229,488	73,086,867
Total non-current liabilities		**2,076,790,245**	**2,223,035,939**
Financial payables (current)	17	3,337,117,862	1,854,558,406
Leasing liabilities (current)	17	4,560,668	5,882,103
Trade payables	20	606,514,820	560,712,865
Derivative financial instruments	9	643,463	276,099
Other current liabilities	21	157,537,236	99,913,155
Tax payables	22	12,153,146	4,970,814
Total current liabilities		**4,118,527,195**	**2,526,313,442**
Total shareholders' equity and liabilities		**6,582,973,081**	**4,999,884,009**

Consolidated Income Statement

Values	Notes	31/12/2021	31/12/2020
Income from leases		834,397,529	702,696,090
Write-downs from leases		(606,870,941)	(524,247,165)
Costs from leases - loans		(11,850,326)	(27,131,773)
Margin from leases	**1**	**215,676,262**	**151,317,152**
Revenues from services		484,383,972	412,721,971
Costs for services		(465,210,207)	(378,304,550)
Margin on services	**2**	**19,173,765**	**34,417,421**
Income from car sales		94,904,812	60,911,014
Costs of cars sold		(56,228,913)	(56,013,534)
Margin on cars sold	**3**	**38,675,899**	**4,897,480**
Gross operating margin		**273,525,926**	**190,632,053**
Payroll costs	4	(64,153,018)	(51,507,539)
Other operating expenses	5	(19,500,044)	(19,550,644)
Depreciation and amortisation	6	(14,320,901)	(13,191,432)
Total operating expenses		**(97,973,963)**	**(84,249,615)**
Credit losses	7	(14,701,516)	(12,887,151)
Non-recurring income (expenses)		50,468	257,606
Operating profit		**160,900,915**	**93,752,893**
Profit before tax		**160,900,915**	**93,752,893**
Income tax	8	(37,811,394)	(6,630,470)
Profit for the year		**123,089,521**	**87,122,423**

Consolidated Statement of Comprehensive Income

Entries	31/12/2021	31/12/2020
Profit (loss) for the year	**123,089,521**	**87,122,423**
Other income components net of tax without reclassification to the income statement	**402,266**	**383,454**
Defined benefit plans	402,266	383,454
Other income components net of tax with reclassification to the income statement	**13,629,226**	**(4,168,792)**
Exchange rate differences	3,893,762	(2,515,906)
Cash flow hedging	9,735,464	(1,652,886)
Total other income components net of tax	**14,031,492**	**(3,785,338)**
Overall income	137,121,013	83,337,085
Consolidated comprehensive income attributable to the Parent Company	**137,121,013**	**83,337,085**

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

				Allocation of previous year's result		Changes in the year											
							Shareholders' equity transactions										
	Balance at 31/12/2020	Change in opening balances	Balance at 01/01/2021	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	**Comprehensive income for 2021**	Shareholders' equity 31/12/2021	"Group shareholders' equity 31/12/2021"	"Minority interest in shareholders' equity 31/12/2021"
Capital:			**0**												0	0	
a) Ordinary shares	77,979,400		77,979,400												77,979,400	77,979,400	
b) Other shares			0												0	0	
Share premiums			0												0	0	
Reserves:			**0**												0	0	
a) Of earnings	104,218,906		104,218,906	**87,122,423**											191,341,329	191,341,329	
b) Other			0												0	0	
Valuation reserves	-18,786,102		-18,786,102											14,031,492	-4,754,610	-4,754,610	
Equity instruments			0												0	0	
Interim dividends			0												0	0	
Treasury shares			0												0	0	
Profit (loss) for the year	87,122,423		87,122,423	-87,122,423										123,089,521	123,089,521	123,089,521	
Shareholders' Equity	**250,534,628**		**250,534,628**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**137,121,014**	**387,655,640**	**387,655,640**	**0**
Group Shareholders' Equity	**250,534,628**		**250,534,628**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**137,121,014**	**387,655,640**	**387,655,640**	**0**
Minority Interest in Shareholders' Equity	**0**		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Statement of Changes in Consolidated Shareholders' Equity at 31/12/2020

	Balance at 31/12/2019	Change in opening balances	Balance at 01/01/2020	Allocation of previous year's result		Changes in the year								Shareholders' equity 31/12/2020	"Group shareholders' equity 31/12/2020"	"Minority interest in shareholders' equity 31/12/2020"
							Shareholders' equity transactions									
				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	Comprehensive income for 2020			
Capital:	**77,979,400**	**0**	**77,979,400**											77,979,400	77,979,400	0
a) Ordinary shares	77,979,400		77,979,400											77,979,400	77,979,400	
b) Other shares	0		0											0	0	0
Share premiums	0		0											0	0	
Reserves:	**163,694,936**	**0**	**163,694,936**	**90,523,970**	**-150,000,000**									104,218,906	104,218,906	0
a) Of earnings	163,694,936		163,694,936	90,523,970	-150,000,000									104,218,906	104,218,906	
b) Other														0	0	
Valuation reserves	-15,000,764		-15,000,764										-3,785,337	-18,786,102	-18,786,102	
Equity instruments	0		0											0	0	
Interim dividends	0		0											0	0	
Treasury shares	0		0											0	0	
Profit (loss) for the year	90,523,970		90,523,970	-90,523,970									87,122,423	87,122,423	87,122,423	0
Shareholders' Equity	**317,197,542**	**0**	**317,197,542**	**0**	**-150,000,000**								**83,337,086**	**250,534,628**	**250,534,628**	
Group Shareholders' Equity	**317,197,542**		**317,197,542**		**-150,000,000**								**83,337,086**	**250,534,628**	**250,534,628**	
Minority Interest in Shareholders' Equity	**0**		**0**											**0**		

Consolidated Cash Flow Statement (indirect method)

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020
Profit (loss) for the year	**123,090**	**87,122**
Adjustments to reconcile net income to cash flow from operating activities:	**653,847**	**552,880**
Depreciation of tangible and intangible assets and rights to use leased assets	621,192	537,439
Net impairment/(reversal) of trade and other receivables	14,702	12,887
Net change in deferred tax assets (liabilities)	-19,857	-2,038
Income tax	37,811	4,592
Change in working capital:	**-310,838**	**-215,187**
Inventories	**-25,058**	**4,960**
Receivables from customers	**-73,185**	**-227,327**
Trade payables	45,802	15,734
Provisions for risks and liabilities	-5,563	-1,737
Other assets and liabilities	-252,835	-6,816
Cash flow generated (absorbed) by operating activities (a)	**466,099**	**424,815**
Investments:	**-1,341,051**	**-900,612**
Intangible assets, tangible assets and rights to use leased assets	-1,379,304	-854,368
Equity investments	0	-17
Financial receivables and other financial assets	38,253	-46,227
Cash flow generated (absorbed) by investment activities (b)	**-1,341,051**	**-900,612**
Change in current financial liabilities and other	**1,546,044**	**-981,395**
Change in non-current financial liabilities	**-112,187**	**1,577,241**
Dividends paid	**0**	**-150,000**
Change in Hedging and non-hedging derivatives receivable/payable	**-8,271**	**769**
Cash flow generated (absorbed) by financing activities (c)	**1,425,586**	**446,615**
Total cash flow (d = a+b+c)	**550,634**	**-29,181**
Net cash and cash equivalents at the start of the year (e)	**132,164**	**161,346**
Net cash and cash equivalents at the end of the year (f = d+e)	**682,798**	**132,165**

Consolidated explanatory notes

DECEMBER 31ST, 2021

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 2021 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 force 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 2020.

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 2021 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.

Risks and uncertainties associated with the use of estimates.

As 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 2021, 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 2021 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 Sucursal en Espana	Turin - Italy	Rome - Italy	1		100
Leasys S.p.A Branch Germany	Turin - Italy	Madrid - Spain	1		100
Leasys S.p.A Branch Belgium	Turin - Italy	Frankfurt - Germany	1		100
ALease&Mobility Branch Danish	Turin - Italy	Brussels - Belgium	1		100
Clickar S.r.l.	Copenhagen - Denmark		1		100
Leasys Rent Espana S.L.U.	Turin - Italy	Rome - Italy	1		100
Leasys France S.A.S	Alicante - Spain		1		100
Leasys Rent France S.A.S.	Trappes - France		1		100
Leasys UK Ltd	Limonest - France		1		100
Leasys Rent S.p.A	Slough - United Kingdom		1		100
Leasys Portugal S.A.	Bolzano - Italy	Fiumicino - Italy	1		100
Leasys Polska Sp.Zo.o.	Lisbon - Portugal		1		100
Leasys Nederland B.V.	Warsaw - Poland		1		100
Leasys Austria GmbH	Amsterdam - Netherlands		1		100
Leasys Hellas SM S.A.	Vienna - Austria		1		100
Er Capital Ltd	Athens - Greece		1		100
Sado Rent S.A.	Slough - United Kingdom		2	Leasys Rent S.p.A.	100
	Benfica Lisbon - Portugal				

(*) 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 2021 are as follows:

	Spot 31/12/2021	Average 31/12/2021	Spot 31/12/2020	Average 31/12/2020
Zloty Polacco (PLN)	4,597	4,565	4,560	4,443
Corona Danese (DKK)	7,436	7,437	7,441	7,454
Sterlina Inglese (GBP)	0,840	0,860	0,899	0,890

Other information

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

- the draft financial statements at 31 December 2021 of the parent company Leasys S.p.A.;
- the accounting results at 31 December 2021 (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 2021.

SECTION 5

Other aspects

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

INTERNATIONAL ACCOUNTING STANDARDS APPROVED BY THE EUROPEAN UNION, EFFECTIVE FROM 1 JANUARY 2021

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 2021.

Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9.

On 25 June 2020, the IASB issued – together with the amendments to IFRS 17 'Insurance Contracts' – an amendment to the previous Standard on Insurance Contracts, IFRS 4, so that those concerned can still apply IFRS 9 (Financial Instruments) together with IFRS 17.

The amendments come into force on 1 January 2021, although they may be applied earlier.

Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases.

In light of the interbank interest rate reform such as IBOR, the IASB has published the Interest Rate Benchmark Reform-Phase 2 document, which contains amendments to the following standards:

- IFRS 9 Financial Instruments;
- IAS 39 Financial Instruments: Recognition and Measurement;
- IFRS 7 Financial Instruments: Disclosures;
- IFRS 4 Insurance Contracts; and
- IFRS 16 Leases.

The amendments serve to help companies provide investors with useful information on the impact of the reform on companies' financial statements.

The amendments complement the amendments issued in 2019 and focus on the impacts to the financial statements caused by the replacement of the former benchmark interest rate with an alternative benchmark rate.

The changes in this final phase relate to:

- changes to contractual cash flows: the company will not have to derecognise or adjust the carrying amount of financial instruments due to the changes required by the reform, rather they will update the actual interest rate to reflect the change in the alternative reference rate;
- hedge accounting: the company will not have to discontinue hedge accounting merely because it is making the changes required by the reform, if the hedge meets the other criteria for hedge accounting; and
- disclosure: the company will be required to disclose information on the new risks arising from the reform and how it is managing the transition to the alternative reference rates.

The amendments come into force on 1 January 2021, although they may be applied earlier.

Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021.

In May 2020, the IASB issued COVID-19-Related Rent Concessions (Amendment to IFRS 16). The measure amended the standard 'IFRS 16 Leases' in order to provide lessees with an exemption from the assessment of whether a Covid-19-related rent concession is a lease modification. At the time of issuance, the practical expedient was limited to leases where any lease payment reduction would only affect payments originally due by 30 June 2021.

As landlords continue to grant Covid-19-related rent concessions to tenants and as the effects of the Covid-19 pandemic are still ongoing and significant, the IASB has decided to extend the time period of the practical expedient not only to changes in payments in 2020 but also to those in 2021, as the effects of Covid-19 could result in rescheduling the same payments over a longer period.

The amendment is effective for the financial years beginning on or after 1 April 2021 (earlier application is permitted, even in financial statements that are not yet authorised for issue at the date of publication of the amendment).

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 2021, HAVE NOT BEEN ADOPTED EARLY BY THE GROUP

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.

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.

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 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.

The IASB has 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.

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 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.

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 - nitial 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.

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, or
- 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.

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

Contributions made to a defined contribution plan are recognised as an expense in the income statement in the period in which the employees provided the related service. Until 31 December 2006, Italian employees were entitled to defined benefit plans called 'TFR' ('Trattamento di fine rapporto' or severance pay). With Law no. 296 of 27 December 2006 and subsequent decrees ('Pension Reform') issued in early 2007, the rules and regulations on severance pay were changed. With regard to contributions accrued since 1 January 2007 and not yet paid at the reporting date, for entities with more than 50 employees, post-employment benefits in Italy are recognised as defined contribution plans. Contributions accrued up until 31 December 2006 are still recognised as defined benefit plans and accounted for under actuarial assumptions.

REVENUE

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

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

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

Sale of goods

Revenue from the sale of goods is recognised when control of the goods passes to the customer, generally at the time of delivery, depending on the terms applied. The Company assesses whether the agreement includes other promises that constitute performance obligations. When determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, non-monetary consideration and consideration payable to the customer (if any).

Provision of services

SRepair 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 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. 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, FCA Bank 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 can be 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 can be applied for each category of seniority.
- 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 amounted to €4,072,217 thousand, up €749,763 thousand compared to the previous year due to the increase in fleet managed. A breakdown is provided below.

1.1 VEHICLES: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Owned vehicles	**5,991**	**2,866**	**3,125**
Gross amount	7,729	3,608	4,121
Accumulated depreciation	(1,738)	(741)	(997)
Rental vehicles	**3,705,242**	**2,952,845**	**752,397**
Gross amount	4,913,054	3,946,482	966,572
Accumulated depreciation	(1,207,812)	(993,637)	(214,175)
Vehicles in stock	**13,541**	**54,910**	**(41,369)**
Gross amount	22,228	93,898	(71,670)
Accumulated depreciation	(8,687)	(38,988)	30,301
Vehicles for hire	**347,443**	**311,832**	**35,611**
Gross amount	347,443	311,832	35,611
Accumulated depreciation	-	-	-
Total	**4,072,217**	**3,322,454**	**749,763**
Gross amount	**5,290,454**	**4,355,820**	**934,634**
Accumulated depreciation	**(1,218,237)**	**(1,033,366)**	**(184,871)**

The above item includes the following:

- own cars, mainly company cars and vehicles assigned to company staff for €5,991 thousand (net of accumulated depreciation);
- cars and commercial vehicles rented to third parties for a total of €3,705,242 thousand (net of accumulated depreciation);
- goods in stock for €13,541 thousand and goods awaiting rental for €347,443 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 2021.

Values (in thousands of euros)	Owned vehicles	Rental vehicles	Vehicles in stock	Vehicles for hire	Total
Net opening balances	**2,866**	**2,952,845**	**54,910**	**311,832**	**3,322,454**
Adjustment of opening balances	4,896				4,896
Acquisitions	639	1,289,682	-	349,510	1,639,831
Divestments	(1,060)	(376,147)	(48,228)	-	(425,435)
Write-downs	-	(826)	-	-	(826)
Value recoveries	-	37,849	-	-	37,849
Depreciation	(1,446)	(491,442)	-	-	(492,887)
Exchange rate differences	-	17,041	-	1	17,042
Other changes	96	276,240	6,859	(313,899)	(30,705)
Net closing inventories	**5,991**	**3,705,242**	**13,541**	**347,443**	**4,072,217**

2. TANGIBLE ASSETS

The item amounted to €6,248 thousand, down €1,845 thousand compared to the previous year. It is broken down as follows:

2.1 OTHER TANGIBLE ASSETS: Breakdown

Values (in thousands of euros)	Total 31/12/2020	Total 31/122020	Change
Land and Buildings	**370**	**460**	**(90)**
Gross amount	1,922	1,761	160
Accumulated depreciation	(1,552)	(1,302)	(250)
Machinery and equipment	**4,134**	**5,644**	**(1,510)**
Gross amount	7,430	9,335	(1,905)
Accumulated depreciation	(3,297)	(3,692)	395
Industrial and commercial equipment	**232**	**347**	**(115)**
Gross amount	443	557	(114)
Accumulated depreciation	(211)	(210)	-1
Other tangible fixed assets	**1,512**	**1,642**	**(130)**
Gross amount	2,437	2,234	203
Accumulated depreciation	(925)	(592)	(333)
Total	**6,248**	**8,092**	**(1,845)**
Gross amount	**12,232**	**13,888**	**(1,656)**
Accumulated depreciation	**(5,985)**	**(5,795)**	**(189)**

2.1 OTHER TANGIBLE ASSETS: Annual change

Shown below are changes in stocks in 2021.

Values (in thousands of euros)	Land and Buildings	Machinery and equipment	Industrial and commercial equipment	Other tangible fixed assets	Total
Net opening balances	**460**	**5,644**	**347**	**1,642**	**8,092**
Acquisitions	160	3,713	259	204	4,336
Divestments	-	(3,063)	(285)	-	(3,348)
Depreciation	(163)	(497)	(90)	(333)	(1,083)
Exchange rate differences	-	(1)	-	(1)	(2)
Other changes	(87)	(1,740)	-	-	(1,827)
Net closing inventories	**370**	**4,134**	**232**	**1,512**	**6,248**

INTANGIBLE 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 €34,928 thousand, down €4,705 thousand compared to the previous year. A breakdown is provided below.

3.1 RIGHTS OF USE: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Property	**34,848**	**39,550**	**(4,703)**
Gross amount	52,418	53,415	(998)
Accumulated depreciation	(17,570)	(13,865)	(3,705)
Machinery and equipment	**81**	**83**	**(3)**
Gross amount	131	131	-
Accumulated depreciation	(50)	(48)	(3)
Total	**34,928**	**39,633**	**(4,705)**
Gross amount	**52,549**	**53,546**	**(998)**
Accumulated depreciation	**(17,620)**	**(13,913)**	**(3,707)**

The most significant item presented above relates to lease agreements (falling within the scope of 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.

The Group also has several leases for machinery with a duration of 12 months or less and office equipment with a low value. As reported above, the Group has chosen to apply the exemptions provided by IFRS 16 for short-term or low-value leases.

3.2 RIGHTS OF USE: Annual change

Shown below are changes in stocks in 2021.

Values (in thousands of euros)	Property	Machinery and equipment	Total
Net opening balances	**39,550**	**83**	**39,633**
Divestments	(998)	-	(998)
Depreciation	(3,705)	(3)	(3,707)
Net closing inventories	**34,848**	**81**	**34,928**

4. GOODWILL

The value of goodwill at 31 December 2021 amounted to €113,194 thousand. The same applies to:

- €78,480 thousand for goodwill generated in 2001 due to the creation of Leasys S.p.A.;
- €13,690 thousand to goodwill relating to the first consolidation of AIXIA (subsequently named Leasys Rent France S.A.S.); on 15 May 2020, Leasys acquired 100% of the share capital of Aixia Developpement SAS - a company operating in the short-term rental business on the French market, for a fee of 18 million euros. On 1 October 2020, the companies Aixia Location SAS, Rent All SAS and Aixia System SAS merged into the company Leasys Rent France SAS (formerly AIXIA DEVELOPPEMENT SAS) by way of a TUP (Transmission Universelle de Patrimoine). With effect from the same date, the above three companies then ceased to exist.
- €7,255 thousand relating to the goodwill generated by the first-time consolidation of Drivalia Car Rental S.L.U. (later named Leasys Rent España S.L.U.). On 5 November 2020, Leasys S.p.A. acquired the 430 shares making up 100% of the share capital of DRIVALIA CAR RENTAL S.L.U. - a limited liability company based in Spain, operating in the short-term rental business, for a fee of 13.9 million euros.
- €2,732 thousand relating to the goodwill generated from the sale of Leasys Portugal S.A. by FCA Bank to Leasys S.p.A. On 4 November 2020, Leasys S.p.A. acquired the shares (for the entire share capital) held by its parent company, FCA Bank S.p.A., in "FCA Dealer Services Portugal S.A.", thereby becoming its sole shareholder, for a fee of 36.6 million euros.

- €1,359 thousand relating to the goodwill generated by the acquisition of Leasys Rent S.p.A. by Leasys S.p.A.
- €2,407 thousand relating to the Goodwill preliminarily calculated at the time of the acquisition of Sado Rent S.A. on 21 December 2021. The Purchase Price Allocation process will be completed within 12 months from the date of acquisition in line with IFRS 3.
- €7,271 thousand relating to Goodwill preliminarily calculated at the time of the acquisition of ER Capital UK on 23 July 2021. The Purchase Price Allocation process will be completed within 12 months from the date of acquisition in line with IFRS 3.

Impairment testing of goodwill

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

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 7.24% was calculated as the cost of capital, considering a risk-free rate of -0.18%, a business risk premium of 5.58% and a beta of 1.33;
- the growth rate is estimated at 1.8%.

The recoverable and book values are shown below.

GCU - VALUES IN €/M	GOODWILL	BOOK VALUE	RECOVERABLE AMOUNT	SURPLUS TO BOOK VALUE
Leasys SpA	93.5	407.2	2957.2	2554.8
Leasys Rent Spa	1.4	25	81.13	56.09
Leasys Rent France	13.7	25.8	78.26	52.48
Leasys Rent España	7.3	15.3	69.98	54.65
Leasys Rent UK (**)	7.3	6.6	64.45	57.89
Sado Rent (*)	2.4	10.5		
Total	**125.6**	**490.4**	**3251.01**	**2775.92**

(*) Date of first consolidation 21/12/2021
(**) Purchase Price Allocation process underway in accordance with IFRS 3
The company has one year to allocate the price paid for the acquisition
(the Purchase Price Allocation process).

Moreover, sensitivity analyses were performed by simulating a change in the significant parameters of the impairment test, including a 40% 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 €29,951 thousand, up €5,298 thousand compared to the previous year. A breakdown is provided below.

5.1 OTHER INTANGIBLE ASSETS: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Industrial patent rights and intellectual property	**21,769**	**17,991**	**3,778**
Gross amount	62,465	51,895	10,571
Accumulated depreciation	(40,696)	(33,903)	(6,793)
Concessions, licenses, trademarks and similar rights	**327**	**478**	**(151)**
Gross amount	14,239	14,840	(601)
Accumulated depreciation	(13,912)	(14,362)	450
Other intangible fixed assets	**5,547**	**3,506**	**2,041**
Gross amount	29,277	26,329	2,948
Accumulated depreciation	(23,730)	(22,823)	(907)
Fixed assets in progress and advances	**2,308**	**2,678**	**(370)**
Gross amount	2,308	2,678	(370)
Accumulated depreciation	-	-	-
Total	**29,951**	**24,653**	**5,298**
Gross amount	**108,289**	**95,742**	**12,548**
Accumulated depreciation	**(78,339)**	**(71,089)**	**(7,250)**

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

- industrial patents and intellectual property rights (amounting to €21,769 thousand) 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 amounted to €5,547 thousand and mainly consisted of capitalised leasehold improvements;
- fixed assets in progress (amounting to €2,308 thousand) consist of the capitalisation of projects with a 2022 go-live date, and mainly relate to MyLeasys International, leasehold improvements and additions to the IT system.

5.2 OTHER INTANGIBLE ASSETS: Annual change

Shown below are the changes in balances in 2021.

Values (in thousands of euros)	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	**17,991**	**478**	**3,506**	**2,678**	**24,653**
Acquisitions	8,776	100	2,149	2,164	13,189
Divestments	-	-	(2)	-	(2)
Write-downs	(5)	-	-	-	(5)
Depreciation	(6,799)	(77)	(854)	-	(7,729)
Exchange rate differences	-	(1)	8	-	7
Other changes	1,806	(173)	739	(2,534)	(162)
Net closing inventories	**21,769**	**327**	**5,547**	**2,308**	**29,951**

6. EQUITY INVESTMENTS

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

Values (in thousands of euros)	Location (Country)	Currency	Share of ownership	Book value
Investments in subsidiaries				
Leasys S.p.A.	Italy	EUR	100%	150
Leasys Rent S.p.A.	Italy	EUR	100%	2,146
Leasys Rent France SAS	France	EUR	100%	15,245
Total investments in subsidiaries				**17,541**

8. TAX ASSETS AND LIABILITIES

The item Pre-paid tax assets, amounting to €88,401 thousand as detailed below, is down €38,253 thousand compared to the previous year.

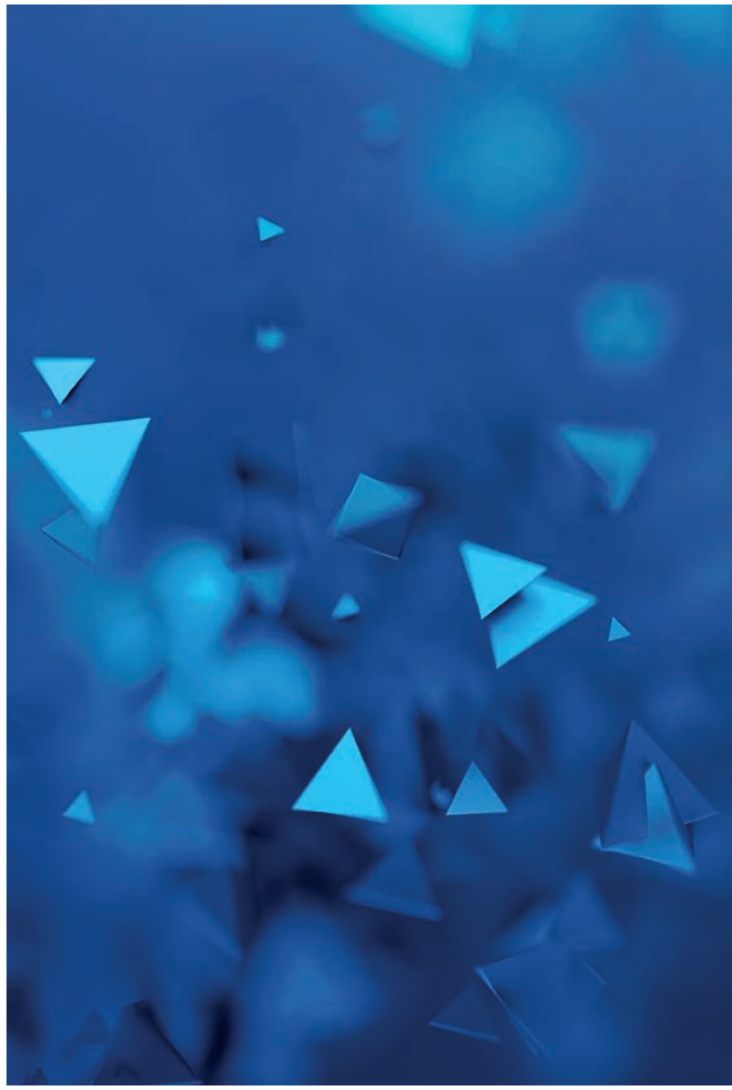
The item Deferred tax liabilities, amounting to €53,229 thousand as detailed below, is down €19,857 thousand compared to the previous year.

8.1 TAX ASSETS AND LIABILITIES: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change 31/12/2020
Pre-paid tax assets	**88,401**	**126,654**	**(38,253)**
With counter-entry in the Income Statement	87,456	122,621	(35,166)
With counter-entry in Shareholders' Equity	945	4,033	(3,088)
Deferred tax liabilities	**53,229**	**73,087**	**(19,857)**
With counter-entry in the Income Statement	53,204	73,060	(19,855)
With counter-entry in Shareholders' Equity	25	27	(2)

8.2 TAX ASSETS AND LIABILITIES: Annual change

Values (in thousands of euros)	Changes in pre-paid tax			Changes in deferred tax		
	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
Opening balances	**122,567**	**4,087**	**126,654**	**73,060**	**27**	**73,087**
Changes in opening balances	**490**		**490**			
1. Opening amount	**123,057**	**4,087**	**127,144**	**73,060**	**27**	**73,087**
2. Increases	**14,428**	**(3,142)**	**11,287**	**2,858**	**(2)**	**2,856**
2.1 Deferred/pre-paid tax recognised during the year	10,882	(3,338)	7,543	2,886	(2)	2,884
A) Relating to previous years	1,018	-	1,018	(119)	-	(119)
B) Other	9,864	(3,338)	6,525	3,008	-	3,008
2.2 New taxes or tax rate increases	-	-	-	(3)	(2)	(5)
2.3 Other increases	3,547	197	3,743	(28)	-	(28)
3. Decreases	**(50,030)**	**(0)**	**(50,030)**	**(22,713)**	**-**	**(22,713)**
3.1 Deferred/pre-paid tax cancelled during the year	(49,817)	-	(49,817)	(22,748)	-	(22,748)
A) Reclassifications	(48,777)	-	(48,777)	(22,907)		(22,907)
B) Other	(1,041)	-	(1,041)	159	-	159
3.2 Tax rate reductions	(16)	-	(16)	-	-	-
3.3 Other decreases	(196)	(0)	(196)	35	-	35
4. Closing amount	**87,455**	**945**	**88,401**	**53,204**	**25**	**53,229**



9. DERIVATIVE FINANCIAL INSTRUMENTS

Values (in thousands of euros)	Current notional value	Current fair value	Non-current notional value	Non-current air value
Derivative assets				
Trading derivatives				
Hedging derivatives	**10,116**	**22**	**1,648,252**	**5,284**
Interest rate risk	10,116	22	1,648,252	5,284
Currency risk				
Total derivative assets	**10,116**	**22**	**1,648,252**	**5,284**
Derivative liabilities				
Trading derivatives				
Hedging derivatives	**249,315**	**643**	**1,076,328**	**3,924**
Interest rate risk	249,315	643	1,076,328	3,924
Currency risk				
Total derivative liabilities	**249,315**	**643**	**1,076,328**	**3,924**

These included derivative financial instruments to manage interest rate risk, the notional value of which at 31 December 2021 was €2,984,010 thousand, corresponding to a fair value of €9,873 thousand. The notional value of a derivative contract is the contractually defined amount.

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 2021.

CURRENT ASSETS

10. INVENTORIES

The 'Inventories' item (amounting to €51,205 thousand) refers to vehicles that have ended their contractual rental period and are held for sale. The figure is up €25,058 thousand compared to the previous year.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Total change
Vehicles intended for sale	51,205	26,148	25,058
Total	**51,205**	**26,148**	**25,058**

11. RECEIVABLES FROM CUSTOMERS

The item amounted to €890,749 thousand, up €58,484 thousand compared to the previous year. A breakdown is provided below.

11.1 RECEIVABLES FROM CUSTOMERS: breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Total change
Vehicle rental receivables	692,292	605,674	86,618
Allowance for doubtful accounts	(39,934)	(35,653)	(4,281)
Receivables from financial leases	195,123	212,986	(17,863)
Allowance for doubtful accounts	(2,923)	(4,576)	1,653
Other receivables	46,190	53,834	(7,644)
Receivables from customers - net values	**890,749**	**832,265**	**58,484**

11.2 CHANGES IN ALLOWANCE FOR DOUBTFUL ACCOUNTS

Shown below are the changes in the allowance for doubtful accounts in 2021.

Values (in thousands of euros)	31/12/2021	31/12/2020
Initial value	**(40,229)**	**(37,388)**
Upward changes	**(15,145)**	**(15,574)**
Provision for the year	(14,412)	(14,230)
Other changes	(733)	(1,344)
- Calculated exchange rate differences (+)	(242)	-
- Other changes (+)	(491)	(1,344)
Downward changes	**12,517**	**12,732**
Value recoveries	565	-
from valuation	565	-
Gains on disposal (-)	2,219	2,555
Write-offs	9,705	9,747
Other changes	28	431
- Calculated exchange rate differences (-)	28	431
Total	**(42,857)**	**(40,229)**

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

12. OTHER RECEIVABLES AND CURRENT ASSETS

The item amounted to €603,049 thousand, up €223,271 thousand compared to the previous year, due to a general increase in the categories of receivables included in the item “Other receivables”. It is broken down as follows:

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Total Change
Personnel-related receivables	241	262	(22)
Receivables from social security institutions	41	58	(17)
Deposits	3,045	3,096	(51)
Other receivables	599,722	376,361	223,361
Total	**603,049**	**379,778**	**223,271**

13. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were up €550,634 thousand compared to 31 December 2020. This is mainly due to the injection of liquidity following the issuance of the bond in 2021, and the opening of new credit lines with financial institutions under favourable market conditions.

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

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Total change
Bank and post office deposits	682,749	132,150	550,598
Cash on hand	49	14	35
Total	**682,798**	**132,164**	**550,634**

15. TAX RECEIVABLES

This item amounted to €4,909 thousand, up €477 thousand compared to 31 December 2020.

The table below provides a breakdown of tax receivables.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Total change
Direct tax receivables	4,909	4,432	477
Total tax receivables	**4,909**	**4,432**	**477**

LIABILITIES

17. NET FINANCIAL DEBT

Net financial debt amounted to €4,658,987 thousand, up €818,594 thousand compared to the previous year.

The breakdown is as follows:

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
A. Cash on hand	(49)	(14)	(35)
B. Bank and post office deposits	(682,749)	(132,150)	(550,598)
C. Securities	-	-	-
D. Cash (A+B+C)	**(682,798)**	**(132,164)**	**(550,634)**
E. Current financial receivables	-	-	-
F. Current bank debt	3,275,901	1,408,953	1,866,948
G. Current portion of non-current debt	3,856	5,882	(2,026)
H. Other current financial liabilities	61,217	445,606	(384,389)
I. Current financial debt (F+G+H)	**3,340,974**	**1,860,441**	**1,480,534**
J. Net current financial debt (I-E-D)	**2,658,176**	**1,728,276**	**929,900**
K. Non-current bank debt	1,471,182	2,076,918	(605,736)
L. Bonds issued	498,902	-	498,902
M. Other non-current payables	30,727	35,199	(4,472)
N. Non-current financial debt (K+L+M)	**2,000,811**	**2,112,117**	**(111,306)**
O. Net financial debt (J+N)	**4,658,987**	**3,840,393**	**818,594**

17.1 NON-CURRENT AND CURRENT FINANCIAL LIABILITIES: Breakdown

The item amounted to €5,341,785 thousand, up €1,369,228 thousand compared to the previous year.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Long-term financial payables	**1,471,182**	**2,076,918**	**(605,736)**
Bank loans (share beyond 12 months)	1,468,051	1,888,319	(420,268)
Other financial payables	3,131	188,599	(185,468)
Bonds issued	**498,198**	**-**	**498,198**
Medium-/long-term financial lease liabilities	**30,727**	**35,199**	**(4,472)**
Total non-current financial liabilities	**2,000,107**	**2,112,117**	**(112,010)**
Short-term financial payables	**3,341,679**	**1,860,441**	**1,481,238**
Overdrawn current accounts	56,898	41,714	15,184
Bank loans (share within 12 months)	3,275,901	1,408,953	1,866,948
Other financial payables	4,319	403,892	(399,573)
Liabilities under short-term financial leases	4,561	5,882	(1,321)
Total current financial liabilities	**3,341,679**	**1,860,441**	**1,481,238**
Total financial liabilities	**5,341,785**	**3,972,557**	**1,369,228**

The increase in loans compared to the 2020 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 2021 compared to the previous year.

17.2 LEASE LIABILITIES

Leasing liabilities, amounting to €35,287 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):

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Current lease liabilities - Minimum future payments <1 year	4,561	5,882	1,984
Lease liabilities - Minimum future payments between 1 and 5 years	19,878	20,698	(7,777)
Lease liabilities - Minimum future payments beyond 5 years	10,849	14,501	-
Total minimum payments	**35,287**	**41,081**	**(5,794)**
Current value	**35,287**	**41,081**	**(5,794)**

17.4 DEBENTURE LOANS ISSUED

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020
Current share	(704)	-
Non-current share	498,902	-
Total book value	**498,198**	**-**

Leasys ha emesso il 15 luglio il primo Green Bond del Gruppo Stellantis, collocando con successo un'operazione da euro 500 milioni con scadenza luglio 2024. I proventi del Green Bond saranno utilizzati da Leasys per finanziare la propria flotta di veicoli elettrici e plug-in hybrid estendendo al contempo la propria rete di punti di ricarica elettrica.

18. DEFINED BENEFIT COMPANY RETIREMENT PLANS

18.1 EMPLOYEE BENEFITS: Breakdown

The item amounted to €7,160 thousand, down €177 thousand compared to the previous year.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Defined benefit plans	5,525	5,783	(259)
Other long-term benefits	1,635	1,554	82
Total defined benefit plans	**7,160**	**7,337**	**(177)**

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 2021 are shown below.

Values (in thousands of euros)	Defined benefit plans	Other long-term benefits	Total employee benefits
A. Net opening balances	**5,783**	**1,554**	**7,337**
B. Increases	**454**	**370**	**824**
B.1 Provision for the year	36	314	350
B.2 Other changes	418	56	474
C. Decreases	**(712)**	**(288)**	**(1,001)**
C.1 Payments made	(215)	(47)	(262)
C.2 Other changes	(497)	(242)	(739)
D. Net closing balance	**5,525**	**1,635**	**7,160**

18.3 EMPLOYEE BENEFITS: Changes in actuarial liability

Values (in thousands of euros)	Defined benefit plans	Other long-term benefits	Total employee benefits
Opening actuarial liability	**5,783**	**1,554**	**7,337**
Costs for services	**-**	**48**	**48**
Financial charges	(8)	(4)	(12)
Actuarial losses/(gains) from changes in demographic assumptions	10	30	40
Actuarial losses/(gains) from changes in financial assumptions	13	34	47
Other actuarial losses/(gains)	63	192	255
Disbursements	(202)	(42)	(244)
Other movements	(136)	(175)	(311)
Closing actuarial liability	5,525	1,635	7,160

19. PROVISIONS FOR RISKS AND LIABILITIES

This item amounted to €12,370 thousand, down €5,563 thousand compared to the previous year.

19.1 PROVISIONS FOR RISKS AND LIABILITIES: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Provision for legal disputes	554	496	59
Provision for future risks and liabilities for operating leases	2,554	8,887	(6,333)
Other provisions for risks and liabilities	9,262	8,550	712
Total provisions for risks and liabilities	**12,370**	**17,933**	**(5,563)**

The item "Provision for legal disputes" reflects the risks associated with cases where the risk of losing the case is either certain or probable. In the current year, a provision was made for €52,000 and a utilisation of €94,000. Most of the cases considered to have a certain or probable risk of being lost concerned disputes in which the Company was 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 2021 are shown below.

Values (in thousands of euros)	Provision for legal disputes	Provision for future risks and liabilities for operating leases	Other provisions for risks and liabilities	Total 31/12/2021
A. Net opening balances	**496**	**8,887**	**8,550**	**17,933**
B. Increases	152	2,383	4,352	6,887
Provision for the year	52	2,223	4,237	6,512
Other changes	100	160	114	375
Input exchange rate difference (+)	-	-	-	-
Automatic exchange rate differences (+)	-	150	61	212
Other changes (+)	100	10	53	163
C. Decreases	94	8,716	3,640	12,450
Use during the year	94	2,331	3,489	5,915
for release	24	2,331	854	3,209
for payments	69	-	2,636	2,705
Other changes	-	6,385	150	6,535
Automatic exchange rate differences (-)	-	-	1	1
D. Net closing balance	**554**	**2,554**	**9,262**	**12,370**

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 amounted to €606,515 thousand, up €45,802 thousand compared to the previous year.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Trade payables	420,005	394,525	25,479
Deferred income for operating leases	124,448	99,183	25,265
Other accrued expenses and deferred income	6,198	6,470	(272)
Other	55,864	60,535	(4,671)
Total trade payables	**606,515**	**560,713**	**45,802**

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

21. OTHER CURRENT LIABILITIES

Other current liabilities amounted to €157,537 thousand (up €57,625 thousand compared to the previous year mainly due to the increase of €47,578 thousand of the ‘Prepaid Brand Contribution’ item in ‘Other payables’).

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Payables to insurance companies	15,749	8,534	7,215
Payables to customers for security deposits	195	14	181
Payables to staff and social security institutions	4,222	4,407	(186)
Other payables	137,372	86,957	50,415
Total other payables	**157,537**	**99,913**	**57,625**

22. TAX PAYABLES

This item amounted to €12,153 thousand, up €7,182 thousand compared to 31 December 2020, mainly due to IRAP payables

The table below provides a breakdown of tax payables:

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Direct tax payables	11,806	4,971	6,835
Other taxes	347	-	347
Total tax payables	**12,153**	**4,971**	**7,182**

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

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Income from leases	**834,398**	**702,696**	**131,701**
Operating lease payments	834,398	702,696	131,701
Leases - result of financial operations	**(11,850)**	**(27,132)**	**15,281**
Financial charges	(30,044)	(35,233)	5,189
Expenses from derivatives designated as hedging instruments	(7,452)	(5,980)	(1,472)
Interest payable to banks	(14,462)	(16,815)	2,353
Interest payable to other lenders	(639)	(3,288)	2,650
Other financial charges	(7,490)	(9,150)	1,660
Financial income	18,193	8,101	10,092
Interest from customers	11,701	4,349	7,353
Interest from other loans	40	18	22
Income from derivatives designated as hedging instruments	5	32	(27)
Other financial income	6,447	3,702	2,745
Costs from leases - depreciation	(606,871)	(524,247)	(82,624)
Operating lease depreciation	(566,869)	(488,885)	(77,984)
Fees payable on buy backs	(40,002)	(35,362)	(4,639)
Total margin from leases	**215,676**	**151,317**	**64,359**

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 of €64,359 thousand was due to the combined effect of the €131,701 thousand increase in lease payments, the €82,624 thousand increase in depreciation costs of leased vehicles, and the €15,281 thousand decrease in financial expenses due to the more than proportional decrease in contractual interest rates compared to the previous year.

2. MARGIN FROM SERVICES

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Revenues from services	**484,384**	**412,722**	**71,662**
Service payments for operating leases	354,166	322,766	31,400
Insurance claims and compensation	774	614	161
Other operating lease income	125,946	85,288	40,657
Other income from services	3,498	4,053	(556)
Costs for services	**(465,210)**	**(378,305)**	**(86,906)**
Costs for vehicle services	(408,934)	(334,575)	(74,360)
Costs for commercial services	(56,159)	(43,587)	(12,572)
Other costs for services	(117)	(143)	26
Total margin on services	**19,174**	**34,417**	**(15,244)**

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 (€15,244 thousand) was mainly due to the net effect of the increase in service fees (€31,400 thousand) and the increase in vehicle and commercial service costs (€86,906 thousand).

3. MARGIN FROM VEHICLE SALES

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Vehicle sales revenues	**94,905**	**60,911**	**33,994**
Capital gain on sale of leased assets	71,886	34,621	37,265
Proceeds from residual values	5,971	1,482	4,489
Other revenue	17,048	24,808	(7,760)
Costs for vehicle sales	**(56,229)**	**(56,014)**	**(215)**
Capital losses on sale of leased assets	(43,018)	(50,276)	7,258
Provisions on residual values	(342)	(1,290)	948
Logistics costs	(12,869)	(4,447)	(8,422)
Total margin from vehicle sales	**38,676**	**4,897**	**33,778**

The increase of €33,778 thousand in the margin on vehicle sales was mainly due to the increase of €33,994 thousand in revenues from the sale of vehicles.

4. PAYROLL COSTS

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Salaries and wages	(32,859)	(25,332)	(7,526)
Social security contributions	(7,814)	(6,457)	(1,357)
Defined benefit plans	(180)	(257)	77
Defined contribution plans	(1,983)	(1,803)	(179)
Other long-term plans	(92)	(153)	61
Other costs	(21,225)	(17,504)	(3,721)
Total Payroll Costs	**(64,153)**	**(51,508)**	**(12,645)**

Payroll costs increased by €12,645 thousand compared to the previous year as a result of the increase in the Group's workforce (from 811 to 915) due to new company acquisitions and the opening of offices in the European market. The item "Salaries and wages" includes salaries and incentives (of employees and managers) amounting to €32,859 thousand.

The item "Social security contributions" includes contributions for employees amounting to €7,814 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 costs are in line with the figure for the previous year.

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Net provisions for risks and liabilities	**(987)**	**(543)**	**(444)**
Other operating expenses	**(18,513)**	**(19,007)**	**494**
IT services	(4,731)	(5,991)	1,261
Technical, legal, administrative and professional services	(9,523)	(10,327)	804
Charges and provisions for indirect taxes and duties	(1,298)	(1,122)	(176)
Other costs	(2,961)	(1,566)	(1,395)
Total other operating expenses	**(19,500)**	**(19,551)**	**51**

6. DEPRECIATION AND AMORTISATION

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Amortisation of rights to use third-party assets	(6,005)	(6,602)	597
Depreciation of other tangible assets	(1,103)	(648)	(455)
Depreciation of intangible assets	(7,213)	(5,941)	(1,272)
Total depreciation and amortisation	**(14,321)**	**(13,191)**	**(1,130)**

This item amounted to €14,321,000 (up €1,130,000 compared to 31 December 2020 due to the addition of the investments amortised during the year).

7. CREDIT LOSSES

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Write-downs of current and non-current financial assets	(70)	(927)	857
Losses on current and non-current financial assets	-	(141)	141
Write-downs of receivables from customers	(18,184)	(14,548)	(3,636)
Losses on receivables from customers	(305)	(117)	(187)
Reversal of values on customer receivables	3,856	2,845	1,011
Total credit losses	**(14,702)**	**(12,887)**	**(1,814)**

This item amounted to €14,702 thousand (up €1,814 thousand compared to 31 December 2020).

The item “Allowance for doubtful accounts” includes the provision for doubtful accounts according to the simplified IFRS 9 approach as defined herein, amounting to €18,184 thousand, and also includes the costs of credit collection.

8. INCOME TAX

8.1 INCOME TAX: Breakdown

Values (in thousands of euros)	Total 31/12/2021	Total 31/12/2020	Change
Current taxes for the year	(21,332)	(9,077)	(12,255)
Current taxes from previous years	150	409	(259)
Total current taxes	**(21,182)**	**(8,668)**	**(12,514)**
Change in prepaid taxes	(36,364)	45,232	(81,596)
Change in deferred taxes	19,735	(43,194)	62,929
Total taxes on income from continuing operations	**(16,629)**	**2,038**	**(18,667)**
Total income taxes	**(37,811)**	**(6,630)**	**(31,181)**

Income taxes for the year amounted to €37,811 thousand, up €31,181 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:

Values (in thousands of euros)	Total 31/12/2021
Profit before tax from continuing operations	160,921
Taxes on theoretical income from continuing operations	38,621
Effect of fully or partially non-deductible expenses - increases	3,737
Effect of wholly or partly non-taxable income - decreases	(6,445)
Consolidation effect	(3,974)
Actual income taxes from continuing operations, excluding IRAP (a)	**31,938**
IRAP - theoretical tax burden	7,241
Effect of charges not forming part of the tax base	(1,880)
Consolidation effect	662
IRAP - Actual tax burden (b)	**6,023**
Adjustment of prior years’ taxes (c)	**(150)**
Total actual tax burden (a+b+c)	**37,811**

PART D - RELATED-PARTY TRANSACTIONS

RELATED-PARTY TRANSACTIONS: BALANCE SHEET ITEMS

Values (in thousands of euros)	Shareholders	Executives	Other related parties	Total
Current assets				
Cash and cash equivalents	492,627		834	493,461
Other current receivables and assets	207,207		32,450	239,657
Derivative instrument assets	0		2,409	2,409
Receivables from customers	1,407		292,083	293,490
Total in assets	**701,241**	**0**	**327,776**	**1,029,017**
Financial payables (current and non-current)	166		3,016,468	3,016,634
Derivative instrument liabilities	0		1,775	1,775
Trade payables	19,029		61,239	80,268
Total in liabilities	**19,194**	**0**	**3,079,482**	**3,098,677**

RELATED-PARTY TRANSACTIONS: INCOME STATEMENT ITEMS

Values (in thousands of euros)	Shareholders	Executives	Other related parties	Total
Gross operating margin	**1,831**		**79,919**	**81,749**
Operating costs	**-4,543**		**-12,092**	**-16,635**

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 the statutory audit services provided totalled €695 thousand. The amounts do not include VAT, expenses and CONSOB contribution where applicable.

Group auditors belonging to the PricewaterhouseCoopers network

Values in millions of euros

Type of service	Service provider	Service recipient	Fees
Audit	PricewaterhouseCoopers	LEASYS Spa	106
		CLICKAR	25
		LEASYS Austria G.m.b.H.	12
		LEASYS France S.A.S.	51
		LEASYS Hellas S.M. S.A.	45
		LEASYS Nederland B.V.	30
		LEASYS Polska Sp.Zo.o.	58
		LEASYS Portugal S.A.	28
		LEASYS RENT España S.L.U.	24
		LEASYS RENT France S.A.S.	27
		LEASYS RENT S.p.A.	36
		LEASYS S.p.A Sucursal en España	20
		LEASYS S.p.A. German Branch	75
Other services	PricewaterhouseCoopers	LEASYS Hellas S.M. S.A.	10
Total			**547**

Other external auditors

Type of service	Service provider	Service recipient	Fees
Audit	Fairhurst Ltd	ER CAPITAL Ltd	77
	EY S.p.A.	LEASYS UK Ltd	60
	Sofeg	SADO RENT S.A.	5
Other services	Fairhurst Ltd	ER CAPITAL Ltd	6
Total			**148**

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 31/12/2021	Balance at 31/12/2020	Change
Guarantees received			
Banking	3,785	4,856	(1,071)
Insurance	57	-	57
Total guarantees received	**3,842**	**4,856**	**(1,014)**
Guarantees provided			
Banking	252,157	86,215	165,942
Insurance	121	121	0
Other	110,000	70,000	40,000
Total guarantees provided	**362,278**	**156,336**	**205,943**

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.

Commitments (values in thousands of euros)	Balance at 31/12/2021	Balance at 31/12/2020	Change
For issuing final guarantee after contract award	-	36	(36)
Total commitments	**-**	**36**	**(36)**

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

PART E - LEASE INFORMATION

SECTION 1 - LESSEE

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

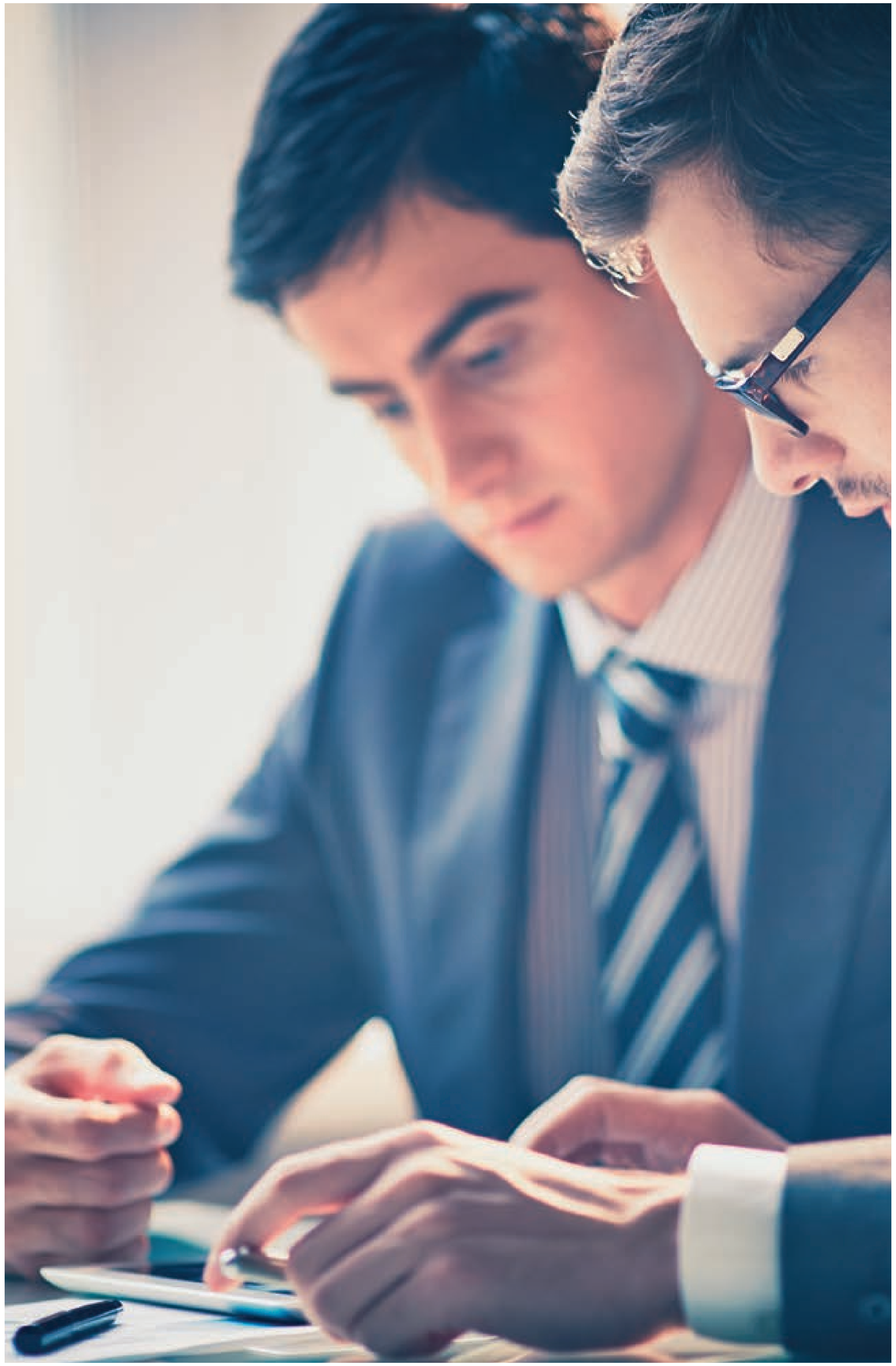
The Leasys Group provides financial and operational leases in the markets in which it operates to support the automotive business of the FCA Group and its partner companies.

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 F - 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
	31/12/2021	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**

Sector information (€/M)	TOTAL	INTERNATIONAL	ITALY
	31/12/2020	31/12/2020	31/12/2020
Rental margin/Margin on cars sold	**190.6**	**141.7**	**48.9**
Net operating costs	-84.3	-60	-24.3
Cost of risk	-12.9	-10	-2.9
Other Income/Expenses	0.3	0.3	0
Operating result	**93.8**	**75.9**	**17.9**
Taxes	-6.6	-4.4	-2.2
Net result	**87.1**	**71.5**	**15.6**

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 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
	31/12/2021	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**

Sector information (€/M)	LONG-TERM RENTAL	MOBILITY & RENT	REMARKETING	TOTAL
	31/12/2020	31/12/2020	31/12/2020	31/12/2020
Rental margin/Margin on cars sold	**167.9**	**22**	**0.8**	**190.6**
Net operating costs	-73.8	-9.7	-0.7	-84.3
Cost of risk	-12.6	-0.2	0	-12.9
Other Income/Expenses	0.3	0	0	0.3
Operating result	**81.7**	**12**	**0.1**	**93.8**
Taxes	-3.4	-3.3	0	-6.6
Net result	**78.4**	**8.7**	**0.1**	**87.1**

At the end of 2021, the activities of the Long-Term Rental business line achieved a net result of €87.3 million (up approximately 11.35% compared to 31 December 2020).

Assets in the Mobility & Rent business line increased by approximately 18.4% compared to 31 December 2020 (to €10.3 million).

Lastly, the activities of the Remarketing business line increased significantly compared to 31 December 2020 (reaching €25.5 million).

PART G - 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.	**314,129**	**82,864**
Shareholders' equity and Profit for the period of consolidated companies net of minority interests	285,113	40,245
Consolidation adjustments:	(211,586)	(20)
Derecognition of carrying value of consolidated investments	(214,555)	0
Intra-group dividends	0	0
Other consolidation adjustments	2,968	(20)
Shareholders' Equity and Profit for the period attributable to Leasys S.p.A. Shareholders	**387,656**	**123,090**
Shareholders' equity and Profit for the period attributable to minority interests	0	0
Shareholders' Equity and Profit for the period of the Consolidated Financial Statements	**387,656**	**123,090**

PUBLIC INFORMATION STATE BY STATE

Date 31/12/2021

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	FCA Leasing GmbH	Financial
BELGIUM	Leasys S.p.A. (Belgian Branch)	Non-financial
DENMARK	ALease&Mobility (Danish Branch)	Non-financial
FRANCE	Leasys Rent France S.A.S.	Non-financial
	Leasys France S.A.S.	
GERMANY	Leasys S.p.A. (German Branch)	Non-financial
GREECE	Leasys Hellas SM S.A.	Non-financial
ITALY	Leasys S.p.A.	Non-financial
	Leasys Rent S.p.A	
	Clickar S.r.l.	
NETHERLANDS	Leasys Nederland B.V.	Non-financial
POLAND	Leasys Polska Sp. Zo.o.	Non-financial
PORTUGAL	Leasys Portugal S.A.	Non-financial
	Sado Rent S.A.	
UNITED KINGDOM	Er Capital Ltd	Non-financial
	Leasys UK Ltd	
SPAIN	Leasys Rent Espana S.L.U.	Non-financial
	Leasys S.p.A. (Spanish Branch)	Non-financial

GEOGRAPHICAL LOCATION OF ESTABLISHMENT	NATURE OF THE BUSINESS	RENTAL MARGIN (Data in thousands of euros)	NUMBER OF FULL-TIME EQUIVALENT EMPLOYEES	PROFIT OR LOSS BEFORE TAX (Data in thousands of euros)
AUSTRIA	Financial	4,739.9	1	1,656.3
BELGIUM	Non-financial	1,297.8	8	13.0
DENMARK	Non-financial	525.6	6	(78.3)
FRANCE	Non-financial	26,502.4	96	12,846.1
GERMANY	Non-financial	4,782.8	9	1,544.9
GREECE	Non-financial	4,095.6	7	1,388.2
ITALY	Non-financial	181,501.3	524	112,453.4
NETHERLANDS	Non-financial	2,726.2	8	1,492.1
POLAND	Non-financial	5,485.4	23	2,718.6
PORTUGAL **	Non-financial	1,863.3	44	741.3
UNITED KINGDOM *	Non-financial	24,809.7	105	16,567.8
SPAIN	Non-financial	15,775.6	84	9,577.1

(**) ER Capital Ltd was acquired by Leasys on 23 July 2021.
(*) The company Sado Rent - Automoveis de Aluguer Sem Condutor, S.A. was acquired by Leasys Rent Spa on 21 December 2021.

Turin, 23 February 2022

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

Auditors' report

DECEMBER 31ST, 2021

pwc

Independent auditors' report

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

Leasys SpA

Consolidated financial statements as of 31 December 2021

pwc

Independent auditors' report

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

Leasys SpA

Consolidated financial statements as of 31 December 2021

pwc

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 2021, 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 2021, 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.

Other Matters

The consolidated financial statements of Leasys Group as of 31 December 2020 were audited by another auditor who expressed an unmodified opinion thereon dated 12 March 2021.

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.

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 2021, 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 2021 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 2021 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, 14 March 2022

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

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