LeasePlan announces Q4 and Full-Year 2021 results

AMSTERDAM, the Netherlands, 11 February 2022 – LeasePlan Corporation N.V. ("LeasePlan"; the "Company"), one of the world's leading Car-as-a-Service ("CaaS") companies, today reports its Q4 and FY 2021 results.

Q4 and FY 2021 financial highlights

- **Net result** of EUR 242 million (+438.3%) in the quarter and EUR 1.0 billion (+302.8%) for the full-year. FY2021 included a EUR 228 million book gain from the divestment of LeasePlan Australia and New Zealand and the carve-out of CarNext
- **Underlying net result from continued operations** of EUR 211 million (+102.9%) in the quarter and EUR 787 million (+76.1%) for the full-year representing a record-breaking year in LeasePlan's history driven by a strong Car-as-a-Service performance and favourable used-car pricing
- **Serviced fleet** of 1.8 million vehicles (+3.3%) with LeasePlan's Q4 2021 order book reaching a historic high
- **Underlying Lease and Additional Services gross profit** of EUR 372 million (+14.2%) in the quarter and EUR 1,477 million (+12.8%) for the full-year with strong performance across all services
- **PLDV and End of Contract Fees gross profit** of EUR 140 million (+597.8%) in the quarter and EUR 429 million (+832.1%) for the full-year, whereby a lower number of vehicles sold was offset by continued strong used-car pricing
- **Operating expenses** of EUR 252 million (+2.2%) in the quarter and EUR 909 million (+7.9%) for the full-year due to continued investments in our digital platforms and relatively low expenses in 2020 given COVID-19-related cost measures
- Year-end **liquidity buffer** of EUR 7.3 billion
- On 6 January 2022 LeasePlan's shareholders and LeasePlan signed a **Memorandum of Understanding** with ALD and Société Générale to create a leading global player in mobility. The current shareholders of LeasePlan will retain a 30.75% stake in the combined business as of closing of the proposed transaction[1]

Key numbers[2,3,4]

	Q4 2021	Q4 2020	% YoY Growth	2021	2020	% YoY Growth
VOLUME						
Serviced fleet (thousands), as at 31 December				1,805.1	1,747.7	3.3%
Numbers of vehicles sold (thousands)	50.0	67.4	−25.8%	257.1	261.7	−1.8%
PROFITABILITY						
- Underlying net result from continued operations	211.3	104.1	102.9%	787.0	446.9	76.1%
- Underlying net result from discontinued operations[2]	0.0	−15.4	n.m.	−24.5	−41.2	−40.6%
Underlying net result (EUR Million)	211.3	88.7	138.2%	762.6	405.7	87.9%
Net result (EUR Million)[3]	241.8	44.9	438.3%	1,017.2	252.5	302.8%
Underlying return on equity[4]				17.7%	10.3%	

[1] Press release 6 January 2022 on LeasePlan website: ALD proposed acquisition of LeasePlan – Creation of a leading global player in mobility. Closing of the proposed transaction is subject to information and consultation of relevant works councils and customary closing conditions (e.g. regulatory and anti-trust approvals). Closing is expected to occur by end of 2022.
[2] Financial statements including historical periods are adjusted for the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries (representing approximately 70% of CarNext's 2020 full-year revenues) into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results of LeasePlan Australia and New Zealand are included in the *financial statements – Underlying net result from discontinued operations* up to August 2021. The results of the carved out entities of CarNext are included in the *financial statements – Underlying net result from discontinued operations* up to June 2021.
[3] FY2021 Net result included a EUR 228 million book gain from the divestment of LeasePlan Australia and New Zealand and the carve-out of CarNext.
[4] Underlying RoE is based on last-twelve-month underlying net result and equity excluding the additional Tier 1 instrument. Including the AT1, RoE is 16.6% for 2021 and 9.9% for 2020.

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

"LeasePlan began 2022 with the big news that we plan to join forces with ALD[5]. We believe the combination will be beneficial for our customers, people and partners as we bring together the best talents in leasing with the investment power needed to drive the growth and transformation of the mobility market.

This is the right deal at the right time. 2021 was a record-breaking year for LeasePlan thanks to an excellent performance in our Car-as-a-Service business and strong used-car prices as customers continued to choose safe and hassle-free car subscriptions over other mobility options. Our outlook is very positive as LeasePlan's orderbook reached record high levels. LeasePlan also continued to set the standard for sustainable mobility, with more than 1 in 4 of the cars we put on the road being an EV. In addition, we successfully carved out CarNext creating an industry leading remarketing partner with Constellation that will deliver the best prices for LeasePlan's used cars.

There has never been a better time to be in the leasing industry, which is about to enter a historic era of growth due to the ownership to subscription megatrend. LeasePlan is capturing this growth by transforming from an analogue to a fully digital business model, enabling us to deliver all services digitally and at digital cost levels. We made further progress in our digital transformation in 2021 with the launch of new modules for our Next Generation Digital Architecture, including our electric delivery fleet platform for the fast growing e-commerce market."

Financial performance[6]

In millions of euros, unless otherwise stated	**Q4 2021**	**Q4 2020**	**% YoY Growth**	**2021**	**2020**	**% YoY Growth**
Lease & Additional Services income	1,609.4	1,572.4	2.4%	6,380.6	6,401.8	−0.3%
Vehicle Sales and End of contract fees	779.3	785.0	−0.7%	3,536.0	3,043.0	16.2%
Revenues	**2,388.7**	**2,357.4**	**1.3%**	**9,916.6**	**9,444.9**	**5.0%**
Underlying cost of revenues	**1,876.5**	**2,011.3**	**−6.7%**	**8,011.5**	**8,089.8**	**−1.0%**
Lease Services	165.4	137.6	20.2%	635.5	520.7	22.1%
Fleet Management & other Services	48.4	38.9	24.3%	203.3	182.8	11.2%
Repair & Maintenance Services	70.0	66.5	5.3%	287.0	272.5	5.4%
Damage Services and Insurance	88.6	83.1	6.7%	350.7	333.1	5.3%
Underlying Lease and Additional Services	**372.4**	**326.1**	**14.2%**	**1,476.6**	**1,309.1**	**12.8%**
End of contract fees	24.0	32.6	−26.3%	122.0	131.8	−7.4%
Profit/Loss on disposal of vehicles	115.8	−12.6	n.m.	306.6	−85.8	n.m.
Profit/Loss on disposal of vehicles and End of contract fees	**139.8**	**20.0**	**597.8%**	**428.6**	**46.0**	**832.1%**
Underlying gross profit	**512.3**	**346.2**	**48.0%**	**1,905.2**	**1,355.0**	**40.6%**
Underlying operating expenses	251.5	246.2	2.2%	908.8	842.3	7.9%
Share of profit of investments accounted for using the equity method	1.0	1.0	n.m.	−5.5	3.6	n.m.
Underlying profit before tax	**261.7**	**101.0**	**159.2%**	**990.9**	**516.5**	**91.9%**
Underlying tax	50.5	−3.1	n.m.	203.9	69.5	193.1%
Underlying net result from continuing operations	211.3	104.1	102.9%	787.0	446.9	76.1%
Underlying net result from discontinued operations	0.0	−15.4	n.m.	−24.5	−41.2	−40.6%
Underlying net result	**211.3**	**88.7**	**138.2%**	**762.6**	**405.7**	**87.9%**
Underlying adjustments	30.6	−43.8	n.m.	254.6	−153.2	n.m.
Reported net result	**241.8**	**44.9**	**438.3%**	**1,017.2**	**252.5**	**302.8%**
Staff (FTE's at period end)				8,102	7,404	9.4%

[5] Closing of the proposed transaction is subject to information and consultation of relevant works councils and customary closing conditions (e.g. regulatory and anti-trust approvals). Closing is expected to occur by end of 2022.

[6] Financial statements including historical periods are adjusted for the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries (representing approximately 70% of CarNext's 2020 full-year revenues) into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results of LeasePlan Australia and New Zealand are included in the *financial statements – Underlying net result from discontinued operations* up to August 2021. The results of the carved out entities of CarNext are included in the *financial statements – Underlying net result from discontinued operations* up to June 2021.

Financial Performance Q4

Serviced fleet of 1.8 million vehicles (+3.3%) with LeasePlan's Q4 2021 order book reaching a new record high, partially driven by the semiconductor shortage which has delayed new car deliveries.

Revenues increased by 1.3% to EUR 2,389 million (FY2021 +5.0% to EUR 9,917 million). **Lease and Additional Services income** was up 2.4% to EUR 1,609 million (FY2021 –0.3% to EUR 6,381 million) due to fleet growth and additional services from fleet mix offset by lower income from repair and maintenance services related to mileage variations due to COVID-19 lockdowns. **Vehicle Sales and End of contract fees** were down –0.7% to EUR 779 million (FY2021 +16.2% to EUR 3,536 million) mainly due to –25.8% less vehicles sold in the quarter (FY2021 –1.8%) offset by continued strong used-car pricing.

Underlying Lease and Additional Services gross profit was up 14.2% to EUR 372 million (FY2021 +12.8% to EUR 1,477 million) mainly driven by an increased lease margin, strong insurance results and a reduced provision for expected credit losses.

PLDV and EOCF gross profit was up 597.8% to EUR 140 million (FY2021 +832.1% to EUR 429 million) primarily driven by continued strong used-car pricing despite a lower number of vehicles sold.

Underlying operating expenses were up 2.2% to EUR 252 million (FY2021 +7.9% to EUR 909 million) due to continued investments in our digital platforms and relatively low expenses in 2020 given COVID-19-related cost measures.

The underlying tax rate was up 22.4 percentage points to 19.3% in Q4 2021 mainly driven by a true-up in Q4 2020 related to deductibility of AT1 capital interest, the phasing out of the favourable impact of the Italian super-depreciation facility and the blend of statutory tax rates.

Underlying net result from continued operations was up 102.9% to EUR 211 million (FY2021 +76.1% to EUR 787 million) driven by strong results in our core leasing business and a higher PLDV and EOCF gross profit.

Underlying net result from discontinued operations[7] had no impact in the quarter and was EUR – 24 million for the full-year including operational results of CarNext up to carve-out (1 July 2021) and operational results of LeasePlan Australia and New Zealand, which were divested to SG Fleet (transaction closed per 1 September 2021).

Underlying net result was up 138.2% to EUR 211 million (FY2021 +87.9% to EUR 763 million) due to strong performance across all services and continued strong used-car pricing.

Reported net result was up 438.3% to EUR 242 million (FY2021 +302.8% to EUR 1,017 million). Underlying adjustments of EUR 31 million in the quarter primarily driven by a EUR 46 million positive mark-to-market result on derivatives, a 15 million additional book gain from the divestment of LeasePlan Australia and New Zealand and the carve-out of CarNext partially offset by a EUR 11 million negative share price movement of SG Fleet and costs mainly related to the ECB transition.

Operational Highlights

LeasePlan delivered an exceptional performance in its Car-as-a-Service business in Q4, supported by solid fleet growth across all key segments and a record high order book (c. 80% higher than year-end 2020). Despite the ongoing semiconductor shortage, which has delayed delivery of some new orders, LeasePlan continued to meet customer demand through its strong relationships with OEMs, as well as contract extensions and used-car leasing. In Q4 2021 LeasePlan became the first leasing company to sign partnerships with NIO (with its flagship Battery-as-a-Service technology already available to customers in Norway) and Lightyear (which will see LeasePlan offer the world's first solar car subscription). Amid the e-commerce boom, LeasePlan also saw strong demand for its unique light commercial vehicle (LCV) proposition, with registrations up 8% versus 2020. LeasePlan also made strides in the implementation of its Next Generation Digital Architecture, including folding six key markets into its popular, fully-online car configuration and order module. On the sustainability front, deliveries of electric cars and plug-in hybrids reached a record 31.8% (Q4 2020: 22.0%)[8], supported by our leading electric vehicle proposition.

In January, LeasePlan's shareholders and LeasePlan signed a Memorandum of Understanding with ALD and Société Générale to create a leading global player in mobility. The transaction is expected to close by the end of 2022[9].

[7] Financial statements including historical periods are adjusted for the divestment of LeasePlan Australia and New Zealand to SG Fleet (transaction closed as per 1 September 2021) and the carve-out of CarNext operations in 7 countries (representing approximately 70% of CarNext's 2020 full-year revenues) into a newly independent CarNext (as per 1 July 2021) which subsequently was combined with Constellation Automotive Group in October 2021. The results of LeasePlan Australia and New Zealand are included in the *financial statements – Underlying net result from discontinued operations* up to August 2021. The results of the carved out entities of CarNext are included in the *financial statements – Underlying net result from discontinued operations* up to June 2021.
[8] Definition aligned to industry practices from vehicle orders to deliveries, specifically: operational lease deliveries (activations) of Battery Electric Vehicles and Plug-in Hybrid Electric Vehicles (passenger vehicles in EU22 countries, excluding LCVs, scooters and trucks).
[9] Closing of the proposed transaction is subject to information and consultation of relevant works councils and customary closing conditions (e.g. regulatory and anti-trust approvals).

Funding and Capital Position

Following a busy third quarter in which LeasePlan was active across all of its funding levers, there was a natural hiatus in Q4 with no transactions brought to market in either senior unsecured or secured format. Retail deposits were relatively stable in the quarter finishing the year with a balance of EUR 10.2 billion. During this period LeasePlan extended the duration of its Revolving Credit Facility (RCF) with its core banking group by 2 years, from its original maturity date of November 2022 until November 2024. Following the divestment of LeasePlan Australia and New Zealand, our core banking partner in the region stepped out of the facility, meaning that the facility size was reduced from EUR 1.5 billion to EUR 1.375 billion. The resulting year-end liquidity buffer was a robust EUR 7.3 billion made up of EUR 5.9 billion cash balances as well as access to the undrawn EUR 1.375 billion RCF.

The CET1 ratio as per 31 December 2021 is 14.4%[10] calculated at the regulatory sub-consolidated level (LeasePlan Corporation N.V. consolidated). At this sub-consolidated level, the Total Capital ratio is 16.6% which is equal to the Tier 1 capital ratio[11]. In January 2022, LeasePlan Corporation N.V. has paid a (interim) dividend in the amount of EUR 372 million to its shareholder LP Group B.V. This dividend is equal to the net results for Q4 2020 and the H1 2021 and was not included in CET1.

Following the completion of the 2021 Supervisory Review and Evaluation Process (SREP), the European Central Bank (ECB) has set the capital requirement for LeasePlan. The Total SREP Capital Requirement (TSCR) is set at 11.9%, which includes a Pillar 2 Requirement (P2R) of 3.9%, to be held in the form of 56.25% of Common Equity Tier 1 (CET1) capital and 75% of Tier 1 capital, as a minimum. This TSCR is unchanged compared to the TSCR set following the completion of the previous (2020) SREP and, for the avoidance of doubt, excludes the combined buffer requirement (i.e. capital conservation buffer of 2.5% and counter-cyclical buffer of 0.05% as per 31 December 2021). The TSCR is applicable at both the regulatory sub-consolidated (LeasePlan Corporation N.V. consolidated) as well as the regulatory consolidated (LP Group B.V. consolidated) levels and is applicable as per 1 March 2022.

There were no rating actions in Q4 , however following the signing of the Memorandum of Understanding with ALD and Société Générale on 6 January 2022, there were a number of actions from the Rating Agencies:

- On 10 January 2022 Fitch affirmed LeasePlan's Long-Term IDR at BBB+ with a Stable Outlook
- On 10 January 2022 S&P placed on CreditWatch positive, LeasePlan's BBB-/A-3 long and short term issuer credit ratings
- On 18 January 2022 Moody's affirmed LeasePlan's Baa1 long-term deposit, issuer and senior unsecured ratings and changed the outlook to positive

[10] CET1 and Total Capital ratios at all regulatory levels are excluding the 2021 interim net result.

[11] CET1 ratio at the regulatory Consolidated level (LP Group BV consolidated) is 14.5% and CET1 ratio at the regulatory Solo level (LeasePlan Corporation N.V.) is 15.0% as of 31 December 2021.

Contact details

Media
Hayden Lutek
T: +31 (0) 6 2137 0324
E: media@leaseplancorp.com

Debt Investors
Paul Benson
T: +353 (1) 680 4005 M: +353 (0) 86 817 5152
E: paul.benson@leaseplan.com

About LeasePlan
LeasePlan is a global leader in Car-as-a-Service, with approximately 1.8 million vehicles under management in 29 countries. LeasePlan purchases, funds and manages new vehicles for its customers, providing a complete end-to-end service for a typical contract duration of three to four years. LeasePlan is committed to taking a leadership role in the transition to zero-emission mobility and has set itself the ambitious goal of achieving net zero emissions from its funded fleet by 2030. With over 50 years' experience, LeasePlan's mission is to provide what's next in sustainable mobility so our customers can focus on what's next for them. Find out more at www.leaseplan.com/corporate

Condensed Consolidated financial statements

Consolidated statement of profit or loss

For the year ended 31 December

In thousands of euros	Q4 2021	Q4 2020*	2021	2020*
Operating lease income	1,010,471	986,528	4,003,528	3,980,379
Finance lease and Other interest income	27,326	24,543	98,638	100,431
Additional services income	571,653	561,345	2,278,438	2,321,034
Vehicle sales and End of contract fees	779,291	785,017	3,536,020	3,043,038
Revenues	**2,388,741**	**2,357,434**	**9,916,624**	**9,444,882**
Depreciation cars	794,662	818,290	3,153,637	3,247,649
Finance cost	74,443	77,136	290,679	321,208
Unrealised (gains)/losses on financial instruments	−47,261	5,272	−75,602	−3,337
Impairment charges on loans and receivables	8,546	14,108	23,175	76,890
Lease cost	830,390	914,806	3,391,888	3,642,410
Additional services cost	365,506	360,481	1,421,988	1,552,393
Vehicle and Disposal cost	634,195	764,977	3,102,201	3,031,758
Direct cost of revenues	**1,830,091**	**2,040,264**	**7,916,076**	**8,226,562**
Lease services	207,407	96,265	710,278	438,399
Additional services	206,147	200,864	856,450	768,640
Profit/Loss on disposal of vehicles and End of contract fees	145,096	20,041	433,819	11,280
Gross profit	**558,649**	**317,170**	**2,000,548**	**1,218,320**
Staff expenses	150,290	138,991	553,651	515,561
Other operating expenses	85,419	92,511	292,501	266,734
Other depreciation and amortisation	23,297	37,593	87,721	99,202
Total operating expenses	**259,006**	**269,095**	**933,874**	**881,497**
Share of profit of investments accounted for using the equity method	1,011	972	−5,520	3,613
Other income	−11,375	–	−8,706	92
Profit before tax	**289,279**	**49,047**	**1,052,448**	**340,527**
Income tax expenses	59,916	−16,796	221,847	25,654
Net result from continuing operations	**229,363**	**65,843**	**830,601**	**314,873**
Net result from discontinued operations	**12,474**	**−20,917**	**186,558**	**−62,360**
Net result for the period	**241,837**	**44,926**	**1,017,159**	**252,514**
Attributable to:				
Equity holders of parent	232,603	35,741	980,535	215,872
Holders of AT1 capital securities	9,275	9,275	36,880	36,898
Non-controlling interest	−41	−90	−256	−257

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

*Comparative information has been represented due to discontinued operations. Please refer to note 4.

Consolidated statement of comprehensive income

For the year ended 31 December

In thousands of euros	2021	2020
Net result	**1,017,159**	**252,514**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Remeasurement of post-employment benefit reserve, before tax	1,415	1,484
Income tax on post-employment benefit reserve	–309	–801
Subtotal changes post-employment benefit reserve, net of income tax	**1,107**	**683**
Items that may be subsequently reclassified to profit or loss		
Changes in cash flow hedges, before tax	1,744	3,379
Income tax on cash flow hedges	–436	–828
Subtotal changes in cash flow hedges, net of income tax	**1,308**	**2,550**
Exchange rate differences	–8,905	–101,490
Other comprehensive income, net of income tax	**–6,490**	**–98,257**
Total comprehensive income for the year	**1,010,669**	**154,256**
Comprehensive income attributable to:		
Owners of the parent	974,045	117,615
Holders of AT1 capital securities	36,880	36,898
Non-controlling interest	–256	–257

Comprehensive income attributable to owners of the parent arises from:		
Continuing operations	789,582	179,659
Discontinued operations	184,463	–62,044

Consolidated statement of financial position

As at 31 December

In thousands of euros	2021	2020
Assets		
Cash and balances at central banks	5,447,685	5,169,103
Investments in equity and debt securities	177,220	24,273
Receivables from financial institutions	687,651	671,264
Derivative financial instruments	176,167	171,054
Other receivables and prepayments	1,036,805	1,023,686
Inventories	370,605	448,133
Corporate income tax receivable	18,063	48,418
Loans to equity accounted investments	200,000	175,500
Lease receivables from clients	3,492,981	3,136,556
Property and equipment under operating lease, rental fleet and vehicles available for lease	19,739,908	19,191,386
Other property and equipment	296,515	387,705
Investments in equity accounted investments	16,716	16,337
Intangible assets	351,511	262,785
Deferred tax asset	238,147	288,696
Assets classified as held-for-sale	–	1,222
Total assets	**32,249,975**	**31,016,117**

Consolidated statement of financial position - *continued*

As at 31 December

In thousands of euros	2021	2020
Liabilities		
Funds entrusted	10,334,671	9,212,495
Derivative financial instruments	108,417	150,371
Trade and other payables and Deferred income	3,059,927	2,584,847
Corporate income tax payable	33,046	39,180
Borrowings from financial institutions	3,324,010	3,560,531
Loans from equity investments	25,000	–
Lease liabilities	236,085	308,140
Debt securities issued	9,401,924	10,084,252
Provisions	581,713	561,911
Deferred tax liabilities	365,290	336,164
Total liabilities	**27,470,083**	**26,837,892**
Equity		
Share capital	71,586	71,586
Share premium	506,398	506,398
Other reserves	−147,872	−141,382
Retained earnings	3,851,843	3,243,734
Equity of owners of the parent	**4,281,955**	**3,680,335**
AT1 capital securities	497,937	497,937
Non-controlling interest	–	−47
Total equity	**4,779,892**	**4,178,225**
Total equity and liabilities	**32,249,975**	**31,016,117**

Consolidated statement of changes in equity

For the year ended 31 December

	Share capital	Share premium	Other reserves	Retained earnings	Equity of owners of the parent	AT1 capital securities	Non-controlling interest	Total equity
Balance as at 1 January 2020	**71,586**	**506,398**	**–43,125**	**3,027,862**	**3,562,720**	**497,919**	**–**	**4,060,639**
Net result	–	–	–	252,771	252,771	–	–257	252,514
Transfer - accrued interest on AT1 capital securities	–	–	–	–36,898	–36,898	36,898	–	–
Other comprehensive income	–	–	–98,257	–	–98,257	–	–	–98,257
Total comprehensive income	**–**	**–**	**–98,257**	**215,872**	**117,615**	**36,898**	**–257**	**154,256**
Incorporation of subsidiary with NCI	–	–	–	–	–	–	210	210
Interest coupon paid on AT1	–	–	–	–	–	–36,880	–	–36,880
Balance as at 31 December 2020	**71,586**	**506,398**	**–141,382**	**3,243,734**	**3,680,335**	**497,937**	**–47**	**4,178,225**
Balance as at 1 January 2021	**71,586**	**506,398**	**–141,382**	**3,243,734**	**3,680,335**	**497,937**	**–47**	**4,178,225**
Net result	–	–	–	1,017,415	1,017,415	–	–256	1,017,159
Transfer - accrued interest on AT1 capital securities	–	–	–	–36,880	–36,880	36,880	–	–
Other comprehensive income	–	–	–6,490	–	–6,490	–	–	–6,490
Total comprehensive income	**–**	**–**	**–6,490**	**980,535**	**974,045**	**36,880**	**–256**	**1,010,669**
Interim dividend declared	–	–	–	–372,425	–372,425	–	–	–372,425
Sale of subsidiary with NCI	–	–	–	–	–	–	303	303
Interest coupon paid on AT1	–	–	–	–	–	–36,880	–	–36,880
Balance as at 31 December 2021	**71,586**	**506,398**	**–147,872**	**3,851,843**	**4,281,955**	**497,937**	**–**	**4,779,892**

Accrued interest in 2021 on AT1 capital securities amounts to EUR 36.9 million. In 2021 an amount of EUR 36.9 million was paid related to the period November 2020 - November 2021, including EUR 3.4 million accrued in 2020. The remaining part of EUR 33.5 million is payable in May 2022, therefore as at the reporting date this amount does not yet represent a liability.

In December 2021 the investment including the non-controlling interest has been divested.

Consolidated statement of cash flows

for the year ended 31 December

In thousands of euros	**2021**	**2020**
Operating activities		
Net result	1,017,159	252,514
Adjustments		
Interest income and expense	187,504	218,765
Impairment charges on receivables	23,500	76,319
Valuation allowance on inventory	−8,046	1,262
Depreciation operating lease portfolio and rental fleet	3,385,341	3,491,199
Insurance expense	347,377	336,970
Depreciation other property plant and equipment	62,679	86,543
Amortisation and impairment on intangibles	38,335	36,904
Share of profit in equity accounted investments	5,520	−3,613
Gain on sale of subsidiaries / associates	−224,953	–
Financial instruments at fair value through profit and loss	−71,668	298
Income tax expense	207,572	1,942
Changes in		
Provisions	−329,615	−295,688
Derivative financial instruments	−60,687	4,774
Trade and other payables and other receivables	44,279	589,533
Inventories	153,244	231,853
Amounts received disposing objects under operating lease	2,604,328	2,652,268
Amounts paid acquiring objects under operating lease	−7,256,129	−6,363,863
Acquired new finance leases	−1,440,006	−1,166,841
Repayment finance leases	1,074,714	1,133,526
Income taxes received	20,659	28,486
Income taxes paid	−109,679	−92,053
Interest received	109,632	118,522
Interest paid	−304,361	−339,350
Net cash inflow/(outflow) from operating activities	**−523,301**	**1,000,268**

Consolidated statement of cash flows - continued

for the year ended 31 December

In thousands of euros	**2021**	**2020**
Investing activities		
Net investment in equity and debt securities	–19,880	390
Loans to equity accounted investments	–101,500	–94,000
Redemption on loans to equity accounted investments	258,011	82,000
Dividend received from ass. JVs and other equity investments	4,694	4,565
Changes in held-for-sale investments	1,268	–
Proceeds from disposal of subsidiaries	222,711	–
Proceeds from sale of other property and equipment	21,045	20,339
Acquisition of other property and equipment	–43,914	–51,153
Acquisition of intangibles assets	–160,459	–97,340
Net cash inflow/(outflow) from investing activities	**181,976**	**–135,199**
Financing activities		
Receipt from receivables from financial institutions	465,047	816,271
Balances deposited to financial institutions	–468,891	–766,955
Receipt of borrowings from financial institutions	3,236,378	3,905,582
Repayment of borrowings from financial institutions	–3,312,800	–4,297,847
Receipt of funds entrusted	3,832,859	4,069,195
Repayment of funds entrusted	–2,710,683	–2,620,307
Receipt of debt securities	3,256,535	1,779,156
Repayment of debt securities	–3,573,233	–3,206,506
Payment of lease liabilities	–44,773	–45,502
Interest paid AT1 capital securities	–36,880	–36,880
Net cash inflow/(outflow) from financing activities	**643,558**	**–403,793**
Cash and balances with banks as at 1 January	**5,557,401**	**5,093,290**
Net movement in cash and balances with banks	302,232	461,276
Exchange gains/(losses) on cash and balances at banks	2,566	2,835
Cash and balances with banks as at 31 December	**5,862,200**	**5,557,401**

Notes regarding financial information presented in this press release

Presentation
All amounts are in thousands of euros unless otherwise stated. Due to rounding, amounts may not add up precisely to totals provided. All reported data is unaudited. Financial reporting is in accordance with the accounting policies as stated in the Annual Report 2020, unless otherwise stated in paragraph Changes in accounting policies.
These condensed consolidated financial statements do not include Company financial statements. Annual Company financial statements will be included in the Group's Annual report for the year ended 31 December 2021. The Group's Financial Statements for 2021 are in progress and may be subject to adjustments resulting from subsequent events.

Use of estimates, assumptions and judgements
The preparation of the condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.
In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended 31 December 2020.
Significant impacts on estimates and assumptions, such as the ones related to global crises, are investigated in more depth in the specific notes of the financial statement.

Changes in accounting policies

Reclassification of Inventories in the presentation on the statement of financial position

Vehicles available for lease reported in the financial statement categories "Inventories" and "Other receivables and prepayments" have been reclassified to "Property and equipment under operating lease and rental fleet" . This reclassification is the result of new business insights. We consider reporting of new vehicles bought for already signed lease contracts or bought with the intention to lease in the near future in the same category as lease contracts under operating lease and rental fleet more appropriate and providing more useful information to the users of our financial statement. The new vehicles bought were previously reported as part of Inventory or considered as a Prepayment for a future lease contracts. These new vehicles are recognised at cost and not depreciated.

Segment information

In the segment information LeasePlan identifies Europe and Rest of the world as reportable segments. As per 31 December 2019 annual reporting LeasePlan started voluntarily segment reporting with respect to CarNext. As of 1 July 2021 CarNext was carved out resulting in a non-material part left within LeasePlan. Because of this change LeasePlan no longer reports the additional CarNext versus CaaS segmentation. The revenue from external customers for CarNext and CaaS is disclosed in segment information.

In the segment information transactions of LeasePlan Australia and LeasePlan New Zealand are presented for external revenue and external expenses in discontinued operations after intercompany eliminations as LeasePlan has no significant continuous transactions with those entities after the sale. Transactions between LeasePlan and CN Group B.V. are presented in continued operations before intercompany eliminations as LeasePlan continues significant transactions with CN Group B.V. after the sale. The additional margin is reported in operating activities of discontinued operations of CN Group B.V..

New and amended standards adopted by the Group effective as from 1 January 2021
The following new or revised standards, amendments and interpretations to published standards became effective as per 1 January 2021 (and are endorsed by the EU). The impacts of those standards and new accounting policies implemented by the Group are disclosed below.

Interest Rate Benchmark Reform

In August 2020, the International accounting standards board issued interest rate benchmark reform - phase 2, which amends IFRS 9 “Financial Instruments”, IAS 39 “Financial Instruments: Recognition and Measurement”, IFRS 7 “Financial Instruments: Disclosures”, IFRS 4 “Insurance Contracts” and IFRS 16 “Leases”, which are effective as per 1 January 2021.

The Group applied the Phase 2 amendments retrospectively. In accordance with the exceptions permitted in the Phase 2 amendments, the Group has elected not to restate comparatives for the prior periods to reflect the application of these amendments. Since the Group had no transactions for which the benchmark rate had been replaced with an alternative benchmark rate as at 31 December 2021, there is no impact on opening equity balances as a result of retrospective application. The first transitions will be applied as per 1 January 2022.

The amendments provide a number of reliefs that are directly affected by interest rate benchmark reform applied by the Group:

- A change in the basis for determining the contractual cash flows of a financial asset, financial liability or leases for lessees that is required by IBOR reform is recognised by updating the effective interest rate of the financial asset or financial liability.
- When the IBOR phase 1 reliefs cease to apply, the Group amends the hedge documentation to reflect changes that are required by IBOR reform by the end of the reporting period during which the changes are made. Such amendments do not constitute a discontinuation.
- For the purposes of assessing the retrospective effectiveness of a hedge relationship on a cumulative basis, the Group may, on an individual hedge basis, reset to zero the cumulative fair value changes of the hedged item and hedging instrument when ceasing to apply the retrospective effectiveness assessment relief provided by the IBOR phase 1 amendments.
- When amending the hedge relationships for groups of items, hedged items are allocated to sub-groups based on the benchmark rate being hedged, and the benchmark rate for each sub-group is designated as the hedged risk.
- An alternative benchmark rate designated as a non-contractually specified risk component, that is not separately identifiable at the date when it is designated, is deemed to have met the requirements at that date if the entity reasonably expects that it will meet the requirements within a period of 24 months from the date of first designation. The 24-month period will apply to each alternative benchmark rate separately.

An implementation team is in place, sponsored by the CFO and is led by senior representatives from functions amongst the Group including Strategic Finance, Legal, Treasury, Finance, Risk and Operations. The implementation team performs periodic updates to management.
The Group also investigated the impact on interest rate risk management. The conclusion that the impact is not material is based on our interest rate risk policy that prescribes matched funding which is monitored closely from a risk management perspective.
The Group completed an investigation of local lease contracts in all countries including a legal review of contractual terms and contractual triggers such as fallback events and their impact. New lease contracts in USD, GBP and CHF have been adjusted (if applicable) to include transition rules from IBOR to alternative reference rates. For master lease agreements group companies have been provided with fall back guidance that could be included where LeasePlan could potentially be exposed to transition in other countries.

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

Any developments in other jurisdictions will remain continuously monitored, but as at the balance sheet date other relevant interest rate benchmarks the Group applies, like Euribor, Pribor, BBSW, Nibor and Stibor, Bubor, Wibor are expected to continue for the foreseeable future. Those rates will be calculated and administrated in accordance with the European Union Benchmarks Regulation requirements. This allows market participants to continue to use those reference rates for both existing and new contracts.

The table below indicates the nominal amount in Euro and weighted average maturity of derivatives in hedging relationships that will be affected by IBOR reform, analysed by interest basis as at 31 December 2021. The derivative hedging instruments' nominal amount provides a close approximation to the extent of the risk exposure the Group manages through hedging relationships included in the derivative financial instruments in the statement of financial position.

Local currency amounts	Nominal amount (in million)	Average maturity (years)
Interest rate swaps		
USD Libor	780	2,74

Only IBOR rates that cease to be applicable as announced by local legislation of contracts that have yet to transition to an alternative benchmark rate (unreformed rates) are included in the tables below. The table below shows the total amounts in Euro of unreformed derivative not in hedge relationship at 31 December 2021 that expire after the transition date of June 2023.

Derivatives financial instruments not in hedge - Nominal amount (in million)	**USD LIBOR**
Derivatives financial instruments assets	4.4
Derivatives financial instruments liabilities	88.1

The following table shows the total amounts in Euro of unreformed non-derivative financial assets and liabilities at 31 December 2021 that expire after the transition date of June 2023.

Financial assets and liabilities (in million)	**USD LIBOR**
Lease receivables from clients	546,548
Debt securities issued	35.2

The lease receivables have transition rules from US LIBOR to ARRs in the contract.

Other changes

Amendment to IFRS 16 Leases: COVID-19-Related Rent Concessions beyond 30 June 2021, effective as per 1 April 2021. A one-year extension to the practical expedient for COVID-19 related rent concessions under IFRS 16 Leases has been published by the IASB. COVID-19-Related Rent Concessions beyond 30 June 2021 (the 2021 amendment) is a response to the ongoing economic challenges resulting from the COVID-19 coronavirus pandemic.

This amendment has no significant impact on shareholders' equity nor comprehensive income of the Group.

Most relevant new and amended standards issued that become effective after 1 January 2022

IFRS 17 – 'Insurance contracts'

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

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

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

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

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

Other changes

The following amendments to standards become effective as per 1 January 2022 and are endorsed by the EU as per 28 June 2021. Those changes relate to:

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements 2018-2022 (issued 14 May 2020).

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

- Amendments to IAS 1 Classification of Liabilities as Current or Non-Current (issued on 23 January 2020 and 15 July 2020). The IASB has issued an exposure draft to defer the effective date from 1 January 2022 to 1 January 2023.
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021).
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021).
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

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

Explanatory notes to the condensed consolidated financial statements

All amounts are in thousands of euros unless otherwise stated.

1 Segment information

LeasePlan's core business activity consists of providing leasing and fleet management services, including the purchase, financing, insurance, maintenance and remarketing of vehicles, to external customers. The Group offers a mono-line product through all its LeasePlan subsidiaries allowing for some differentiation based on the maturity of local markets. The Group's key management is responsible for allocating resources to the segments and assesses its performance.
LeasePlan Australia, LeasePlan New Zealand and CarNext B.V. and its subsidiaries are discontinued operations and are presented under a separate caption of the Profit or loss (net result from discontinued operations) in the tables below (see note 4). CarNext B.V. has been carved-out from LeasePlan as per 1 July 2021; it was included in the segment Europe. LeasePlan Australia and LeasePlan New Zealand have been divested as per 1 September 2021; both operations were included in the segment Rest of the world.

Segments
The Group identified Europe and Rest of the world as reportable segments (refer to paragraph Segment information). Operating segments are reported in accordance with the internal reporting provided to the Group's key management.

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

- Rest of the world
Geographies in this segment are Brazil, India, Mexico and the United States. Australia and New Zealand are included in discontinued operations.

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

The segment information is presented in the table below.

	Europe		**Rest of the world**		**Total**	
In millions of euros	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
Serviced fleet (in thousands) at period end	**1,473**	**1,442**	**332**	**410**	**1,805**	**1,852**
Revenues	**9,433**	**8,902**	**484**	**543**	**9,917**	**9,445**
Finance lease and Other interest income	63	58	36	43	99	100
Finance cost	241	253	50	68	291	321
Car and other depreciation and amortisation	3,107	3,105	130	137	3,237	3,242
Underlying taxes	184	61	20	9	204	70
Underlying net result from continuing operations	**741**	**429**	**47**	**18**	**787**	**447**
Underlying net result from discontinued operations	–49	–72	24	31	–25	–41
Underlying net result	**692**	**358**	**71**	**48**	**763**	**406**
Total assets	29,606	27,514	2,644	3,502	32,250	31,016
Total liabilities	25,178	23,871	2,292	2,967	27,470	26,838

The revenue from sale of vehicles to external customers realised through continuing CarNext business amounts to EUR 308.8 million (2020: EUR 2.0 million) and revenue from sale of vehicles to external customers realised through CaaS amounts to EUR 2,977 million (2020: EUR 2,908 million).

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

	FTE's (average)		Underlying Revenues		Lease Contracts	
	Units		In millions of euros		In millions of euros	
Country of activity	**2021**	**2020**	**2021**	**2020**	**2021**	**2020**
United Kingdom	534	544	1,305	1,136	2,778	2,428
Netherlands	1,859	1,578	1,238	1,281	2,968	3,136
Italy	525	525	1,219	1,119	2,167	1,922
Other	5,498	5,547	6,155	5,908	14,200	13,958
As at 31 December	**8,416**	**8,195**	**9,917**	**9,445**	**22,114**	**21,444**

2 Revenues and direct cost of revenues

Revenues

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

In thousands of euros	**Q4 2021**	**Q4 2020**	**2021**	**2020**
Operating lease income	1,010,471	986,528	4,003,528	3,980,379
Finance lease and other interest income	27,326	24,543	98,638	100,431
Additional services income	571,653	561,345	2,278,438	2,321,034
Vehicle sales and End of contract fees	779,291	785,017	3,536,020	3,043,038
Revenues	**2,388,741**	**2,357,434**	**9,916,624**	**9,444,882**

Finance lease and Other interest income for 2021 includes an amount of EUR 10.4 million (2020: EUR 10.8 million) related to Other interest income.

Operating lease income for 2021 includes an amount of EUR 685.0 million (2020: EUR 672.7 million) related to interest income.

Direct cost of revenues

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

In thousands of euros	**Q4 2021**	**Q4 2020**	**2021**	**2020**
Depreciation cars	790,019	774,859	3,158,184	3,154,684
Impairment on assets *	4,643	43,431	−4,547	92,966
Finance cost	74,443	77,136	290,679	321,208
Unrealised (gains)/losses on financial instruments	−47,261	5,272	−75,602	−3,337
Impairment charges on loans and receivables	8,546	14,108	23,175	76,890
Lease cost	**830,390**	**914,806**	**3,391,888**	**3,642,410**
Additional services cost	365,506	360,481	1,421,988	1,552,393
Vehicle and Disposal costs	634,195	764,977	3,102,201	3,031,758
Direct cost of revenues	**1,830,091**	**2,040,264**	**7,916,076**	**8,226,562**

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

Gross profit (net lease income and vehicles sales income)

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

In thousands of euros	Q4 2021	Q4 2020	2021	2020
Lease services	164,789	144,968	630,129	528,027
Impairment on assets *	−4,643	−43,431	4,547	−92,966
Unrealised (gains)/losses on financial instruments	47,261	−5,272	75,602	3,337
Lease	**207,407**	**96,265**	**710,278**	**438,399**
Fleet management and other services	47,483	51,246	218,703	163,097
Repair and maintenance services	70,037	66,528	287,049	272,462
Damage services and Insurance	88,627	83,090	350,699	333,082
Additional services	**206,147**	**200,864**	**856,450**	**768,640**
End of contract fees	24,047	32,640	122,011	131,813
Profit/(loss) on disposed vehicles (PLDV)	121,049	−12,599	311,809	−120,533
Profit/(loss) on disposed vehicles and End of contract fees	**145,096**	**20,041**	**433,819**	**11,280**
Gross profit	**558,649**	**317,170**	**2,000,548**	**1,218,320**

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

Net Finance Income

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

In thousands of euros	Q4 2021	Q4 2020	2021	2020
Operating lease - interest income	172,968	164,588	684,965	672,732
Finance lease and other interest income	27,326	24,543	98,638	100,431
Finance cost	−74,443	−77,136	−290,679	−321,208
Net interest income	**125,851**	**111,996**	**492,925**	**451,954**
Unrealised (gains)/losses on financial instruments	47,261	−5,272	75,602	3,337
Impairment charges on loans and receivables	−8,546	−14,108	−23,175	−76,890
Net finance income	**164,566**	**92,615**	**545,352**	**378,401**

3 Alternative Performance Measures

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

The reconciliation from IFRS measures to Alternative Performance Measures for 2021 and 2020 is included in the tables below:

2021

	IFRS results 31 December 2021	Underlying adjustments			Underlying results 31 December 2021
		Restructuring and other special items[1]	Unrealised results on financial instruments	Asset impairments and valuation allowance[2]	
Revenues	**9,916,624**				**9,916,624**
Direct cost of revenues	**7,916,076**	**–**	**90,956**	**4,419**	**8,011,452**
Gross profit	**2,000,548**	**–**	**–90,956**	**–4,419**	**1,905,173**
Total operating expenses	933,874	–23,023		–2,088	908,763
Other income	–8,706		8,706		–
Share of profit of investments accounted for using the equity method	–5,520				–5,520
Profit before tax	**1,052,448**	**23,023**	**–82,250**	**–2,331**	**990,889**
Income tax expenses	221,847	5,393	–23,066	–318	203,857
Net result from continuing operations	**830,601**	**17,629**	**–59,184**	**–2,013**	**787,032**
Net result from discontinued operations	186,558	–206,587	–4,442		–24,471
Net result for the period	**1,017,159**	**–188,957**	**–63,627**	**–2,013**	**762,562**

[1] Includes professional consultancy costs related to CarNext (EUR 8.3 million) and other consulting (EUR 14.7 million) for a total of EUR 23.0 million before tax (EUR 17.6 million after tax). EUR 206.6 million (net of tax) included in Net result from discontinued operations relates to EUR 224.5 million of gain on sale of subsidiaries and associates and EUR 17.9 million of allocated costs and professional consultancy costs of CarNext B.V. reclassified to this caption.

[2] Includes lease contracts impairment reversal on defaulted operating lease customers (EUR 4.4 million) and impairment charge on non-current assets (EUR 2.1 million) for a total of EUR 2.3 million before tax (EUR 2.0 million after tax).

	IFRS results Q4 2021	Underlying adjustments			Underlying results Q4 2021
		Restructuring and other special items	Unrealised results on financial instruments	Asset impairments and valuation allowance	
Revenues	2,388,741				2,388,741
Direct cost of revenues	1,830,091	–	46,372	15	1,876,478
Gross profit	**558,649**	**–**	**–46,372**	**–15**	**512,263**
Total operating expenses	259,006	–6,466		–991	251,548
Other income	–11,375		11,375		–
Share of profit of investments accounted for using the equity method	1,011				1,011
Profit before tax	**289,279**	**6,466**	**–34,996**	**976**	**261,725**
Income tax expenses	59,916	731	–10,420	236	50,462
Net result from continuing operations	**229,363**	**5,736**	**–24,576**	**740**	**211,263**
Net result from discontinued operations	12,474	–12,499	–		–25
Net result for the period	**241,837**	**–6,763**	**–24,576**	**740**	**211,238**

2020

	IFRS results 31 December 2020	Underlying adjustments			Underlying results 31 December 2020
		Restructuring and other special items[1]	Unrealised results on financial instruments	Asset impairments and valuation allowance[2]	
Revenues	**9,444,882**				**9,444,882**
Direct cost of revenues	**8,226,562**	**–**	**–16,414**	**–120,307**	**8,089,841**
Gross profit	**1,218,320**	**–**	**16,414**	**120,307**	**1,355,041**
Total operating expenses	881,497	–19,955		–19,277	842,265
Other income	92				92
Share of profit of investments accounted for using the equity method	3,613				3,613
Profit before tax	**340,527**	**19,955**	**16,414**	**139,584**	**516,480**
Income tax expenses	25,654	3,377	5,538	34,979	69,547
Net result from continuing operations	**314,873**	**16,578**	**10,876**	**104,605**	**446,933**
Net result from discontinued operations	–62,360	18,442	2,727		–41,191
Net result for the period	**252,514**	**35,020**	**13,603**	**104,605**	**405,742**

[1] Includes professional consultancy costs related to other consulting (EUR 20.0 million) before tax (EUR 16.6 million after tax). EUR 18.4 million (net of tax) of professional consultancy costs of CarNext B.V. have been reclassified to the caption Net result from discontinued operations.

[2] Includes operating lease assets impairment (EUR 85.6 million), valuation allowance of inventory (EUR 34.7 million) as this amount significantly increased due
to the Covid-19 market disruption which is clearly distinct from the regular operating performance and impairments (EUR 19.3 million) including right-of-use assets (EUR 14.7 million related to office/retail buildings) and (in)tangible assets (EUR 4.6 million) for a total of EUR 139.6 million before tax (EUR 104.6 million after tax).

	IFRS results Q4 2020	Underlying adjustments			Underlying results Q4 2020
		Restructuring and other special items	Unrealised results on financial instruments	Asset impairments and valuation allowance	
Revenues	2,357,434				2,357,434
Direct cost of revenues	2,040,264	–	7,067	−36,076	2,011,255
Gross profit	**317,170**	**–**	**−7,067**	**36,076**	**346,178**
Total operating expenses	269,095	−7,742		−15,166	246,187
Other income	–				–
Share of profit of investments accounted for using the equity method	972				972
Profit before tax	**49,047**	**7,742**	**−7,067**	**51,242**	**100,963**
Income tax expenses	−16,796	1,492	−656	12,812	−3,148
Net result from continuing operations	**65,843**	**6,250**	**−6,412**	**38,430**	**104,111**
Net result from discontinued operations	−20,917	5,878	−383		−15,422
Net result for the period	**44,926**	**12,128**	**−6,795**	**38,430**	**88,689**

4 Discontinued operations

In 2021 LeasePlan lost control of the CarNext business included in CarNext B.V. in two subsequent transactions.
On 1 July 2021 LeasePlan contributed CarNext B.V. to CN Group B.V. in return for newly issued shares. A consortium of investors contributed cash to CN Group B.V.. In that transaction LeasePlan lost control and retained a non-controlling interest in CN Group B.V. with significant influence.

In October 2021 the non-controlling interest in CN Group B.V. has been acquired by Constellation Automotive Holdings S.a.r.l. in return of newly issued ordinary shares and LeasePlan retains an equity investment in Constellation Automotive Holdings S.a.r.l. without significant influence.

On 1 September 2021 LeasePlan sold its subsidiaries LeasePlan Australia and LeasePlan New Zealand to SG Fleet Group and recognised a gain for the difference between the consideration received and the carrying amount of the net asset value of both entities. LeasePlan retains an equity investment in SG Fleet. The two subsidiaries were classified as held-for-sale and reported as discontinued operations up until the second quarter of 2021.

The equity investments retained are recognised in the caption Investment in equity and debt securities in the balance sheet measured at fair value. Changes in fair value are recognised in the income statement.

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

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

In thousands of euros	**Q4 2021**	**Q4 2020**	**2021**	**2020**
External revenues	**102**	**91,136**	**467,752**	**489,537**
External expenses	**104**	**119,991**	**520,027**	**575,608**
Income tax expenses	–	–7,939	–14,275	–23,712
Results from operating activities	**–2**	**–20,917**	**–38,000**	**–62,360**
Gain on sale of discontinued operation, after tax *	12,476	–	224,558	–
Net result from discontinued operations	**12,474**	**–20,917**	**186,558**	**–62,360**

* includes EUR 130 million gain on the divestment of LeasePlan Australia and New Zealand and EUR 95 million gain arising from the carve-out of CarNext.

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

Composition of gain on sale of discontinued operations, after tax:

	31 December 2021
Consideration received	
- Cash	318,651
- Investment in equity securities and investments accounted for using the equity method	151,997
Net asset value and related costs of discontinued operations	(245,696)
Gain on sale of subsidiaries	**224,953**
Income tax expenses on gain on sale of discontinued operations	(395)
Gain on sale of discontinued operations, after tax	**224,558**