# LeasePlan Danmark A/S

Midtager 20
2605 Brøndby

CVR no. 16 22 76 41

## Annual report 2023

The annual report was presented and approved at the Company's annual general meeting

on 4 April 2024

Søren Dejnbjerg Jensen
Chairman of the annual general meeting

# Contents

# Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of LeasePlan Danmark A/S for the financial year 1 January – 31 December 2023.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's activities and financial matters, of the results for the year and of the Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Brøndby, 4 April 2024
Executive Board:

| | |
|---|---|
| DocuSigned by: Hadrien Georges Claude Boisseau 75878DED0816403... | DocuSigned by: Peter Christiansen B22691BF930440F... |
| Hadrien Boisseau | Peter Christiansen |
| Managing Director | Finance Director |

Board of Directors:

| | | |
|---|---|---|
| DocuSigned by: Jeroen KRUISWEG F3B7A257BF44493... | DocuSigned by: A781E6676A9A4A3... | DocuSigned by: Hadrien Georges Claude Boisseau 75878DED0816403... |
| Jeroen Kruisweg | Pekka Kivinen | Hadrien Boisseau |
| Chairman | | |

# Independent auditor's report

## To the shareholders of LeasePlan Danmark A/S

## Opinion

We have audited the financial statements of LeasePlan Danmark A/S for the financial year 1 January – 31 December 2023 comprising income statement, balance sheet, statement of changes in equity, notes and accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Company's assets, liabilities and financial position at 31 December 2023 and of the results of the Company's operations for the financial year 1 January – 31 December 2023 in accordance with the Danish Financial Statements Act.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control, that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

# Independent auditor's report

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the 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 ISAs and the additional requirements in Denmark will always detect a material misstatement when it exists. Misstatements may 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 financial statement users made on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also

- identify and assess the risks of material misstatement of the company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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.

- obtain 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 Company's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

- conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. 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 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 Company to cease to continue as a going concern.

- evaluate the overall presentation, structure and contents of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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 identify during our audit.

# Independent auditor's report

## Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 4 April 2024
**KPMG**
Statsautoriseret Revisionspartnerselskab
CVR no. 25 57 81 98

DocuSigned by:
ECC68BECF0C4432...

Klaus Rytz
State Authorised
Public Accountant
mne33205

# Management's review

## Company details

LeasePlan Danmark A/S
Midtager 20
2650 Brøndby

| | |
|---|---|
| Telephone: | +45 3673 8300 |
| Website: | www.leaseplan.dk |
| E-mail: | lp@leaseplan.dk |
| CVR no. | 16 22 76 41 |
| Established: | 1 July 1992 |
| Registered office: | Brøndby, Denmark |
| Financial year: | 1 January – 31 December |

### Board of Directors

Jeroen Kruisweg, Chairman
Pekka Kivinen
Hadrien Boisseau

### Executive Board

Hadrien Boisseau, Managing Director
Peter Christiansen, Finance Director

### Auditor

KPMG
Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø
CVR no. 25 57 81 98

### Annual general meeting

The annual general meeting will be held on 4 April 2024.

# Management's review

## Financial highlights

| DKKm | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| Revenue | 1,998 | 1,726 | 1,668 | 1,653 | 1,704 |
| Gross profit | 384 | 330 | 274 | 209 | 258 |
| Operating profit | 154 | 135 | 77 | 21 | 81 |
| Profit/loss from financial income and expenses | 2 | 0 | 0 | 0 | 0 |
| Profit for the year | 128 | 105 | 61 | 9 | 63 |
| Total assets | 4,063 | 3,832 | 3,696 | 3,386 | 3,397 |
| Investments in property, plant and equipment | 1,551 | 1,318 | 1,498 | 1,112 | 1,366 |
| Equity | 396 | 478 | 748 | 687 | 679 |
| Gross margin | 19.2% | 19.1% | 16.4% | 12.7% | 15.2% |
| Operating margin | 7.8% | 7.8% | 4.6% | 1.3% | 4.7% |
| Return on equity | 29.2% | 17.2% | 8.5% | 1.4% | 9.4% |
| Solvency ratio | 9.7% | 12.5% | 20.2% | 20.3% | 20.0% |
| Average number of full-time employees | 145 | 139 | 135 | 124 | 114 |

The financial ratios have been calculated as follows:

Gross margin $$\frac{\text{Gross profit x 100}}{\text{Revenue}}$$

Operating margin $$\frac{\text{Operating profit x 100}}{\text{Revenue}}$$

Return on equity $$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$$

Solvency ratio $$\frac{\text{Equity ex. non-controlling interests year end x 100}}{\text{Total equity and liabilities at year end}}$$

# Management's review

## Operating review

### Principal activities

In our core Car-as-a-Service business, we create value by turning vehicles into a service for customers who want the benefit of cars or Light Commercial Vehicles (LCVs) without the hassle of owning them. Based on fleet size, we are the global market leader and largest player in the growing Car-as-a-Service market.

Our resilient and cash-generative Car-as-a-Service business provides subscription-based mobility solutions with integrated services. We offer Corporates, SMEs and Private individuals a complete end-to-end service for a typical contract duration of three to four years. Ownership of the vehicle, which is made possible through our diversified funding programme, is inherent to our business model and allows us to capture the associated value chain of services throughout the entire vehicle lifecycle.

Within our Car-as-a-Service offering, specific services include vehicle procurement; vehicle financing; repairs, maintenance & tyre management (RMT); damage handling and insurance services; fleet management and consulting services; and fuel, accident and rental management services. We offer our services through an integrated operating model that helps us leverage our scale and implement proven best practices. This generates multiple, contractually recurring revenue streams that support the overall resilience of our business.

After purchasing, funding and managing vehicles for our customers, our Car-as-a-Service business maximises the value of vehicles coming off contract by selling them or, increasingly, re-leasing them through our used car platform, CarNext.com. This means our Car-as-a-Service fleet turns over relatively quickly and, in principle, contains only the latest and cleanest vehicle models.

### Events after the balance sheet date

In 2022, LeasePlan's shareholders and LeasePlan signed a Framework Agreement with ALD Automotive and Société Générale to create a leading global player in mobility. After obtaining clearance from the European Commission in November 2022 the acquisition was finally closed on 22 May 2023.

In March 2024 a Declaration of No Objection (DNO) was secured from the European Central Bank and thus it will now be possible to proceed with the corporate reorganisation of LeasePlan. The planning of this is well underway and it is expected that the first wave of integration of the Danish entities will take place in 2024 and be finalised expectedly in 2026.

### Development in activities and financial position

LeasePlan delivered a strong performance in its Car-as-a-Service business in 2023, supported by strong demand for used cars, as well as increased uptake of our added-value leasing services, including our insurance proposition.

During 2023 LeasePlan experienced growth, mainly due to a positive used-car market and lower than expected customer defaults due to our high-quality customer base. The used-car market has remained strong leading to beneficial pricing.

#### *Profit for the year*

Profit for 2023 ended on DKK 128 million, which is better than expectations announced in the annual report for 2022. Our results were supported by a strong performance across all segments of our Car-as-a-Service business, as well as an extraordinarily strong used car pricing.

# Management's review

## Operating review

### Outlook

2024 will be a year of integration with the Danish activities of ALD Automotive A/S, with the end goal of combining the activities in one legal entity, which will be ALD Automotive A/S. The planning of the transfer is well underway, but to which extent this will be reached in 2024 or 2025 is still uncertain. However, considering the planning a financial result for 2024 lower than the result for 2023 is expected.

### Intellectual capital

With 30 years' experience in the Car-as-a-Service market, we apply our institutional memory, leading fleet management capabilities, scale and investments in our digital business model, to create value for customers as a leading market player.

### Risk Management

LeasePlan considers controlled and balanced risk taking, accommodated by a strong risk management organisation and risk governance supported by a clear tone at the top, as key elements in driving its strategy. Risk management and control are closely linked to LeasePlan's strategic aims. The risk management cycle comprises repetitive iterations of risk identification, risk assessment, responding to risks and monitoring and reporting.

Risk management and control are closely linked to our strategic objectives and compliance with applicable regulation. LeasePlan is committed to ensuring regulatory compliance and maintaining a risk profile within the set risk appetite. As part of our risk universe, the Company recognises different categories of risk, of which asset risk, treasury risk and credit risk are considered to be primary risks.

#### *Asset risk*

##### *Asset risk definition*

The Company defines asset risk as the combination of residual value risks and risks on RMT services. Residual value risk is considered the main risk and is defined as the Company's exposure to potential losses due to the resale value of assets declining below the estimates made at lease inception minus risk mitigation. For residual value risk the Company also makes the distinction between market risks that are related to developments in the used car market and non-market risks that do not directly relate to market development. The risk related to RMT is the Company's exposure to potential loss due to the actual costs of the services, repair and maintenance and tyres (over the entire contractual period) exceeding the estimates made at lease inception.

##### *Asset risk management policy*

The Company has a policy in place with respect to asset risk management, based on principles developed under the Group's Risk Charter. The policy describes, inter alia, the roles and responsibilities of the first and second lines of defence with respect to asset risk management, the minimum standards for the management and mitigation of both risks related to the RV market and non-market related risks, and the mandatory frequency of asset risk measurement and reporting. The asset risk management policy focuses on all leases (finance or operating) that may expose the Company to market risk of used vehicles and/or repair, maintenance and tyre risk.

# Management's review

## Operating review

### *Treasury risk*

#### ***Treasury risk definition***

Treasury risk consists of two individual risks, being liquidity risk and interest rate risk. Liquidity risk is the risk that the Company is not able to meet its obligations for (re)payments. Interest rate risk is the risk that the profitability and shareholders' equity of the Company are affected by movements in interest rates.

#### ***Treasury risk management policy***

As liquidity risk is not perceived by the Company as a driver for profit, the liquidity risk policy aims at matched funding and diversification of funding sources. Liquidity risk is managed by seeking to conclude funding that matches on average to the estimated run-off profile of the leased assets. This matched funding principle is applied considering specific mismatch tolerance levels depending on the total of interest-bearing assets (including vehicles under operating lease) of the Company.

The Company accepts and offers lease contracts to clients at both fixed and floating interest rates and for various durations. The interest rate risk policy is to match the interest rate risk profile of the lease contract portfolio with a corresponding interest rate funding profile to minimise the interest rate risk. The Company carries interest-bearing assets on the balance sheet, funded by interest-bearing liabilities (loans and other indebtedness). Where interest-bearing liabilities fall short to cover interest-bearing assets, non-interest-bearing working capital and equity can cover interest-bearing assets, as part of the matched funding policy.

### *Credit risk*

#### ***Credit risk definition***

As a result of its normal business activities, the Company is exposed to credit risk, which is the risk that a counterparty will not be able to fulfil its financial obligations when due. In the Company's core business, this credit risk mainly relates to lease receivables from clients. Lease receivables from clients consist of trade receivables and amounts receivable under finance lease contracts. For amounts receivable under finance lease contracts credit risk is mitigated materially by the underlying value of the available collateral (i.e. leased object).

#### ***Credit risk management policy***

The Company has defined its credit acceptance criteria and set its limits on counterparty and concentration risks as well as the types of business and conditions thereof. For its credit risk management, the Company distinguishes between corporate clients, retail clients, governments, banks and others. In this respect, retail clients are from a regulatory point of view defined as small and medium entities (SMEs) and private households. Except for retail clients, which are assessed whenever a credit application is received, the credit risk of all counterparties is assessed at least once a year.

# Management's review

## Operating review

### Corporate social responsibility

Pursuant to section 99 a(7) of the Danish Financial Statements Act, no separate reporting on Corporate social responsibility have been prepared.

Reference is made to the Annual Report of Société Générale S.A. for 2023, which includes said reporting, and can be found at https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf.

### Goals and policies for the underrepresented gender

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|
| ***Board of Directors*** | | | | | |
| Members | 3 | - | - | - | - |
| Underrepresented gender in % | 0% | - | - | - | - |
| Target in % | 33% | - | - | - | - |
| To be reached by | 2025 | - | - | - | - |
| ***Other management positions*** | | | | | |
| Members | 21 | - | - | - | - |
| Underrepresented gender in % | 29% | - | - | - | - |
| Target in % | 35% | - | - | - | - |
| To be reached by | 2025 | - | - | - | - |

The current Board of Directors consists of three members, all men. The Company has set the target that the Board of Directors must consist of at least one woman by 2025. The target is not met for 2023 since the right candidate has not yet been identified.

LeasePlan is committed to achieving a more equal gender balance in the workplace, as well as enhancing the proportion of diverse talent in its top 3 management layers. During 2023 LeasePlan have ensured diverse talents are equally represented in the recruitment processes and offered inclusive recruitment training, including unconscious bias awareness.

### Reporting on data ethics

Pursuant to section 99 d(3) of the Danish Financial Statements Act, no separate reporting on data ethics have been prepared.

Reference is made to the Annual Report of Société Générale S.A. for 2023, which includes said reporting, and can be found at https://www.societegenerale.com/sites/default/files/documents/2024-03/universal-registration-document-2024.pdf.

# Financial statements 1 January – 31 December

## Income statement

| DKKm | Note | 2023 | 2022 |
|---|---|---|---|
| **Revenue** | | 1,998 | 1,726 |
| Direct cost of revenue | 1 | -1,614 | -1,396 |
| **Gross profit** | | 384 | 330 |
| Selling, general and administrative expenses | 1,2,3 | -230 | -195 |
| **Operating profit** | | 154 | 135 |
| Income from equity investments in group entities | | 2 | 0 |
| **Profit before tax** | | 156 | 135 |
| Tax on profit for the year | 4 | -28 | -30 |
| **Profit for the year** | 5 | 128 | 105 |

# Financial statements 1 January – 31 December

## Balance sheet

| DKKm | Note | 2023 | 2022 |
|---|---|---|---|
| **ASSETS** | | | |
| **Fixed assets** | | | |
| **Intangible assets** | 1 | | |
| Software | | 1 | 1 |
| **Property, plant and equipment** | 1 | | |
| Operating lease assets | | 3,289 | 3,125 |
| Right of use assets, properties | | 48 | 58 |
| Fixtures and fittings, tools and equipment | | 21 | 22 |
| | | 3,358 | 3,205 |
| **Investments** | | | |
| Finance lease assets | 6 | 255 | 190 |
| **Total fixed assets** | | 3,614 | 3,396 |
| **Current assets** | | | |
| **Inventories** | | 85 | 92 |
| **Receivables** | | | |
| Trade receivables | | 189 | 178 |
| Receivables from group entities | | 9 | 14 |
| Corporate income tax | | 2 | 0 |
| Other receivables | | 118 | 109 |
| Prepayments | 7 | 46 | 43 |
| | | 364 | 344 |
| **Total current assets** | | 449 | 436 |
| **TOTAL ASSETS** | | 4,063 | 3,832 |

# Financial statements 1 January – 31 December

## Balance sheet

| DKKm | Note | 2023 | 2022 |
|---|---|---|---|
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Contributed capital | 8 | 60 | 60 |
| Retained earnings | | 336 | 418 |
| **Total equity** | | 396 | 478 |
| **Provisions** | | | |
| Provisions for deferred tax | 9 | 184 | 146 |
| **Total provisions** | | 184 | 146 |
| **Liabilities other than provisions** | | | |
| **Non-current liabilities other than provisions** | 10 | | |
| Credit institutions | | 125 | 300 |
| Lease obligations | | 42 | 52 |
| Payables to group entities | | 875 | 650 |
| | | 1,042 | 1,002 |
| **Current liabilities other than provisions** | | | |
| Credit institutions | 10 | 260 | 760 |
| Lease obligations | 10 | 9 | 10 |
| Prepayments received from customers | | 18 | 67 |
| Trade payables | | 230 | 240 |
| Payables to group entities | 10 | 1,717 | 923 |
| Other payables, including taxes payable | | 207 | 206 |
| | | 2,441 | 2,206 |
| **Total liabilities other than provisions** | | 3,483 | 3,208 |
| **TOTAL EQUITY AND LIABILITIES** | | 4,063 | 3,832 |

# Financial statements 1 January – 31 December

## Statement of changes in equity

| DKKm | Contri-buted capital | Retained earnings | Total equity |
|---|---|---|---|
| **Equity at 1 January 2022** | 60 | 688 | 748 |
| Dividends distributed | 0 | -375 | -375 |
| Transferred over the profit appropriation | 0 | 105 | 105 |
| **Equity at 1 January 2023** | 60 | 418 | 478 |
| Dividends distributed | 0 | -210 | -210 |
| Transferred over the profit appropriation | 0 | 128 | 128 |
| **Equity at 31 December 2023** | 60 | 336 | 396 |

# Financial statements 1 January – 31 December

## Notes

### 1 Intangible assets and Property, plant and equipment

| DKKm | Software | Operating lease assets | Right of use assets, proper-ties | Fixtures and fittings, tools and equip-ment | Total |
|---|---|---|---|---|---|
| Cost at 1 January 2023 | 2 | 4,765 | 94 | 45 | 4,906 |
| Additions | 0 | 1,540 | 0 | 11 | 1,551 |
| Transferred | 0 | -213 | 0 | 0 | -213 |
| Disposals | 0 | -1,296 | -26 | -8 | -1,330 |
| Cost at 31 December 2023 | 2 | 4,796 | 68 | 48 | 4,914 |
| Depreciation and impairment losses at 1 January 2023 | 1 | 1,640 | 36 | 23 | 1,700 |
| Depreciation | 0 | 720 | 10 | 6 | 736 |
| Transferred | 0 | -130 | 0 | 0 | -130 |
| Depreciation on disposals | 0 | -723 | -26 | -2 | -751 |
| Depreciation and impairment losses at 31 December 2023 | 1 | 1,507 | 20 | 27 | 1,555 |
| **Carrying amount at 31 December 2023** | 1 | 3,289 | 48 | 21 | 3,359 |

| Depreciation can be specified as follows: | | | | | |
|---|---|---|---|---|---|
| Direct cost of revenue | 0 | 720 | 0 | 0 | 720 |
| Selling, general and administrative expenses | 0 | 0 | 10 | 6 | 16 |
| | 0 | 720 | 10 | 6 | 736 |

# Financial statements 1 January – 31 December

## Notes

### 2 Staff costs

| DKKm | 2023 | 2022 |
|---|---|---|
| Wages and salaries | 103 | 92 |
| Pensions | 9 | 8 |
| Other social security costs | 1 | 1 |
| | 113 | 101 |

Staff costs include remuneration of the Company's Executive Board as follows:

| | | |
|---|---|---|
| Remuneration | 6.2 | 6.9 |
| Pensions | 0.3 | 0.4 |
| | 6.5 | 7.3 |
| Average number of full-time employees | 145 | 139 |

The Company's Board of Directors, who are not part of the Company's Executive Board, are representatives of the Group. As representatives of the Group, no remuneration are paid in their capacity as members of the Board of Directors. In case an allocation of remuneration would be made, this proportion would be immaterial.

Staff costs are recognised in the financial statements as Selling, general and administrative expenses.

### 3 Fees to auditor appointed at the general meeting

Pursuant to section 96(3) of the Danish Financial Statements Act, fee information is omitted.

### 4 Tax on profit for the year

| DKKm | 2023 | 2022 |
|---|---|---|
| Current tax for the year | 0 | 7 |
| Deferred tax adjustment for the year | 38 | 39 |
| Tax adjustment for previous years | -10 | -16 |
| | 28 | 30 |

# Financial statements 1 January – 31 December

## Notes

| DKKm | | 2023 | 2022 |
|---|---|---|---|
| **5** | **Proposed profit appropriation** | | |
| | Proposed dividends for the year | 0 | 0 |
| | Retained earnings | 128 | 105 |
| | | 128 | 105 |
| **6** | **Finance lease assets** | | |
| | Finance lease assets at 1 January | 191 | 186 |
| | Additions | 84 | 60 |
| | Transferred | 83 | 34 |
| | Redemption and disposals | -102 | -89 |
| | Finance lease assets at 31 December | 256 | 191 |
| | Impairment losses at 1 January | 1 | 1 |
| | Impairment losses at 31 December | 1 | 1 |
| | **Carrying amount at 31 December** | 255 | 190 |
| | Finance lease assets can be specified as follows: | | |
| | 0-1 years | 80 | 70 |
| | 1-5 years | 150 | 111 |
| | >5 years | 25 | 9 |
| | | 255 | 190 |
| **7** | **Prepayments** | | |
| | Insurance premiums, road tax and road side assistance | 35 | 30 |
| | Wages and salaries | 8 | 8 |
| | Other | 3 | 5 |
| | | 46 | 43 |

### 8 Contributed capital

The contributed capital consists of shares in DKK 1,000 denominations. All shares rank equally.

No changes are made to the contributed capital during the last 5 years.

# Financial statements 1 January – 31 December

## Notes

| DKKm | 2023 | 2022 |
|---|---|---|

### 9 Deferred tax

| | | |
|---|---|---|
| Deferred tax at 1 January | 146 | 107 |
| Deferred tax adjustment for the year in the income statement | 38 | 39 |
| | 184 | 146 |

### 10 Non-current liabilities other than provisions

Liabilities other than provisions can be specified as follows:

| | | |
|---|---|---|
| Payables to group entities: | | |
| 0-1 years | 1,717 | 923 |
| 1-5 years | 875 | 650 |
| | 2,592 | 1,573 |
| Credit institutions: | | |
| 0-1 years | 260 | 760 |
| 1-5 years | 125 | 300 |
| | 385 | 1,060 |
| Lease obligations: | | |
| 0-1 years | 9 | 10 |
| 1-5 years | 42 | 41 |
| >5 years | 0 | 11 |
| | 51 | 62 |
| Other payables, including taxes payable: | | |
| 0-1 years | 455 | 513 |
| | 455 | 513 |
| **Total liabilities other than provisions** | 3,483 | 3,208 |

Total liabilities other than provisions are recognised in the balance sheet as follows:

| | | |
|---|---|---|
| Non-current liabilities other than provisions | 1,042 | 1,002 |
| Current liabilities other than provisions | 2,441 | 2,206 |
| | 3,483 | 3,208 |

| | | |
|---|---|---|
| Amounts expensed on low value and short term leases | 1 | 1 |

# Financial statements 1 January – 31 December

## Notes

| DKKm | 2023 | 2022 |
|---|---|---|
| **11 Equity investments in subsidiaries** | | |
| Cost at 1 January | 0 | 0 |
| Cost at 31 December | 0 | 0 |
| **Carrying amount at 31 December** | 0 | 0 |

| Name/legal form | Registered office | Equity interest | Equity | Profit for the year |
|---|---|---|---|---|
| | | | DKK'000 | DKK'000 |
| Subsidiaries: | | | | |
| Auto Claim Handling Danmark A/S | Brøndby | 100% | 4,589 | 3,971 |

### 12 Contractual obligations, contingencies, etc.

#### Contingent liabilities

An integrated element in the business model of the company is to provide residual value guarantees towards 3rd parties. As at 31 December the guarantees amount to:

| DKKm | 2023 | 2022 |
|---|---|---|
| Residual value guarantees | 484 | 477 |

# Financial statements 1 January – 31 December

## Notes

### 13 Related party disclosures

LeasePlan Danmark A/S' related parties comprise the following:

#### Control

LeasePlan Corporation N.V., P.J. Oudweg 41, 1314 CJ Almere, the Netherlands holds the entire contributed capital in the Company.

LeasePlan Danmark A/S is part of the consolidated financial statements of LeasePlan Corporation N.V., P.J. Oudweg 41, 1314 CJ Almere, the Netherlands, and the consolidated financial statements of Société Générale S.A., 29 Boulevard Haussmann, 75009 Paris, France, which are the smallest and largest groups, respectively, in which the Company is included as a subsidiary.

The consolidated financial statements of LeasePlan Corporation N.V. and the consolidated financial statements of Société Générale S.A. can be obtained by contacting the companies at the above addresses.

#### Related party transactions

| DKKm | 2023 | 2022 |
|---|---|---|
| Bonus income in relation to international procurement agreements | 8 | 9 |
| Commission income from distribution of motor insurance agreements | 4 | 3 |
| Other | 1 | 0 |
| Total income | 13 | 12 |
| Franchise fee | 59 | 54 |
| Purchase of ICT-services | 10 | 9 |
| Interest expenses | 98 | 25 |
| Other | 2 | 2 |
| Total costs | 169 | 90 |

Remuneration to the Parent Company's Executive Board and Board of Directors is disclosed in note 2.

# Financial statements 1 January – 31 December

## Accounting policies

The annual report of LeasePlan Danmark A/S for 2023 has been prepared in accordance with the provisions applying to reporting class C large entities under the Danish Financial Statements Act.

The annual report has been prepared using the same accounting policies for recognition and measurement as those applied last year.

The format of the income statement and balance sheet has been adapted to the conditions of the Company.

### Omission of consolidated financial statements

Pursuant to section 112(1) of the Danish Financial Statements Act, no consolidated financial statements have been prepared. The financial statements of LeasePlan Danmark A/S and group entities are included in the consolidated financial statements of Société Générale S.A., 29 Boulevard Haussmann, 75009 Paris, France.

### Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates at the balance sheet date. The difference between the exchange rates at the balance sheet date and the date at which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## Income statement

### Revenue

Revenue represent the fair value of the consideration received or receivable for the sale of goods and services in the Company's ordinary course of business. IFRS 15 is used as basis for interpretation.

#### *Operating lease income*

Leasing income from operating lease instalments is recognised on a straight-line basis over the lease term, based on the total of the contractual payments divided by the number of months of the lease term.

Charges to clients may include passed on costs such as fuel, road taxes and other taxes which do not represent the inflow of economic benefits and/or are collected on behalf of third parties and are therefore not presented as revenues.

#### *Finance lease & other interest income*

Interest income from finance lease contracts is recognised using the effective interest method. Payments collected from the lease are allocated between reducing the net investment in the lease and recognising interest income.

Other interest income mainly includes income from interest-bearing assets, which is recognised using the effective interest method.

# Financial statements 1 January – 31 December

## Accounting policies

### *Additional services income*

Additional services include fees charged for fleet management services, repair & maintenance services, rental activities and damage & insurance services.

Revenue from fleet management services is recognised on a straight-line basis over the term of the fleet management agreement.

Income related to repair & maintenance services is recognised over the term of the lease contract. The allocation of income over the term is based on the normal repair and maintenance cost profile supported by historical statistics and expected service costs. The difference between the amounts charged to clients and amounts recognised as income is accounted for as deferred leasing income. Cost profiles are reviewed periodically to ensure they remain a fair representation of historical repair and maintenance expenditures, adjusted for reasonable expectations of changes in cost profiles.

Income related to services surrounding open calculation contracts is not certain until final settlement takes place. As such, this income is not recognised until that time and is presented within the sales result. For open calculation contracts, expected losses are recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenues.

Rental revenues are recognised on a straight-line basis over the term of the rental agreement.

The revenue from damage & insurance services comprise commissions earned from 3rd party insurance companies and is recognised based on the monthly charges to clients. This applies for third-party liability and own damage insurance products. Revenue recognition will cease when the contract is terminated by a client or at the end of the contractual term.

### *Lease incentives*

Amounts paid or value provided to lessees as lease incentives are capitalised. Lease incentives are amortised on a straight-line basis over the term of the related lease as a reduction in revenue.

### *Profit/Loss on disposal of vehicles and End of contract fees*

Vehicle sales revenue includes the proceeds of the sale of vehicles from terminated lease contracts. The proceeds from the sale of vehicles are recognised when the objects are sold and control of the vehicles is transferred. End of contract fees may consist of fees charged to clients for mileage variation adjustments and excessive wear and tear of the vehicle. In revenues are also included charges arising from deviations from the contractual terms. The fees are recognised upon termination of the lease contract.

### Direct cost of revenue

Direct cost of revenue comprises the cost associated with providing the above-mentioned service components of the lease instalment. Any (volume related) bonuses related to these expenses are credited directly to expenses. Bonuses received on purchases of objects for operating lease contracts are deducted from the purchase consideration and as such result in lower depreciation. Bonuses received on purchases of objects for finance lease contracts are recognised immediately in the statement of profit or loss.

Cost of revenues also includes the carrying amount of the sold vehicles and the costs associated with the rental activities, finance costs for interest-bearing liabilities, impairment charges on loans and receivables and unrealised (gains)/losses on financial instruments.

# Financial statements 1 January – 31 December

## Accounting policies

*Finance cost*

Finance cost consists of interest expenses and similar charges for interest-bearing liabilities (including interest expenses on lease liabilities) and is recognised in the statement of profit or loss using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees and points, paid or received, transaction costs and discounts or premiums that are an integral part of the effective interest rate. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently.

### Selling, general and administrative expenses

Selling, general and administrative expenses comprise expenses incurred during the year for management and administration of the Company, including expenses for staff, management, sales campaigns, advertising, office premises, office expenses and depreciation.

### Financial income and expenses

Dividends from equity investments in group entities measured at cost are recognised as income in the Parent Company's income statement in the financial year when the dividends are declared.

In case of indication of impairment, an impairment test is conducted. Indication of impairment exists if distributed dividends exceed profit for the year or if the carrying amount of equity investments exceeds the consolidated carrying amounts of the net assets in the subsidiary.

### Tax on profit for the year

Tax for the year comprises current tax for the year and changes in deferred tax, including changes in tax rates. The tax expense relating to the profit for the year is recognised in the income statement at the amount attributable to the profit for the year and directly in equity at the amount attributable to entries directly in equity.

## Balance sheet

### Intangible assets

*Software*

Capitalised software relates to purchased software from third parties. Capitalised purchased software are measured at cost less accumulated amortisation and any accumulated impairment. An impairment loss is recognised for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less cost of disposal and value in use.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. When subsequent expenditure is capitalised, the carrying value of the replaced part is derecognised. All other expenditure is expensed when incurred.

Intangible assets are amortised on a straight-line basis over the estimated useful lives of the intangible assets from the date they are available for use. The estimated useful life for software is generally three to ten years. The capitalised intangible assets have no estimated residual value.

# Financial statements 1 January – 31 December

## Accounting policies

### Lease assets

#### *Lease classification*

The lease classification is determined on a contract-by-contract basis, taking into consideration the substance of the transaction and the specific details of each lease contract. The key factor is if substantially all the risks and rewards incidental to ownership are transferred.

Various criteria are used to determine the lease classification of which the two most important are:

- whether the lease term is for the major part of the economic life of the asset; and
- whether the present value of minimum lease payments amounts to at least substantially all of the fair value of the asset.

#### *Finance lease portfolio*

Leases where substantially all the risks and rewards incidental to ownership of an asset are transferred to the lessee are classified as finance leases.

#### *Operating lease portfolio*

An operating lease is different from a finance lease and is classified as such if it does not transfer substantially all the risks and rewards incidental to ownership. The Company as a lessor presents the assets subject to operating leases in the balance sheet according to the nature of the asset.

The carrying amount of operating lease assets are depreciated to its estimated residual value during the lease term or the useful life of the asset. Depreciation is recognised in Direct costs of revenue in the statement of profit or loss.

The operating lease instalments are recognised in the financial statements on a straight-line basis over the lease term.

The Company leases assets to its clients for durations that normally range between three to four years. In almost all cases, the leased assets are returned to the Company at the end of the contract term.

#### *Measurement*

Property and equipment under operating lease and rental fleet are measured at cost less accumulated depreciation and impairment losses. Cost consists of the purchase price and directly attributable costs. The leased assets are depreciated on a straight-line basis over the estimated useful life (normally the contract period for operating leases) to their estimated recoverable amount (residual value). The residual value and the useful life of the leased assets are reviewed at least at each financial year-end and, if expectations differ from previous estimates, the changes are accounted for prospectively as a change in accounting estimate (so-called prospective depreciation). For the impairment accounting policy please refer to section 'Impairment of tangible assets'. The contract period ranges on average between three to four years. Upon termination of the lease or rental contract the relevant assets are reclassified to the caption 'Inventories' at their carrying amount.

# Financial statements 1 January – 31 December

## Accounting policies

### Property and Fixtures and fittings, tools and equipment

*Measurement*

Other property and equipment (including right-of-use assets) are measured at cost less accumulated depreciation and impairment losses. Costs include expenditures that are directly attributable to the acquisition of the asset.

Subsequent expenditure on property and equipment is recognised in the carrying amount of the item only when it increases the future economic benefits embodied in the specific asset to which it relates and its costs can be measured reliably. All other expenditure is expensed when incurred. The costs of the day-to-day servicing of property and equipment are recognised in the statement of profit or loss as incurred.

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset is impaired, when the carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's "fair value less costs to sell" and "value in use". Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in operating income in the statement of profit or loss during the year of disposal.

The Company recognise on the balance sheet the right-of-use relating to the underlying asset and the lease liability raised from the obligation to make lease payments. The right-of-use is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses over the contractual term. The right-of-use asset is adjusted for certain remeasurements of the lease liabilities.

The lease liabilities are initially measured at the present value of lease payments not yet paid at commencement date and are discounted using an incremental borrowing rate. The liability is subsequently increased by the interest accretion to the lease liability and decreased by lease payments made. The lease liability is remeasured when there is a change in future lease payments or based on changes in assessment of execution of certain extension or termination options in the contracts.

*Depreciation*

The carrying amount of other property and equipment is depreciated to its estimated residual value and recognised in the statement of profit or loss on a straight-line basis over the estimated useful life of each part of an item of property and equipment. The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date.

The estimated useful lives are as follows:

| | |
|---|---|
| Right of use assets, properties | 10-15 years |
| Fixtures and fittings, tools and equipment | 3-5 years |

Due to IFRS 16, the right-of-use recognised is depreciated over the lease term, defined as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease.

# Financial statements 1 January – 31 December

## Accounting policies

### Impairment of tangible assets

Assets that are subject to amortisation or depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's "fair value less costs of disposal" and "value in use".

In the annual assessment of whether there is any indication that an asset may be impaired, the Company considers both external as well as internal sources of information.

If such indication for impairment exists, an analysis is performed to assess whether the carrying value of the asset or cash generating unit under an operating lease exceeds the recoverable amount, being the higher of the fair value less costs to sell and the value in use. The value in use is determined as the present value of the future cash flows expected to be derived from the cash generating unit.

The recoverable amount of lease contracts is determined as the value in use at customer contract level (cash-generating unit). As debt funding and interest payments are considered to be an essential element of the Company operating lease business the assessment of the value in use is performed based on a discounted cash-flow-to-equity model. This valuation methodology is a commonly used methodology for valuation of financial institutions.

To determine whether any right-of-use asset or assets categorised as other property and equipment should be impaired, the Company considers both external and internal impairment indicators. If such indicators exist, an analysis is performed to assess whether the carrying value of the cash generating unit exceeds the recoverable amount. The recoverable amount is determined as higher of the asset's or cash-generating unit's fair value less costs of disposals and its value in use.

#### *Reversal of impairment*

Any impairment loss on other non-financial assets is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent of the asset's carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### Investments

Equity investments in group entities are measured at cost. In case of indication of impairment, an impairment test is conducted. When the cost exceeds the recoverable amount, write-down is made to this lower value.

Other receivables and deposits are recognised at amortised cost.

### Inventories

Inventories are measured at the lower of cost and net realisable value. Upon termination of the lease the relevant assets are reclassified from the caption 'Operating lease assets' to the caption 'Inventories' at their carrying amount. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses. Valuation allowances on inventories are included in 'direct cost of revenues'

# Financial statements 1 January – 31 December

## Accounting policies

### Receivables

Receivables are measured at amortised cost.

#### *Impairment*

Lease receivables from clients, both finance lease receivables and operating lease receivables as included in trade receivables in scope of IFRS 16, are brought in scope of IFRS 9 impairments.

An expected credit loss (ECL) is recognised upon initial recognition of a financial asset and subsequently remeasured at each reporting date. ECL is calculated by multiplying the Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD):

- PD represents the likelihood of a counterparty defaulting on its financial obligations.
- LGD represents the Company's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty and is expressed as a percentage loss per unit of exposure at the time of default.
- EAD is based on the expected exposure amount at the time of a default.

### Prepayments

Prepayments comprise prepayment of costs incurred relating to subsequent financial years.

### Equity

#### *Dividends*

The expected dividend payment for the year is disclosed as a separate item under equity.

### Corporation tax and deferred tax

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account.

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities measured on the planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation within the foreseeable future; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Any deferred net assets are measured at net realisable value.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Changes in deferred tax as a result of changes in tax rates are recognised in the income statement or equity, respectively.

# Financial statements 1 January – 31 December

## Accounting policies

### Liabilities other than provisions

Financial liabilities are recognised at the date of borrowing at cost, corresponding to the proceeds received less transaction costs paid. In subsequent periods, the financial liabilities are measured at amortised cost, corresponding to the capitalised value using the effective interest rate. Accordingly, the difference between cost and the nominal value is recognised in the income statement over the term of the loan together with interest expenses.

Finance lease obligation comprise the capitalised residual lease obligation of finance leases.

Other liabilities are measured at amortised cost, which usually corresponds to nominal value.

### Deferred income

Deferred income comprises payments received regarding income in subsequent years.

## Cash flow statement

Pursuant to section 86(4) of the Danish Financial Statements Act, no cash flow statement have been prepared.

## Segment information

The Company has assessed that there are no segments which mutually deviate significantly since the Company only operate in the Danish market with a view to leasing of car fleets to businesses and management of these fleets.