

Grenke Finance Plc

Consolidated Half Year Statement for the Six Months
Ended 30 June 2024

Consolidated half year statement for the six months ended 30 June 2024

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DIRECTORS' REPORT

Consolidated half year statement for the six months ended 30 June 2024

The Directors present their directors' report for the six months ended 30 June 2024.

GRENKE Finance PLC was incorporated in the Republic of Ireland on 22 September 2003. The GRENKE Finance PLC Group is defined as GRENKE Finance PLC ("Company") an Irish registered company and four French *fonds cummun de titrisation* FCT "GK"-Compartment "G2" (FCT GK2), FCT "GK4"-Compartment "G4" (FCT GK4), FCT "GK5"-Compartment "G5" (FCT GK5) and an Irish limited liability company Elektra Purchase No. 25 Designated Activity Company, (together the "Group").

GRENKE Finance PLC is a wholly owned subsidiary of GRENKE AG which is the ultimate parent.

PRINCIPAL BUSINESS ACTIVITIES

GRENKE AG is a financial services group with its headquarters in Baden Baden, Germany. It is a public company with a listing on the Frankfurt Stock Exchange. The GRENKE AG Group acts as a global financing partner for small and medium sized enterprises. The GRENKE AG Group operates in 33 countries located in Europe, North and South America, Asia and Australia. Further information about the Grenke AG Group can be accessed at www.grenke.de.

The Group and Company carries on its own leasing activities through commission agents, who are GRENKE AG Group companies in various European countries. This business is known as the leasing business.

The Group and Company provides finance to the GRENKE AG Group, GRENKE AG Group Companies and to franchisees of the GRENKE AG Group to enable those companies to carry on leasing and factoring activities. This business is known as the treasury business.

The Group and Company finances these activities through issuing Bonds on the Luxembourg Stock Exchange, issuing Promissory notes, issuing Commercial paper, obtaining bank loans, selling selected French lease receivables to three asset backed commercial paper programmes and selling selected lease receivables to GRENKE Bank AG.

BUSINESS REVIEW

The profit for the six months ended 30 June 2024, after taxation, is €11,034,735 (2023: €25,653,126).

The Company's key financial and other performance indicators during the half year were as follows:

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Consolidated half year statement for the six months ended 30 June 2024

BUSINESS REVIEW (Continued)

	2024	2023	Change
	€ 000	€ 000	%
Lease income	81,903	63,882	28%
Expected credit loss allowance on finance lease receivables	29,547	23,076	28%
Income from protecting lease equipment	16,931	18,785	-10%
Interest income and similar income	60,424	37,431	61%
Interest expense and other charges	90,366	49,599	82%
Profit before tax	12,601	29,206	-57%
Increase/(Decrease) in amounts due from related parties	136,985	(100,855)	236%
Acquisition of new lease equipment	551,829	472,331	17%
Expected credit loss charge to the statement of profit or loss on non performing finance lease receivables as a % of the average NPV of performing finance lease receivables	2.97%	2.32%	28%
Expected credit loss allowance at year end on performing finance lease receivables as a % of NPV of performing finance lease receivables at year end	2.25%	2.39%	-6%
Interest and other charges on debt securities in issue as a % of the average of debt securities in issue	4.21%	2.52%	67%

Lease income is up 28% to €82m from 64m Lease Interest income grew by €18m. €9m of the growth in lease interest income is explained by the growth in the size of the lease book, average net present value of lease receivables was €1.9bn in the first half of 2023 and is €2.2bn in the first half of 2024. €9m of the growth in lease interest income is due to the interest income as a % of the average net present value of lease receivables growing from 7.42% in the first half of 2023 to 8.22% in the first half of 2024.

The growth in lease interest income should continue in future periods due to 17% growth in new lease business in the first half of 2024 from €472m to €552m. The Company achieved good growth in new business in all of the markets in which it carries out leasing which is illustrated below:

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Consolidated half year statement for the six months ended 30 June 2024

BUSINESS REVIEW (Continued)

Assets Acquired for Lease by country

	2024	2,023	Growth
	€	€	%
France	296,126,610	260,268,220	14%
Spain	67,450,114	57,174,625	18%
Finland	57,403,504	48,748,750	18%
Netherlands	45,693,428	38,989,747	17%
Portugal	44,107,816	36,765,921	20%
Romania	25,984,702	18,395,397	41%
Slovenia	6,667,486	6,191,014	8%
Luxembourg	5,389,706	3,743,314	44%
Malta	2,881,118	2,024,854	42%
Germany	124,313	29,119	327%
Total assets acquired for lease	<u>551,828,797</u>	<u>472,330,961</u>	17%

Expected credit loss allowance charges (ECL) on finance lease receivables have increased from €23m in the first half of 2023 to €29m in the first half of 2024. There was an ECL credit on performing lease receivables of €3.6m in the first half of 2024 whereas there was a charge of €155k in the first half of 2023 which resulted in a reduction of the ECL charge on performing leases of €3.6m. The ECL charges on non performing leases have increased by €10m to €33m. The ECL on non performing leases has increased from 2.32% of the average of the net present value (NPV) of performing lease receivables to 2.97%. The ECL on non performing leases in France has increased from 2.06% of the average NPV on performing lease receivables to 2.75% which has resulted in an increase in the ECL charge on non performing leases in France of €12.2m to €17.9m. The ECL on non performing leases in Spain has increased from 5.55% of the average NPV on performing lease receivables to 7.9% which has resulted in an increase in the ECL charge on non performing leases in Spain of €6.5m to €9.9m.

Income from protecting lease equipment is down from €18.7m to €16.9m due to a decline in the French business of €3.3m to €7.8m due to the French commission agent now taking the risk on the lease equipment on all new lease business that the French commission agent writes on behalf of Grenke Finance plc. Income from protecting lease equipment is up in all other markets.

Interest income is up €23m to €60m from €27m principally due to the higher interest rate environment but also due to the growth in lending to Grenke AG Group companies. The amount due from related parties has increased from €1.7bn to €1.9bn.

The ECL on amounts due from Grenke AG Group undertakings and franchises increased from a credit of €1.8m in the first half of 2023 to a charge of €5m in the first half of 2024. The expected credit loss allowance charge on amounts due from Grenke AG Group Undertakings is calculated by applying the Grenke AG 1 Year risk of default per Bloomberg to amounts due from Grenke AG Group Undertaking and Franchises at the period end. The Grenke AG 1 Year risk of default per Bloomberg increased to 0.3765% at 30 June 2024 from 0.12% at 31 December 2023 whereas in

DIRECTORS' REPORT

Consolidated half year statement for the six months ended 30 June 2024

BUSINESS REVIEW (Continued)

the first half of 2023 it decreased to 0.392% at 30 June 2023 from 0.483% at 31 December 2022.

Interest expense and similar charges have increased by €41m to €90m due to the European Central Bank increasing interest rates as a consequence of the inflationary pressures in the European economy. Average borrowing in the first half of 2024 increased by €487m in comparison to the first half of 2023 to €4.2bn which increased the interest expense and charges by approximately €6.5m. The average cost of borrowing in the first half of 2024 versus the first half of 2023 increased by 1.6% to 4.3% which led to increased interest expense and charges of approximately €34.2m.

Lease receivables at 30 June 2024 were €2.3bn which is an increase of €154m since 31 December 2023. The amounts due from related parties was €1.9bn at 30 June 2024 which is an increase of €137m since 31 December 2023.

Operating activities absorbed €265m cash in the first half of 2024. In the first half of 2023 operating activities absorbed €125m. The increase in cash absorbed is due to the growth in both the leasing business and the treasury business in the first half of 2024 in comparison to the first half of 2023.

Financing activities generated cash of €168m which was used to fund the growth in the leasing and treasury business.

PRINCIPAL RISKS AND UNCERTAINTIES

In our existing portfolio, we are currently seeing a slight increase in the number of insolvencies, which remains within expectations, also considering the higher leasing volume. As a result, the expected credit loss charge to the statement of profit or loss on non performing lease receivables as a per cent of the average net present value of performing finance lease receivables increased to 2.97% from 2.32%.

Another overall economic risk factor is the persistently elevated interest rate levels due to the restrictive monetary policy of the European Central Bank (ECB). Although an initial rate cut was carried out in June 2024, the interest rate level remains high. High interest rates are generally considered a deterrent to consumer and investment demand and can weaken economic growth. Aside from demand effects, we have been able to consistently offset the higher refinancing costs from past interest rate increases by adjusting our conditions, with up to a three-month time lag. We have also been able to fully incorporate the higher interest rates into our pricing in this phase and pass them on to the market.

The ongoing war in Ukraine and conflicts in the Middle East present the potential for macroeconomic risks. An extended conflict in the Middle East could lead to a rise in oil prices, increasing inflationary pressures and recessionary risk. While market reactions have been limited so far, further escalation could result in higher capital market volatility and generally lower liquidity. Despite this, the Board of Directors continues to see sufficient leeway to ensure the Group and Company short-, medium-, and long-term liquidity. This view is based on the current high liquidity levels and continued good and diverse access to sources of refinancing. In addition, the Grenke AG Group is always in a position to steer the leasing new business—

DIRECTORS' REPORT

Consolidated half year statement for the six months ended 30 June 2024

PRINCIPAL RISKS AND UNCERTAINTIES (Continued)

and thus the situational liquidity needs—by adopting a more selective acceptance policy for lease applications.

We do not operate any branches in Russia or Ukraine and have not been and are not financially engaged in these regions. Similarly, there is no direct risk to the Group and Company concerning the conflict in the Middle East, which was reignited in October 2023. We do not operate any branches in Israel or in the neighbouring countries or regions directly affected by the conflict.

The relatively high volatility of the interest and currency markets could continue to lead to the recognition of transitory valuation effects on the balance sheet. These can temporarily affect the translation of foreign currency positions and the valuation of derivatives. Nevertheless, the Board of Directors does not expect this to have any long-term negative impact on the profitability of the business model.

The Company carefully monitors the development of the risk situation and the impact on individual markets. With regard to the future development of the Group and Company no particular risks associated with the business could be identified beyond the customary scope. For a more detailed description of risks, please refer to Note 43 in our Report and Consolidated Financial Statements for the year ended 31 December 2023 published on 7 March 2024.

FUTURE DEVELOPMENTS

Leasing continues to be a global growth market. The simple and fast availability of resources for investments and the positive effects on liquidity and balance sheet structures remain key success factors for this financing model. This is especially true for smaller investments up to approximately EUR 50k, a segment known as the small-ticket segment, which is the Group and Company's specialty.

In all our international markets, we pursue a strategy of organic growth by consistently expanding our business base and market share. The prerequisites for this strategy continue to be favourable. Given this context, we expect stable demand for small-ticket leasing and continued growth in our new business across Europe. In addition our treasury business will benefit from the Growth in the leasing business throughout the Grenke AG Group. The Directors believe the Company will continue play an important part in financing the Group's leasing activity.

Additional opportunities arise from the continuous expansion of our object portfolio, driven by customer demand trends. We benefit from megatrends like medical technology and robotics, while our financing offers enable SMEs to invest in future technologies. A growing number of these objects stem from the green economy sector and include eBikes in particular. We have established a solid foundation for refinancing green economy objects with the issue of our first green bond in September 2023.

DIRECTORS' REPORT

Consolidated half year statement for the six months ended 30 June 2024

FUTURE DEVELOPMENTS (Continued)

The Group's performance will follow the same trend as that of the Grenke AG Group as a whole. Commentary on the outlook for the Grenke AG Group is included in the Financial Report of the Grenke AG Group for the first half of 2024, which is publicly available on www.grenke.de.

RESPONSIBILITY STATEMENT

We hereby confirm to the best of our knowledge, and in accordance with the accounting standards to be used for interim reporting, that the interim financial statements give a true and fair view of the net assets, financial position and results of operations of the Group.

Furthermore, the interim Directors report conveys a fair review of the development of the business, including the results and the position of the Group, together with a description of the important opportunities and risks for the expected development of the Group for the remainder of the fiscal year.

The financial statements for the six months ended 30 June 2024 and the directors' report for the first six months ended 30 June 2024 have not been audited or reviewed by the auditor.

On behalf of the Directors

Patrick Spain
Director

Angelika Onabajo
Director

Date: 21 August 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2024

Continuing Operations	2024	2023
	€	€
	<i>Note</i>	
Lease income	5	81,902,655
Income from protecting lease equipment	6	16,931,209
Interest income and similar income	7	60,423,531
Total operating income		159,257,395
Movement in expected credit loss allowance on finance lease receivables		(29,546,533)
Movement in expected credit loss allowance on other financial assets		(5,054,703)
Interest expense and other charges	8	(90,365,720)
Foreign exchange loss		(4,317,458)
Net gain loss on financial instruments at fair value through profit or loss		928,051
Other income		1,215,005
Other operating expenses		(19,514,856)
Profit before tax		12,601,181
Taxation	9	(1,566,446)
Profit for the period		11,034,735
		120,097,008
		29,206,033
		25,653,126

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2024

	2024	2023
	€	€
Profit for the period	11,034,735	25,653,126
Other Comprehensive Income		
Items that may be reclassified to profit or loss in subsequent years		
Gains/(losses) relating to cash flow hedges	304,050	(718,819)
Tax relating to cash flow hedges	(38,008)	89,852
Other comprehensive income net of tax	<u>266,042</u>	<u>(628,967)</u>
Total comprehensive income for the period	<u><u>11,300,777</u></u>	<u><u>25,024,159</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
as at 30 June 2024

		30 June	31 December
	<i>Note</i>	<i>2024</i>	<i>2023</i>
		€	€
NON-CURRENT ASSETS			
Property, plant & equipment		980,544	1,047,225
Subordinated loans and reserve accounts		48,110,050	53,243,803
Amounts due from related parties	10	799,879,993	688,903,597
Finance lease receivables	11	1,533,639,529	1,407,820,688
Trade and other receivables		47,081,142	42,371,289
Derivative financial instruments	12	8,133,760	5,846,454
Corporation tax receivable		3,882,462	3,882,462
		<u>2,441,707,480</u>	<u>2,203,115,518</u>
CURRENT ASSETS			
Subordinated loans and reserve accounts		40,157,746	30,284,456
Leased assets held for sale		979,221	943,461
Finance lease receivables	11	787,902,158	759,890,804
Amounts due from related parties	10	1,152,978,196	1,132,024,567
Trade and other receivables		124,402,687	132,938,774
Derivative financial instruments	12	2,899,472	6,001,648
Corporation tax receivable		1,031,785	-
Cash and cash equivalents		45,507,047	143,284,978
		<u>2,155,858,312</u>	<u>2,205,368,688</u>
TOTAL ASSETS		<u><u>4,597,565,792</u></u>	<u><u>4,408,484,206</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2024 (Continued)

		30 June 2024	31 December 2023
		€	€
NON CURRENT LIABILITIES			
Financial liabilities	13	2,248,983,839	2,221,927,003
Amounts due to related parties	14	686,333,330	633,767,332
Derivative financial instruments	12	16,846,458	14,746,375
Lease liabilities		982,773	1,083,367
Deferred tax liability		996,118	956,386
		<u>2,954,142,518</u>	<u>2,872,480,463</u>
CURRENT LIABILITIES			
Financial liabilities	13	843,024,363	762,214,695
Amounts due to related parties	14	585,653,839	591,848,419
Lease liabilities		138,850	-
Derivative financial instruments	12	7,040,154	5,127,670
Deferred income		66	170
Trade and other payables		67,723,634	47,507,870
Corporation tax payable		-	763,328
		<u>1,503,580,906</u>	<u>1,407,462,152</u>
TOTAL LIABILITIES		<u>4,457,723,424</u>	<u>4,279,942,615</u>
CAPITAL AND RESERVES			
Share capital		50,000	50,000
Capital contribution		67,000,000	67,000,000
Retained earnings		65,581,686	54,546,951
Cash flow hedge reserve		7,210,682	6,944,640
TOTAL EQUITY		<u>139,842,368</u>	<u>128,541,591</u>
TOTAL EQUITY AND LIABILITIES		<u>4,597,565,792</u>	<u>4,408,484,206</u>

Approved and authorised by the Board of Directors and signed on its behalf:

Patrick Spain
Director

Angelika Onabajo
Director

21 August 2024

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2024

	Issued capital	Capital contribution	Retained earnings	Cash flow hedge reserve	Total equity
	€	€	€	€	€
As at 1 January 2024	50,000	67,000,000	54,546,951	6,944,640	128,541,591
Profit for the six months ended 30 June 2024	-	-	11,034,735	-	11,034,735
Other comprehensive income	-	-	-	266,042	266,042
Total comprehensive income	-	-	11,034,735	266,042	11,300,777
At 30 June 2024	50,000	67,000,000	65,581,686	7,210,682	139,842,368

	Issued capital	Capital contribution	Retained earnings	Cash flow hedge reserve	Total equity
	€	€	€	€	€
As at 1 January 2023	50,000	67,000,000	118,062,994	12,534,039	197,647,033
Profit for the six months ended 30 June 2023	-	-	25,653,126	-	25,653,126
Other comprehensive income	-	-	-	(628,967)	(628,967)
Total comprehensive income	-	-	25,653,126	(628,967)	25,024,159
At 30 June 2023	50,000	67,000,000	143,716,120	11,905,072	222,671,192

CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2024

	2024	2023
	€	€
CASH INFLOWS FROM OPERATING ACTIVITIES		
Profit for the period	11,034,735	25,653,126
Adjustments for non-cash items:		
Taxation	1,566,446	3,552,907
Interest expense	88,211,621	47,802,303
Interest income	(60,423,531)	(37,430,585)
Depreciation	115,425	221,446
Expected credit loss allowance on finance lease receivables	29,546,533	23,076,397
Expected credit loss allowance/(reversal) on financial assets	6,795,979	(1,801,660)
Currency translation differences	3,423,417	1,889,174
Fair value measurement of subordinated loans	28,700	177,411
Foreign exchange translation adjustment to cash	(25)	170
Other non-cash income/(expenses)	1,063	(52,026)
Increase in subordinated loans and reserve accounts	(4,768,237)	(6,234,630)
(Increase)/Decrease in leased assets held for resale	(35,760)	179,934
Increase in lease receivables	(183,570,832)	(121,875,799)
Change in amounts due from/to related parties	(154,947,466)	114,035,772
Decrease in trade and other receivables	9,378,089	79,621,216
Change in the fair value of derivative financial instruments not designated as hedges	319,100	885,096
Increase/(Decrease) in other current liabilities	15,179,122	(1,586,580)
Interest paid	(76,484,185)	(34,139,966)
Interest received	60,423,531	41,660,397
Payments to Grenke Bank AG in respect of deferred risk premium	(7,745,853)	(7,051,748)
Tax paid	(3,361,000)	(3,500,000)
Net cash inflow from operating activities	(265,313,128)	125,082,355

CONSOLIDATED STATEMENT OF CASH FLOW
For the six months ended 30 June 2024 (continued)

	2024	2023
	€	€
CASH OUTFLOWS FROM INVESTING ACTIVITIES		
Payments for the acquisition of property, plant and equipment	(48,743)	(4,273)
Cash outflow from investing activities	(48,743)	(4,273)
CASH INFLOWS/(OUTFLOWS) FROM FINANCING ACTIVITIES		
Proceeds from financial liabilities	1,158,800,679	534,086,288
Repayment of financial liabilities	(1,056,084,597)	(670,689,372)
Proceeds from amounts owed to GRENKE AG Bank	288,762,469	296,583,999
Repayment of amounts owed to GRENKE AG Bank	(223,894,636)	(209,097,188)
Payment to lessors for right of use assets	-	(80,153)
Cash (outflow)/inflow from financing activities	167,583,915	(49,196,426)
Cash and cash equivalents at the beginning of the year	143,284,978	38,969,272
Bank overdraft at the beginning of the period	-	(5,281)
Foreign exchange translation adjustment	(25)	170
Cash and cash equivalents at the end of the period	45,507,047	115,057,617
Bank overdraft at the end of the period	-	(212,140)
Change in cash and cash equivalents during the period	(97,777,956)	75,881,656
Net cash inflow from operating activities	(265,313,128)	125,082,355
Cash outflow from investing activities	(48,743)	(4,273)
Cash (outflow)/inflow from financing activities	167,583,915	(49,196,426)
Total cash (outflow)/inflow	(97,777,956)	75,881,656

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

1. ACCOUNTING POLICIES

The subject matter of Grenke Finance plc condensed interim consolidated financial statements (“interim consolidated financial statements”) as of June 30, 2024, is Grenke Finance plc and its consolidated structured entities (“the Group”). These interim consolidated financial statements have been prepared in accordance with the IFRSs applicable for interim reporting (IAS 34) as published by the International Accounting Standards Board (“IASB”) and adopted by the European Union (EU) into European law. These interim consolidated financial statements should be read in conjunction with the IFRS consolidated financial statements as of December 31, 2023. The condensed interim consolidated financial statements and the interim directors report as of June 30, 2024 have not been audited.

The accounting policies applied in the 1st half financial statements are generally the same as those applied in the previous year. Exceptions relate to changes resulting from the mandatory application of new accounting standards discussed in the paragraph below. Early application was waived for the amended standards and interpretations that will be mandatory in the 2024 financial year or later. Grenke Finance plc will apply these standards to the consolidated financial statements at the time of their mandatory application. This application is not expected to have any material impact on the reporting.

The same accounting and valuation methods apply to these interim financial statements as to the consolidated financial statements as of December 31, 2023, that we refer to here. Furthermore, we have added supplemental information in the sections that follow.

1.1 First time application of new accounting standards

In the 2024 financial year, the Group took into account all new and revised standards and interpretations that were mandatory for the first time as of January 1, 2024 and have already been adopted into European law (endorsement), insofar that these standards and interpretations were relevant for the Group.

None of the following revised or amended standards had a material impact on the accounting or reporting of the consolidated financial statements of the Group.

Amendments to IAS 1 “Presentation of Financial Statements” on the classification of liabilities as current or non-current and classification of non-current liabilities with ancillary conditions

The amendments to IAS 1 on the classification of liabilities as current or non-current were published in January 2020. The amendments to IAS 1 clarify that the classification of liabilities as current or non-current is based on the entity's existing rights at the reporting date. In October 2022, the IASB published amendments to IAS 1 on the classification of non-current liabilities with ancillary conditions. The purpose of the amendment to IAS 1 is to clarify that ancillary conditions that must be met on or before the reporting date may have an impact on the classification as current or non-current. However, ancillary conditions that only need to be met after the reporting date have no effect on the classification as current or non current.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

1. ACCOUNTING POLICIES (Continued)

1.1 First time application of new accounting standards (continued)

Amendments to IFRS 16 “Leases” on the Measurement of Lease Liabilities in Sale and Leaseback Transactions

The amendments to IFRS 16 clarify the subsequent measurement of a lease liability in the event of a sale and leaseback transaction. In accordance with the amendments to IFRS 16, the lease liability must be measured in a manner that no gain or loss is realised on subsequent measurement insofar as this concerns the retained right of use.

Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures” on supplier financing arrangements

The amendments relate to additional disclosures in the notes to the financial statements in connection with supplier financing agreements, which specifically include reverse factoring agreements. The amendments supplement the requirements already contained in IFRS and require companies to disclose terms and conditions, balance sheet items and carrying amounts at the beginning and end of the reporting period, as well as the range of payment terms, and concentrations of risk related to supplier financing agreements.

1.2 Accounting standards and interpretations already published but not yet implemented

The IASB has published the following new and amended standards or interpretations, the application of which will only become mandatory at a later date. Several of these standards have already been endorsed by the EU. The standards expressly permit voluntary early application. The Company does not make use of this option. The standards will be applied to the consolidated financial statements at the time of mandatory application.

The following amendments are not expected to have a material impact on the reporting in the consolidated financial statements of the Company, unless explicitly stated.

Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates” on recognition in the case of lack of exchangeability

The amendments to IAS 21 contain detailed provisions for determining whether one currency is exchangeable for another and how exchange rates are to be determined when there is a lack of exchangeability. The amendments are to be applied for financial years beginning on or after January 1, 2025. For companies that prepare their accounts in accordance with the IFRS applicable in the EU, the regulations will apply once they have been adopted into European law. EU endorsement is still pending.

Amendments to IFRS 9 “Financial Instruments” and IFRS 7 “Financial Instruments: Disclosures” on the classification and measurement of financial instruments

The amendments to IFRS 9 and IFRS 7 relate to the derecognition of electronically transferred financial liabilities, the application of the cash flow criterion for the purposes of categorising financial instruments in various constellations, and additional disclosures in the notes in accordance with IFRS 7.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

1. ACCOUNTING POLICIES (Continued)

1.2 Accounting standards and interpretations already published but not yet implemented (continued)

Concerning financial liabilities that have been repaid via an electronic payment channel, companies in the future will be granted an option regarding the derecognition date. The option will allow a financial liability to be derecognised before the settlement date if an electronic payment system is used. With regard to the classification of financial assets using the cash flow criterion, particularly in the case of ESG or similar conditions, adjustments are made to the criteria for distinction under IFRS 9. The amendments also include amendments to the classification of non-recourse assets and contractually linked instruments. The disclosures in the notes to the financial statements in accordance with IFRS 7 include, among others, additions regarding the reporting of equity instruments classified as “at fair value through other comprehensive income” (FVtOCI). The amendments also introduce disclosures on financial instruments with cash flows whose amount or timing depends on the occurrence or non-occurrence of a contingent event.

The amendments are to be applied for financial years beginning on or after January 1, 2026. For companies that prepare their accounts in accordance with the IFRS applicable in the EU, the regulations will apply after their adoption into European law. Adoption by the EU is still pending. The Company is currently reviewing the anticipated impact of the requirements on the consolidated financial statements.

IFRS 18 “Presentation and Disclosures in Financial Statements”

The IASB published IFRS 18 “Presentation and Disclosures in Financial Statements” on April 9, 2024. The new standard is intended to provide investors with more transparent and comparable information about the financial performance of companies in order to create a better basis for decision-making. The new IFRS 18 standard replaces the previous IAS 1 “Presentation of Financial Statements” standard and contains requirements for the presentation and disclosure of information in financial statements.

The main changes resulting from the introduction of IFRS 18 are briefly outlined below. With regard to the income statement, three new categories (operating, investing and financing) with corresponding allocation rules are introduced. Additionally, IFRS 18 requires the presentation of specific totals and subtotals in the income statement. Furthermore, the notes to the financial statements in the future must contain information on management-defined performance measures (MPMs) that have been publicly communicated, including a reconciliation to the nearest comparable IFRS subtotals. The new standard also introduces additional principles for the aggregation and disaggregation of items. Limited changes also affect IAS 7 “Statement of Cash Flows”, for example, by eliminating the previous allocation options for dividends and interest paid and received.

The amendments are to be applied for financial years beginning on or after January 1, 2027. For companies that prepare their accounts in accordance with the IFRS applicable in the EU, the regulations will apply after they are adopted into European law. Adoption by the EU is still pending. The Company is currently reviewing the anticipated impact of the requirements on the consolidated financial statements.

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

1. ACCOUNTING POLICIES (Continued)

1.2 Accounting standards and interpretations already published but not yet implemented (continued)

IFRS 19 “Subsidiaries Without Public Accountability: Disclosures”

On May 9, 2024, the IASB published the new standard IFRS 19 “Subsidiaries without Public Accountability: Disclosures”. The new standard allows certain subsidiaries, particularly those that are not financial institutions and are not capital market-oriented, to apply IFRS accounting standards with reduced disclosures in the notes. The application of IFRS 19 by a subsidiary requires that the subsidiary is not subject to public accountability and that its parent company prepares IFRS consolidated financial statements. The simplifications only apply to the disclosures in the notes. The provisions on recognition, measurement and disclosure in the other IFRS standards continue to apply.

The amendments are to be applied for financial years beginning on or after January 1, 2027. For companies that prepare their accounts in accordance with IFRS as applicable in the EU, the regulations will apply after they are adopted into European law. Adoption by the EU is still pending.

2. GRENKE AG GROUP

The Company is wholly owned by Grenke AG, a company incorporated in Germany. Details of the Grenke AG Group are included in the Grenke AG Group financial statements, which are publically available at www.grenke.de.

3. USE OF ASSUMPTIONS AND ESTIMATES

In preparing the interim consolidated financial statements, assumptions and estimates have been made that have had an effect on the recognition and carrying amounts of assets, liabilities, income, expenses, and contingent liabilities. The estimates and underlying assumptions are subject to regular reviews.

Changes to estimates are prospectively recognised and have occurred in the following areas:

- Determination of impairments for financial assets
- Use of estimated residual values at the end of the lease term to determine the present value of lease receivables
- Recognition of lease assets for sale at estimated residual values
- Fair value of financial instruments
- Recognition and measurement of actual tax assets and tax liabilities

The determination of impairment for financial assets is based on assumptions and estimates for default risks and expected loss rates. When making these assumptions and selecting the inputs for the calculation of impairment, the Group exercises discretion based on past experience, existing market conditions and forward-looking estimates at the end of each reporting period. The key assumptions and inputs used are presented in the section entitled “Accounting Policies” in the 2023 annual report. In accordance with the announcements made by various regulators (ESMA, EBA), an

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

3. USE OF ASSUMPTIONS AND ESTIMATES (Continued)

assessment of the modelling of IFRS 9 impairment and the estimation of expected credit losses (ECL) is carried out. The ECL model, including the input parameters and sub models, is validated at least once a year or based on the occasion and updated if necessary.

Non-guaranteed (calculated) residual values are taken into account when determining the present value of the lease receivables in accordance with IFRS 16. The calculated residual values at the end of the lease term depend on the maturity group of the respective lease and include the expected follow-up business and the expected sales proceeds at the end of the term based on past experience.

The calculated residual values are determined on the basis of statistical analyses using the best possible estimate. In the event of a decline in the revenue actually achievable in the follow-up business (consisting of disposal and post-leasing), impairment of the lease receivables is taken into account, whereas an increase is not taken into account.

The measurement of lease assets for sale is based on the average sales proceeds per age group realised in the past financial year in relation to the original cost. Lease assets for sale are measured at historical residual values, taking their actual saleability into account. If a sale is considered unlikely due to the condition of the asset, the asset is impaired in profit and loss.

The fair values of financial assets and financial liabilities, not derived from information on active markets, are determined using valuation models. The input parameters of these models are based on observable market data, if possible. If this is not possible, determining fair values requires a certain degree of judgement. This judgement relates to input parameters such as liquidity risk, credit risk, and volatility. Changes regarding the assumptions of these input parameters may have an effect on the recognised fair value of financial instruments. If observable prices and parameters are available, they are used to determine the fair value that in turn avoids the large-scale use of estimates.

Due to the complexity of tax legislation, taxpayers and local tax authorities may have varying constructions and interpretations of the tax laws. This can lead to subsequent tax payments for prior financial years. Tax provisions are recognised in the event that the amounts stated in the tax declarations are not likely to be realised (uncertain tax items). The amount is determined from the best estimate of the anticipated tax payment. Tax receivables from uncertain tax items are recognised when probable and when adequately ensured they can be realised. The assumptions are based on the management's assessment of the amount of uncertain tax items.

The interim financial statements should be read in conjunction with the accounting policies in the notes to the consolidated financial statements as of December 31, 2023

4. SEGMENTAL REPORTING

Grenke Finance PLC has two distinct businesses, leasing and treasury. The leasing business is small ticket business to business leasing of principally office and IT equipment, which is carried out in twelve European Countries. The treasury business

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

provides long term and short-term loans to members of the Grenke AG Group and franchises of the Grenke AG Group who utilise the funds to carry out small ticket business to business leasing of principally office and IT equipment and small ticket factoring of debt. The figures below provide details of the revenue generated for the six months to 30 June 2024 and 30 June 2023 and the operating assets of the two businesses at 30 June 2024 and 30 June 2023. The operating liabilities of the business have not been disclosed separately because the Directors do not separate the liabilities of the Company between leasing and treasury when reviewing the business or making decisions with regard to the business.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Lease income

	Total operating income	Other income	Expected credit loss allowance on finance lease receivables	Expected credit loss allowance on other financial assets	Interest expense and other charges
	2024	2024	2024	2024	2024
	€ 000	€ 000	€ 000	€ 000	€ 000
France	51,118	-	(16,973)	-	(28,054)
Spain	9,419	193	(8,360)	(8)	(5,752)
Netherlands	6,170	27	(2,075)	-	(4,002)
Finland	5,919	-	(1,048)	1	(4,017)
Portugal	4,714	-	(1,175)	-	(3,782)
Romania	3,227	-	(216)	(17)	(1,767)
Slovenia	813	-	87	-	(619)
Luxembourg	489	-	(422)	0	(419)
Hungary	279	-	111	(1)	(132)
Italy	204	-	-	-	-
Malta	164	-	388	(1)	(221)
Germany	(615)	-	240	-	(56)
Lease income	81,903	220	(29,444)	(25)	(48,822)

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Lease income (Continued)

	Foreign exchange (loss)/gain 2024 € 000	Other operating expenses 2024 € 000	Profit before tax 2024 € 000	Tax 2024 € 000	Profit after Tax 2024 € 000
France	-	(6,027)	64	(8)	56
Spain	-	(2,406)	(6,914)	860	(6,055)
Netherlands	-	(566)	(446)	55	(390)
Finland	-	(595)	261	(32)	228
Portugal	-	(692)	(935)	116	(819)
Romania	-	(239)	988	(123)	865
Slovenia	-	(80)	201	(25)	176
Luxembourg	-	(335)	(687)	85	(602)
Hungary	(194)	(14)	48	(6)	42
Italy	-	-	204	(25)	179
Malta	-	(43)	287	(36)	252
Germany	-	(6)	(438)	54	(383)
Lease income	(194)	(11,004)	(7,366)	916	(6,450)

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

4. SEGMENTAL REPORTING (Continued)

Lease income (Continued)

	Total operating income	Other income	Net impairment loss on finance lease receivables	Expected credit loss on other financial assets	Interest expense and other charges
	2023	2023	2023	2023	2023
	€ 000	€ 000	€ 000	€ 000	€ 000
France	40,090	-	(12,840)	-	(15,472)
Spain	6,826	-	(6,363)	-	(3,174)
Netherlands	4,789	-	(1,323)	-	(2,092)
Finland	3,896	-	(965)	13	(1,919)
Portugal	3,684	-	(967)	-	(1,880)
Romania	2,771	-	(622)	4	(826)
Slovenia	725	-	(142)	1	(341)
Hungary	521	-	(5)	(2)	(139)
Luxembourg	262	-	(382)	1	(210)
Malta	253	-	237	(0)	(116)
Italy	203	206	-	-	(270)
Germany	(138)	-	378	-	(58)
Lease income	63,882	206	(22,991)	17	(26,496)

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Lease income (Continued)

	Other operating expenses	Profit before tax	Tax	Profit after Tax
	2023	2023	2023	2023
	€ 000	€ 000	€ 000	€ 000
France	(5,137)	6,641	(808)	5,833
Spain	(2,213)	(4,924)	599	(4,325)
Netherlands	(548)	826	(100)	725
Finland	(500)	525	(64)	461
Portugal	(654)	183	(22)	161
Romania	(212)	1,115	(136)	979
Slovenia	(81)	162	(20)	142
Hungary	(65)	310	(38)	273
Luxembourg	(114)	(442)	54	(388)
Malta	(25)	349	(42)	307
Italy	(58)	81	(10)	71
Germany	(32)	151	(18)	133
Lease income	(9,639)	4,978	(606)	4,372

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Income from protecting lease equipment

	Total operating income 2024 € 000	Other operating expenses 2024 € 000	Profit before tax 2024 € 000	Tax 2024 € 000	Profit after Tax 2024 € 000
	€ 000	€ 000	€ 000	€ 000	€ 000
France	7,948	(2,916)	5,032	(626)	4,406
Spain	2,449	(877)	1,572	(195)	1,376
Portugal	1,802	(737)	1,066	(132)	933
Netherlands	1,732	(618)	1,114	(139)	976
Finland	1,332	(515)	816	(101)	715
Romania	849	(333)	517	(64)	452
Slovenia	402	(152)	249	(31)	218
Luxembourg	257	(90)	167	(21)	146
Hungary	85	(28)	57	(7)	50
Malta	76	(22)	54	(7)	47
Germany	0	(0)	(0)	0	(0)
Income from protecting lease equipment	16,931	(6,288)	10,643	(1,323)	9,320

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

4. SEGMENTAL REPORTING (Continued)

Income from protecting lease equipment (Continued)

	Total operating income	Other operating expenses	Profit before tax	Tax	Profit after Tax
	2023	2023	2023	2023	2023
	€ 000	€ 000	€ 000	€ 000	€ 000
France	11,275	(4,103)	7,172	(872)	6,299
Spain	2,040	(776)	1,264	(154)	1,111
Portugal	1,627	(637)	990	(120)	870
Netherlands	1,449	(531)	918	(112)	806
Finland	1,070	(418)	652	(79)	572
Romania	616	(240)	376	(46)	331
Slovenia	325	(129)	196	(24)	172
Luxembourg	221	(80)	141	(17)	124
Hungary	105	(40)	65	(8)	57
Malta	57	(21)	36	(4)	31
Germany	0	(1)	(1)	0	(1)
Income from protecting lease equipment	18,785	(6,976)	11,808	(1,436)	10,372

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Treasury income and other income

	Total operating income	Other income	Expected credit loss allowance on finance lease receivables	Expected credit loss allowance on other financial assets	Interest expense and other charges	Foreign exchange (loss)/gain
	2024	2024	2024	2024	2024	2024
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Germany	18,902	0	-	(1,568)	(14,398)	-
Italy	14,054	-	-	(1,374)	(11,140)	-
Australia	3,994	-	-	(288)	(2,112)	171
Sweden	3,443	-	-	(309)	(2,322)	(1,885)
Canada	3,188	-	-	(211)	(1,576)	176
United Kingdom	2,785	-	-	(193)	(995)	196
Denmark	2,675	-	-	(293)	(2,129)	(47)
Spain	2,369	-	-	(261)	(1,934)	-
Chile	1,929	-	-	(99)	(725)	(3,931)
United Arab Emirates	1,775	-	-	2	(890)	1,234
Poland	1,652	-	-	(107)	(792)	221
Belgium	1,161	-	-	(100)	(966)	-
Hungary	452	-	-	(32)	(218)	(68)
Czech Republic	422	24	(69)	10	(208)	(24)
Finland	352	-	-	(71)	(243)	-
Ireland	341	-	-	(23)	(191)	-
Slovakia	286	-	-	(54)	(200)	-
United States of America	284	-	-	(22)	(134)	16
Switzerland	116	-	-	(11)	(136)	(177)
Malta	92	-	-	(7)	(52)	-
Singapore	72	-	-	(2)	(46)	(0)
Romania	68	-	-	(4)	(48)	(4)
Netherlands	7	-	-	(12)	(87)	-
Luxembourg	3	-	-	0	(2)	-
Total treasury income	60,424	25	(69)	(5,030)	(41,544)	(4,123)
Other Income	-	970	(34)	-	-	(0)
Total	159,257	1,215	(29,547)	(5,055)	(90,366)	(4,317)

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Treasury income and other income (Continued)

	Net gain/(loss) on financial instruments at fair value through profit or loss	Other operating expenses	Profit before tax	Tax	Profit after Tax
	2024	2024	2024	2024	2024
	€ 000	€ 000	€ 000	€ 000	€ 000
Germany	182	(378)	2,741	(341)	2,401
Italy	-	(313)	1,227	(153)	1,075
Australia	(672)	(455)	637	(79)	558
Sweden	1,695	(61)	562	(70)	492
Canada	(604)	(41)	931	(116)	815
United Kingdom	(606)	(26)	1,162	(144)	1,017
Denmark	107	(56)	257	(32)	225
Spain	-	(51)	123	(15)	108
Chile	3,214	(212)	175	(22)	153
United Arab Emirates	(1,693)	(23)	405	(50)	354
Poland	(709)	(186)	79	(10)	69
Belgium	-	(25)	69	(9)	61
Hungary	(60)	(6)	68	(8)	60
Czech Republic	(80)	(5)	69	(9)	61
Finland	-	(6)	32	(4)	28
Ireland	-	(5)	122	(15)	107
Slovakia	-	(5)	27	(3)	24
United States of America	(61)	(4)	80	(10)	70
Switzerland	67	(4)	(144)	18	(126)
Malta	-	(1)	31	(4)	27
Singapore	148	(5)	167	(21)	146
Romania	0	(1)	10	(1)	9
Netherlands	-	(2)	(94)	12	(83)
Luxembourg	-	(0)	2	(0)	2
Total treasury income	928	(1,871)	8,738	(1,086)	7,652
Other Income	-	(352)	585	(73)	513
Total	928	(19,515)	12,601	(1,566)	11,035

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Treasury income and other income (Continued)

	Total operating income	Other income	Net impairment loss on finance lease receivables	Expected credit loss on other financial assets	Interest expense and other charges	Fair value adjustment for subordinate d loans
	2023	2023	2023	2023	2023	2023
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Italy	11,526	-	-	822	(7,470)	-
Germany	8,110	3	-	534	(7,210)	177
Australia	2,496	-	-	40	(978)	-
Canada	2,282	-	-	39	(792)	-
Sweden	2,126	-	-	104	(1,211)	-
Denmark	1,549	-	-	59	(1,032)	-
Spain	1,466	-	-	62	(1,009)	-
Poland	1,363	-	-	19	(324)	-
Belgium	1,194	-	-	420	(905)	-
United Arab Emirates	1,131	-	-	(227)	(426)	-
United Kingdom	1,053	-	-	(74)	(542)	-
Chile	823	-	-	(65)	(247)	-
Singapore	814	-	-	29	(284)	-
Czech Republic	381	11	(120)	34	(131)	-
Switzerland	246	-	-	6	(160)	-
Ireland	237	-	-	(8)	(100)	-
Slovakia	207	-	-	(9)	(112)	-
Hungary	141	-	-	(22)	(35)	-
United States of America	121	-	-	(1)	(46)	-
Malta	81	-	-	2	(24)	-
Romania	59	-	-	(0)	(32)	-
Luxembourg	25	-	-	3	(7)	-
Netherlands	-	-	-	19	(24)	-
Total treasury income	37,431	14	(120)	1,785	(23,103)	177
Other Income	-	942	35	-	-	-
Total	120,097	1,162	(23,076)	1,802	(49,599)	177

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Treasury income and other income (Continued)

	Foreign exchange (loss)/gain	Net gain/(loss) on financial instruments at fair value through profit or loss	Other fair operating expenses	Profit before tax	Tax	Profit after Tax
	2023	2023	2023	2023	2023	2023
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Italy	-	-	(363)	4,516	(549)	3,967
Germany	-	388	(350)	1,653	(201)	1,452
Australia	(1,808)	1,498	(297)	951	(116)	835
Canada	(336)	(276)	(38)	879	(107)	772
Sweden	(1,112)	1,124	(59)	971	(118)	853
Denmark	3	8	(50)	536	(65)	471
Spain	-	-	(49)	470	(57)	413
Poland	704	(1,514)	(56)	191	(23)	168
Belgium	-	-	(44)	665	(81)	584
United Arab Emirates	(651)	481	(21)	288	(35)	253
United Kingdom	(27)	(171)	(26)	212	(26)	186
Chile	350	(839)	(12)	10	(1)	9
Singapore	(398)	231	(14)	378	(46)	332
Czech Republic	204	(441)	(143)	(204)	25	(179)
Switzerland	(149)	53	(8)	(11)	1	(9)
Ireland	-	-	(87)	41	(5)	36
Slovakia	-	-	(5)	80	(10)	70
Hungary	932	(962)	(2)	52	(6)	45
United States of America	(145)	115	(2)	43	(5)	38
Malta	-	-	(1)	57	(7)	50
Romania	(34)	1	(2)	(8)	1	(7)
Luxembourg	-	-	(0)	21	(3)	18
Netherlands	-	-	(1)	(7)	1	(6)
Total treasury income	(2,467)	(302)	(1,631)	11,785	(1,434)	10,351
Other Income	(0)	-	(342)	635	(77)	558
Total	(2,467)	(302)	(18,587)	29,206	(3,553)	25,653

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Leasing operating assets

	30 June 2024	31 December 2023
	€	€
France	1,380,607,309	1,317,169,099
Spain	287,833,472	265,295,339
Finland	202,804,659	183,521,685
Netherlands	200,518,738	184,341,001
Portugal	185,490,314	178,228,434
Romania	92,218,048	77,718,775
Slovenia	30,350,656	29,153,279
Luxembourg	21,178,292	19,159,432
Malta	11,378,911	9,890,347
Hungary	5,374,056	7,326,185
Germany	2,395,133	2,959,696
Leasing operating assets	<u>2,420,149,588</u>	<u>2,274,763,272</u>

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

4. SEGMENTAL REPORTING (Continued)

Treasury operating assets and non-operating assets

	30 June 2024	31 December 2023
	€	€
Germany	713,099,581	671,453,177
Italy	536,211,444	535,070,354
Sweden	115,903,832	107,349,368
Denmark	108,395,657	96,319,723
Australia	107,015,236	96,125,090
Spain	97,425,385	88,589,023
Canada	79,034,059	72,504,464
United Kingdom	61,789,238	33,861,930
France	47,582,884	45,996,996
Dubai	45,689,155	39,927,632
Belgium	42,632,265	50,278,885
Poland	39,814,923	36,323,201
Chile	36,800,755	32,918,661
Finland	19,888,114	3,484,623
Hungary	11,522,442	9,484,722
Czech	9,958,832	10,091,095
Slovakia	9,838,152	9,412,588
Ireland	9,130,170	9,218,279
USA	7,486,721	5,445,842
Switzerland	5,332,995	7,730,340
Netherlands	4,401,502	3,947,656
Malta	2,592,078	2,403,906
Romania	2,035,867	2,555,602
Singapore	1,399,847	3,006,631
Luxembourg	-	158,379
Unallocated cash	45,507,047	143,284,978
Treasury operating assets	<u>2,160,488,181</u>	<u>2,116,943,145</u>
Non-operating assets	16,928,023	16,777,789
Total assets	<u><u>4,597,565,792</u></u>	<u><u>4,408,484,206</u></u>

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

5. LEASE INCOME

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
Lease interest income	91,459,761	73,429,110
Capitalised initial direct costs	37,979,522	35,900,834
Secondary lease income	32,674,802	30,146,919
Other lease income	5,132,694	5,796,869
Loss on termination of leases	(23,967,814)	(26,489,840)
Commissions payable to agents and dealers	(61,368,810)	(54,894,760)
Asset storage	(7,500)	(7,500)
	<u>81,902,655</u>	<u>63,881,632</u>

6. INCOME FROM PROTECTING LEASE EQUIPMENT

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
Income from lessees for protecting lease equipment	17,353,590	19,390,164
Cost of equipment replaced	(464,768)	(648,012)
Adjustments to insurance claims made to insurer	42,387	42,639
	<u>16,931,209</u>	<u>18,784,791</u>

7. INTEREST INCOME AND SIMILAR INCOME

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
Interest income from GRENKE AG group loans	51,706,547	33,417,497
Interest income from subordinated loans	1,302,273	889,891
Interest income from franchise loans	5,116,986	3,123,197
Interest income from banks	2,297,725	-
	<u>60,423,531</u>	<u>37,430,585</u>

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

8. INTEREST EXPENSE AND OTHER CHARGES

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
Interest and other charges on debt securities in issue	52,185,831	27,851,139
Interest on bank loans	2,633,800	974,528
Interest expense on amounts owed to Grenke AG Group undertakings	4,172,866	945,867
Refinancing interest and expenses	8,953,776	6,135,149
Interest payable to Grenke Bank	19,337,381	10,754,088
Amortisation of Grenke Bank AG risk premium	452,720	2,110,840
Guarantee fee payable to Grenke AG	1,437,685	1,402,487
Amortisation of guarantee paid to franchisees	-	4,263
Bank overdraft interest and other charges	436,992	(914,765)
Bank charges	716,414	334,764
Interest on lease liabilities	38,255	957
	<u>90,365,720</u>	<u>49,599,317</u>

9. TAXATION

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
Current year tax charge	1,564,720	3,560,342
Deferred tax	1,726	(7,434)
Taxation	<u>1,566,446</u>	<u>3,552,908</u>

From 1 July 2024 corporation tax in the Republic of Ireland is expected to remain at 12.5%.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

10. AMOUNTS DUE FROM RELATED PARTIES

	30 June 2024	31 December 2023
	€	€
<i>Amount due in greater than one year</i>		
Secured amounts due from GRENKE AG Group undertakings	42,580,379	34,106,780
Unsecured amounts due from GRENKE AG Group undertakings	758,552,944	656,148,585
Expected credit loss allowance	<u>(1,253,330)</u>	<u>(1,351,768)</u>
	<u>799,879,993</u>	<u>688,903,597</u>
<i>Amount due in less than one year</i>		
Secured amounts due from GRENKE AG Group undertakings	128,104,950	119,729,300
Unsecured amounts due from GRENKE AG Group undertakings	916,932,346	909,930,308
Unsecured amounts due from GRENKE AG Group franchisees	116,188,849	105,459,767
Expected credit loss allowance	<u>(8,247,949)</u>	<u>(3,094,808)</u>
	<u>1,152,978,196</u>	<u>1,132,024,567</u>

Secured amounts of €65m (31 Dec 2023: €59m) are in respect of payments made to purchase lease instalments from GRENKE AG Group companies. The lease instalments purchased from the GRENKE AG Group companies remain as an asset in the GRENKE AG Group companies' financial statements because the GRENKE AG Group companies have retained substantially all of the risks and rewards of the asset ownership and also retains control of the transferred asset. The net present value of the securitised lease receivables is in excess of the securitised amount. The balance of the secured amounts €105m (31 Dec 2023: €94m) are in respect of loans to GC Melbourne Pty Limited and GC Sydney Pty Limited which are secured on the lease receivables held by those two companies.

The unsecured amounts due from GRENKE AG Group undertakings are monies loaned to group undertakings to finance their leasing activities and amounts due from Grenke AG Group undertakings on clearing accounts. Unsecured amounts are usually loaned for periods of three years with the full principal being repayable at the end of the three year period, or if loaned for a different term at the end of that term.

Interest is charged on the principal at Euribor plus a spread, which reflects the risk premium on the lending, and, if loaned in currencies other than Euro, the currency risk.

Under IFRS 9 there is a provision for future expected credit losses of €9.5m (31 December 2023: €4.4m) in respect of amounts due from group companies.

The company since incorporation in 2003 has had € nil losses on loans provided to group companies.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

10. AMOUNTS DUE FROM RELATED PARTIES (Continued)

GRENKE AG, the Company's ultimate parent has also provided a guarantee in respect of €1.12bn (31 Dec 2023: €1.12bn) of the amounts due from Group Companies at 30 June 2024.

The Company and Group believe it is unlikely that there will be future expected losses on loans from Group companies due to the underlying assets in the Group companies.

The Group and Company also believe it is unlikely due to the guarantee from its parent GRENKE AG.

The Group and Company also believe it is unlikely that there will be a default in any amounts due from group companies because there has not been a default since the Company was incorporated in 2003.

The Group and Company also believe that Grenke AG would provide support to a Group company who was having difficulty in repaying amounts due because any default may have an impact on the credit rating of the Grenke AG Group. The Group and Company may also have difficulty in repaying amounts due on Debt Securities, ABCP programs and to the Grenke bank if it was not repaid amounts due which may have an impact on the credit rating of the Grenke AG Group. The Group and Company believe there will only be a default on amounts due from Grenke AG group companies if the Grenke AG Group as a whole was to have financial difficulties and therefore they believe they should look at what the markets view is of the Grenke AG Group defaulting on its financial obligations. The Company and Group have therefore concluded that the most appropriate measurement for future ECL is to use the GRENKE AG Group 1 Year risk of default as determined by Bloomberg because the Board of Directors of the Company believe there will only be a default on Group loans if the GRENKE AG Group is in default in respect of its financing obligations.

The Grenke AG Group 1 Year risk of default as determined by Bloomberg at 30 June 2024 was 0.3765% (31 December 2023: 0.12%). The increase in the Grenke AG Group 1 Year risk of default from 0.12% to 0.3765% as determined by Bloomberg is the principal reason the expected credit loss provisions has increased by €5.1m.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
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11. LEASE RECEIVABLES

	30 June 2024	31 December 2023
	€	€
Finance lease receivables due after one year	1,568,142,009	1,444,380,395
Expected credit loss allowance on performing finance lease receivables	<u>(34,502,480)</u>	<u>(36,559,707)</u>
	<u>1,533,639,529</u>	<u>1,407,820,688</u>
Finance lease receivables due within one year	731,313,168	705,035,509
Finance lease receivables past due not credit impaired	13,262,757	25,188,627
Non performing finance lease receivables	237,606,817	206,139,512
Expected credit loss allowance on non performing finance lease receivables	(176,949,327)	(157,594,690)
Expected credit loss allowance on performing finance lease receivables	<u>(17,331,257)</u>	<u>(18,878,154)</u>
	<u>787,902,158</u>	<u>759,890,804</u>

The cost of assets acquired for the purpose of letting under finance leases during the 1st Half 2024 was €551,828,797 (2023: €472,330,961). During the 1st half of 2024, the Company made a net investment in new finance leases of €589,808,319 (2023: €508,231,794).

The maximum credit risk, without taking into account collateral, credit assessment systems, and other tools is limited to the carrying amount of the receivables.

Effective risk management and a highly diversified contract and lessee portfolio result in the lease receivables having a particularly diversified risk structure with regard to credit risk. In the majority of cases, the Group remains the legal owner of the leased assets, which are used as collateral for the lease receivables.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

12. DERIVATIVE FINANCIAL INSTRUMENTS

	Cash flow hedges €	Not designated as hedges €	Total €
At 30 June 2024			
Derivative assets			
Within one year - current assets	2,269,842	629,630	2,899,472
Between one and five years	271,713	80,783	352,496
After five years	7,781,264	-	7,781,264
Non current assets	8,052,977	80,783	8,133,760
Total derivative assets	<u>10,322,819</u>	<u>710,413</u>	<u>11,033,232</u>
Derivative liabilities			
Within one year - current liabilities	5,182,853	1,857,301	7,040,154
Between one and five years	2,758,336	1,126,278	3,884,614
After five years	12,961,844	-	12,961,844
Non-current liabilities	15,720,180	1,126,278	16,846,458
Total derivative liabilities	<u>20,903,033</u>	<u>2,983,579</u>	<u>23,886,612</u>
Net asset/(liability) arising on derivative financial instruments	<u>(10,580,214)</u>	<u>(2,273,166)</u>	<u>(12,853,380)</u>

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

12. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

	Cash flow hedges €	Not designated as hedges €	Total €
At 31 December 2023			
Derivative assets			
Within one year - current assets	5,102,306	899,342	6,001,648
Between one and five years	179,337	604,155	783,492
After five years	5,062,962	-	5,062,962
Non current assets	5,242,299	604,155	5,846,454
Total derivative assets	10,344,605	1,503,497	11,848,102
Derivative liabilities			
Within one year - current liabilities	3,582,810	1,544,860	5,127,670
Between one and five years	4,592,992	1,380,539	5,973,531
After five years	8,772,844	-	8,772,844
Non-current liabilities	13,365,836	1,380,539	14,746,375
Total derivative liabilities	16,948,646	2,925,399	19,874,045
Net asset/(liability) arising on derivative financial instruments	(6,604,041)	(1,421,902)	(8,025,943)

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

13. FINANCIAL LIABILITIES

	30 June 2024	31 December 2023
	€	€
<i>Repayable in more than one year but less than five years</i>		
Debt securities in issue	1,307,865,000	1,742,250,000
Asset based financial liabilities	301,538,721	301,448,663
Unamortised discount on bonds and notes in issue	(6,073,443)	(5,194,645)
Deferred set up costs	(1,054,376)	(696,612)
<i>Repayable in more than five years</i>		
Debt securities in issue	646,412,525	183,961,922
Asset based financial liabilities	518,813	171,269
Unamortised discount on bonds and notes in issue	(213,743)	(6,452)
Deferred set up costs	(9,658)	(7,142)
Total non current financial liabilities	<u>2,248,983,839</u>	<u>2,221,927,003</u>
Current liabilities		
Debt securities in issue	643,244,000	434,673,000
Asset based financial liabilities	171,345,186	170,356,706
Unamortised discount on bonds and notes in issue	(8,840,305)	(12,196,449)
Deferred set up costs	(724,518)	(618,562)
Bank loans	38,000,000	170,000,000
Total current financial liabilities	<u>843,024,363</u>	<u>762,214,695</u>
Total financial liabilities	<u><u>3,092,008,202</u></u>	<u><u>2,984,141,698</u></u>

Bonds

In the fiscal year to date, one new bonds has been issued with a total volume of €500m. In addition, one existing bond was increased by €50m. In the first half of 2023 two new bonds were issued with a total volume of €110m and two existing bonds were increased by total volume of €174.25m.

Two bonds (30 June 2023: one) with an aggregate volume of €204m (30 June 2023: €267m) was redeemed on schedule. €57.3m of a €400m bond due to mature on 9 January 2025 and €65.9m of a €448.25m bond due to mature on 9 July 2025 were redeemed early on 3 June 2024.

Commercial Paper

In the fiscal year to date, twelve commercial papers (30 June 2023: six) with a nominal value of €140m (30 June 2023: €105m) were issued. Commercial paper with a nominal volume of €125m was redeemed on schedule in the first half of 2024 (30 June 2023: €100m).

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
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13. FINANCIAL LIABILITIES (Continued)

Asset based financial liabilities

Asset based financial liabilities are liabilities in connection with the ABCP programmes.

The following consolidated special purpose vehicles were in place at the balance sheet date FCT "GK"-COMPARTMENT "G 2" and Elektra Purchase No. 25 Designated Activity Company (UniCredit is the sponsoring bank) (FCT GK 2), FCT "GK"-COMPARTMENT "G 4" (Landesbank Hessen-Thuringern Girozentrale (HeLeBa) is the sponsoring bank) (FCT GK 4), FCT "GK"-COMPARTMENT "G 5" (DZ Bank is the sponsoring bank) (FCT GK 5) and "Kebnekaise Funding Limited" (sponsor: SEB AB) (Kebnekaise Funding limited).

The ABCP programmes grant the Group and Company the right to refinance or to sell receivables to the respective programmes for a certain period of time. The cap on the purchase volume is determined by the volume of the programme, which is normally backed by the organising bank in the form of a liquidity commitment in the corresponding amount. The carrying amount is calculated using the effective interest method, whereby incurred transaction costs are amortised over the term of the underlying refinancing package.

The structured entities are refinanced by issuing commercial papers, usually with a term of one month, on a revolving basis. The interest on the commercial papers is based on one-month Euribor. This is a floating interest rate.

There is no currency risk in ABCP refinancing as only euro transactions and euro-based leases are involved.

The asset based liabilities in connection with each ABCP programme and the net present value of the lease receivables which have been sold to the SPV to securitise that liability are set out below:

	Asset Based liability	NPV of lease receivables sold to SPV	Asset Based liability	NPV of lease receivables sold to SPV
	30 June 2024	30 June 2024	31 December 2023	31 December 2023
SPV	€	€	€	€
FCT GK2	(80,290,691)	96,357,396	(116,551,993)	140,334,353
FCT GK4	(174,949,490)	179,534,640	(179,214,848)	184,999,998
FCT GK5	(167,302,073)	171,865,595	(151,293,219)	155,728,369
Kebnekaise Funding Limited	(50,860,466)	59,835,843	(24,916,578)	29,313,621
	(473,402,720)	507,593,474	(471,976,638)	510,376,341

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

13. FINANCIAL LIABILITIES (Continued)

Asset based financial liabilities (Continued)

The net present value of the lease receivables sold to the SPV remain on the statement of financial position because the Company has retained substantially all of the risks and rewards of the asset ownership and also retains control of the transferred asset. The amounts due to SPV are a refinancing liability and the sale of the lease receivables is to securitise that refinancing liability.

Professional fees of €289,336 were incurred in setting up FCT GK 5. These fees have been classified as deferred set up costs and have been amortised to the statement of profit or loss from the date that the first lease receivables were sold to FCT GK5, which was 19 April 2022, and the initial latest date, 31 March 2024, that lease receivables could be sold to FCT GK5 without a formal extension of the program.

Professional fees of €256,500 were incurred in setting up Kebnekaise funding limited. These fees have been classified as deferred set up costs and will be amortised to the statement of profit or loss from the date that the first lease receivables were sold to Kebnekaise funding limited, which was 5 October 2023 and the initial latest date, 8 October 2025, that lease receivables could be sold to FCT GK5 without a formal extension of the program .

If no options are taken to terminate the ABCP programmes at an earlier date the latest date currently the company can sell leasing receivables to FCT GK 2 is April 2025 subject to UniCredit's consent, December 2025 for FCT GK 4 and December 2025 for FCT GK 5.

If no options are taken to terminate the ABCP programmes at an earlier date the latest date currently the company can sell leasing receivables to Kebnekaise Funding Limited is October 2025.

Bank loans

The Group and Company's parent Grenke AG signed a syndicated revolving loan facility with seven banks for an initial period of two years on 30 June 2021. This agreement was renewed on 26 May 2023 for three years. The seven banks will provide short term revolving loans of up to €370m in total under the facility. Under the terms of the facility the Group and Company may draw down funds of up to €370m for short term periods. The Group and Company sister companies in Switzerland, the United Kingdom and in Canada are also permitted to utilise the facility up to €130m each.

At 30 June 2024 the Group and Company had one (31 December 2023: seven outstanding loans) under the facility totalling €20m (31 December 2023:€150m).

The Group and Company has one money market loan of €18m (31 December 2023: €20m) which is repayable on 1 July 2024.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

14. AMOUNT DUE TO RELATED PARTIES

	30 June 2024	31 December 2023
	€	€
Non current liabilities		
Amount owed to GRENKE Bank AG	<u>686,333,330</u>	<u>633,767,332</u>
Current liabilities		
Amount owed to GRENKE Bank AG	344,197,163	331,895,328
Amount due on current account	86,045,563	101,561,690
Amount due on cash pool accounts	<u>155,411,113</u>	<u>158,391,401</u>
	<u>585,653,839</u>	<u>591,848,419</u>

The amounts due to Grenke Bank AG are in respect of proceeds received for the sale of lease receivables. The lease receivables sold remain on the Grenke Finance PLC statement of financial position as an asset and the proceeds are shown as a liability. This liability will reduce as the lease receivables mature. The lease receivables sold to Grenke Bank AG remain on the statement of financial position because the Company has retained substantially all of the risks and rewards of the asset ownership and also retains control of the leased asset. The amounts due to Grenke Bank AG are a refinancing liability and the sale of the lease receivables is to securitise that refinancing liability. The lease receivables that were sold to Grenke Bank AG are included in the lease receivables due to the Company in the statement of financial position.

The amounts due on current account are the intergroup account balances with GRENKE AG Group companies. The balances on the intergroup accounts are non interest bearing and they are not secured.

The cash pool amounts due are surplus cash from GRENKE AG Group companies placed on overnight deposit with the Group and Company. The cash pool balances are interest bearing and they are not secured.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
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15. FAIR VALUE OF FINANCIAL INSTRUMENTS

Measurement Methods and Input Parameters Used

The following table presents the measurement methods used to determine the fair values and the applied input parameters and assumptions:

Type and level	Measurement method	Input parameters
FAIR VALUE HIERARCHY LEVEL 1		
Exchange-listed bonds	n/a	quoted market price as per the reporting date
FAIR VALUE HIERARCHY LEVEL 2		
Forward exchange contracts	market-to-market Present value of estimated future cash flows	available interest rates at the end of the term in the traded currencies using the own counterparty risk (Debt Value Adjustment [DVA]) or the counterparty's credit risk (CVA [Credit Value Adjustment]) derived from available credit default swap (CDS) quotes
Cross-currency swaps	market-to-market Present value of estimated future cash flows	available interest rates at the end of the term in the traded currencies using the own counterparty risk (Debt Value Adjustment [DVA]) or the counterparty's credit risk (CVA [Credit Value Adjustment]) derived from available credit default swap (CDS) quotes
Subordinated loans	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the counterparty's credit risk.
Other financial assets	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the counterparty's credit risk.
Financial liabilities (liabilities from the refinancing of the leasing business, promissory notes, bank liabilities)	Present value of estimated future cash flows	Available interest rates at comparable conditions and residual terms using the own credit risk (Debt Value Adjustment (DVA))

Fair Values of Subordinated Loans and Derivative Financial Instruments

At the end of the reporting period, all derivative financial instruments and subordinated loans to special purpose vehicles which provide credit enhancement to senior investors in special purpose vehicles which buy lease receivables from the Group's parent Grenke AG are recognised at fair value by the Group. All subordinated loans and derivative financial instruments are assigned to level 2 of the fair value hierarchy.

The fair value of subordinated loans and derivative financial instruments are set out below:

NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair Values of Subordinated Loans and Derivative Financial Instruments (Continued)

	Fair Value and carrying amount 30-Jun-24 €	Fair Value and carrying amount 31-Dec-23 €
Financial assets		
Subordinated loans	40,719,177	37,570,630
Interest rate swaps with hedging relationship	333,887	900,997
Cross currency swaps with hedging relationship	7,781,264	5,062,962
Forward exchange contracts with hedging relationship	2,207,666	4,380,645
Interest rate swaps not designated as hedges	200,624	323,297
Forward exchange contracts not designated as hedges	509,788	1,180,201
Total	51,752,406	49,418,732

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair Values of Subordinated Loans and Derivative Financial Instruments (Continued)

	Fair Value and carrying amount 30-Jun-24 €	Fair Value and carrying amount 31-Dec-23 €
Financial liabilities		
Interest rate swaps		
with hedging relationship	108,952	1,174,029
Cross currency swaps		
with hedging relationship	12,961,844	8,772,844
Forward exchange contracts		
with hedging relationship	7,832,237	7,001,773
Interest rate swaps		
not designated as hedges	76,784	410,216
Forward exchange contracts		
not designated as hedges	2,906,795	2,515,183
Total	23,886,612	19,874,045

The fair value of the subordinated loans is measured by applying Euro cost of borrowing plus the Grenke AG risk of default to the projected future cash flows from the subordinated loans.

The projected future cash flows were discounted at 30 June 2024 and at 31 December 2023 on the basis of the following interest rates:

	<i>30 June</i> 2024	<i>31 December</i> 2023
	%	%
Interest rate for 3 months	3.72%	3.91%
Interest rate for 6 months	3.76%	3.87%
Interest rate for 9 months	3.81%	3.71%
Interest rate for 1 year	3.91%	3.58%
Interest rate for 2 years	4.38%	3.58%
Interest rate for 3 years	4.89%	3.97%
Interest rate for 4 years	5.29%	4.37%
Interest rate for 5 years	5.68%	4.78%
Interest rate for 6 years	5.65%	4.78%
Interest rate for 10 years	5.64%	4.84%

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
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15. FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

Fair Values of Subordinated Loans and Derivative Financial Instruments (Continued)

Fair values of forward exchange contracts and cross-currency swaps are determined based on valuation models, which include observable input parameters.

The Group and Company uses the so-called OTC derivatives ("over the counter"). These are directly concluded with counterparties having at least an investment grade status. Thus, there are no quoted market prices available.

Forward exchange contracts and cross-currency swaps are measured on the basis of a market-to-market valuation model. The input parameters applied in the valuation models are derived from market quotes. Interest rates with matching maturities in the traded currencies are used for forward exchange contracts and cross-currency contracts. In order to obtain the fair value of such OTC derivatives, the determined amounts are multiplied with the counterparty's credit default swaps (CDS) with matching maturities which are observable on the market or their own credit risk using a so-called "add-on method", including the coupons.

Fair Value of Primary Financial Instruments

The following table presents the carrying amounts and fair values of financial assets and financial liabilities of the Group and Company by category of financial instruments, which are not measured at fair value. The table does not contain information on the fair value of financial assets and financial liabilities if the carrying amount represents an appropriate approximation to the fair value. This includes the following line items of the Group and Company Statement of Financial Position: financial investments, leased assets held for sale, non performing lease receivables, trade receivables, credit support accounts, cash and cash equivalents, amounts due to group undertakings except amounts due to GRENKE Bank AG, and trade payables. All primary financial instruments are assigned to level 2 of the fair value hierarchy except for exchange-listed bonds, which are included in debt securities in issue and which are assigned to level 1 of the fair value hierarchy. As per the reporting date, the carrying amount of exchange-listed bonds was €2,452,021,525 (31 December 2023: €2,230,384,922) and their fair value amounted to €2,452,665,471 (31 December 2023: €2,431,361,587). For all other financial instruments the discounted cash flow method was used, taking account of the Grenke AG Group's credit risk. These fair values are allocated as Level 2.

	Fair Value 30-Jun-24 €	Carrying Amount 30-Jun-24 €	Fair Value 31-Dec-23 €	Carrying Amount 31-Dec-23 €
Financial assets				
Lease receivables (performing)	2,236,659,836	2,247,621,440	2,233,055,712	2,093,978,043
Amount due from related parties	1,957,793,415	1,952,858,189	1,857,999,303	1,820,928,164
Subordinated loans	44,665,441	47,548,619	45,149,565	45,957,629
Financial liabilities				
Financial liabilities	3,102,746,485	3,108,924,245	3,218,160,949	3,002,861,560
Amounts due to related parties	1,278,986,064	1,271,987,169	1,239,594,341	1,225,615,751

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
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16. RELATED PARTY TRANSACTIONS

	<i>Half year to 30 June 2024</i>	<i>Half year to 30 June 2023</i>
	€	€
GRENKE AG transactions		
Management charges from Grenke AG	148,928	140,583
Licence fee charge from Grenke AG	4,288,078	4,340,987
Guarantee fee charge from Grenke AG	1,437,685	1,402,487
GRENKE Bank AG transactions		
Interest paid to GRENKE Bank AG	19,337,381	10,754,088
Risk premium fees paid to GRENKE Bank AG	21,713,013	17,338,217
Debt forgiven by Grenke Bank AG under the risk premium agreement	13,967,160	10,286,469
Other transactions with GRENKE AG Group companies		
Accountancy fees charged to GRENKE AG group companies	896,239	772,452
Accountancy fees charged to GRENKE AG group franchisees	74,150	101,019
Office rents paid by GRENKE AG Group companies	-	68,298
Lease commissions paid to GRENKE AG Group companies	40,496,275	36,829,274
Commissions for fees to protect lease equipment paid to GRENKE AG Group companies	6,062,425	6,784,109
Interest received from GRENKE AG Group companies	51,706,547	33,417,497
Interest received from GRENKE AG Group franchisees	5,116,986	3,123,197
Interest paid to GRENKE AG Group companies	4,172,866	945,867

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

16. RELATED PARTY TRANSACTIONS (Continued)

Related party disclosures Company

Transactions with SPVs

Interest received from Kebnekaise Funding Limited	283,597	184,039
Interest received from Opusalpha Purchaser II Limited	629,015	418,899
Interest received from Elektra Purchase No. 25 Limited	432,768	454,625
Interest received from Coral Purchasing (Ireland) 2 DAC	389,661	286,953
Interest and expenses paid to FCT "GK" Compartment G2	2,740,415	2,997,676
Interest and expenses paid to FCT "GK4" Compartment GK4	4,313,486	2,476,949
Interest and expenses paid to FCT "GK5" Compartment GK5	3,095,266	2,676,008
 Amount paid to directors		
Amounts paid to Directors	232,007	224,793

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

16. RELATED PARTY TRANSACTIONS (Continued)

	<i>30 June</i> 2024 €	<i>31 December</i> 2023 €
GRENKE Bank AG transactions		
Amounts due to GRENKE Bank AG	1,030,530,493	965,662,660
Other transactions with GRENKE AG Group companies		
Secured amounts owed by GRENKE AG Group companies	170,685,329	153,836,080
Unsecured amounts owed by GRENKE AG Group companies	1,675,485,290	1,566,078,893
Unsecured amounts owed by GRENKE AG Group franchisees	116,188,849	105,459,767
Unsecured amounts owed to GRENKE AG Group companies	86,045,563	101,561,690
Cash pool amounts owed to GRENKE AG Group companies	155,411,113	158,391,401
Related party disclosures Company		
Transactions with SPVs		
Amount due from Kebnekaise Funding Limited	11,029,852	10,227,627
Amount due from Coral Purchasing (Ireland) 2 DAC	41,588,836	37,571,222
Amount due from Opusalpha Purchaser II Limited	34,617,182	34,668,783
Amount due from Elektra Purchase No. 25 Limited	13,734,497	20,018,077
Amount due from FCT "GK" Compartment G2	2,332,060	3,764,133
Amount due from FCT "GK4" Compartment GK4	4,585,000	5,785,000
Amount due from FCT "GK5" Compartment GK5	4,563,372	4,435,000
Amount owed to FCT "GK" Compartment G2	96,357,396	140,334,353
Amount owed to FCT "GK4" Compartment GK4	179,534,640	184,999,998
Amount owed to FCT "GK5" Compartment GK5	171,865,595	155,728,369
Amount owed to Kebnekaise Funding Limited	50,860,467	24,916,578

All of the above entities are related parties because they are members of the Grenke AG Group which owns 100% of the share capital of the Company.

The management charges from GRENKE AG are for IT services and for administrative services from GRENKE AG Group.

The licence fee charge from Grenke AG is for the use of the Grenke brand, business model and proprietary systems.

**NOTES TO THE CONSOLIDATED HALF YEAR FINANCIAL STATEMENTS
at 30 June 2024**

16. RELATED PARTY TRANSACTIONS (Continued)

The guarantee fee charge from Grenke AG is for the provision of guarantees and other means of explicit support by Grenke AG to the Company for the purposes of its financing activities.

Grenke Limited currently occupies unit 306 and unit 307 Q House, Sandyford Industrial Estate, Dublin 18 which is leased from a third party by the Group and Company.

Grenke Limited pays the Group and Company an amount equal to the rent paid by the Group and Company to the landlord for unit 306 and unit 307. Grenke Limited also co shares the meeting rooms at Unit 310 Q House in respect of which it pays the Group and Company an amount equal to 50% of the cost of the rent payable to the landlord for Unit 310 in Q House. There is no lease agreement between Grenke Limited and the Group and Company.

GRENKE AG Group Companies in France, Spain, Portugal, Netherlands, Luxembourg, Hungary, Slovenia, Finland, Romania, Malta and Germany act as agents for the Group and Company. The agents write leases on behalf of the Group and Company, collect lease instalments on behalf of the Group and Company sell leased equipment on behalf of the Group and Company and secure fees for protecting the Group and Company leased equipment in return for which they are paid commissions.

Three of the directors receive remuneration from Grenke Finance plc. The Company does not have other key management personal apart from the directors who receive remuneration.

All related party transactions were made at arm's length.

In its responsibility to assist the financing of business activities conducted by companies of the Grenke AG Group, Grenke Finance plc applies transfer prices for financial instruments in conformity with external market levels and in accordance with national and international tax requirements.

17. ULTIMATE PARENT UNDERTAKING

The parent undertaking of the smallest and largest group of undertaking for which group financial statements are drawn up, and of which the Company is a member and is consolidated, is Grenke AG, a company incorporated in Germany. Copies of its group financial statements are available at www.grenke.de. Grenke AG is the immediate and ultimate parent undertaking and controlling party.

18. EVENTS AFTER THE DATE OF THE FINANCIAL STATEMENTS

There were no significant events to report after the reporting date.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The interim financial statements of Grenke Finance PLC were approved and authorised for issue by the Directors on 21 August 2024.

