Europcar Mobility Group

Statutory auditors' report on the Consolidated Financial Statements

(For the year ended December 31, 2022)

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

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61 rue Henri Regnault
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This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by French law, such as verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

Statutory auditors' report on the Consolidated Financial Statements

(For the year ended December 31, 2022)

To the Shareholders,
Europcar Mobility Group
13 Ter Boulevard Berthier
75017 PARIS

Opinion

In compliance with the engagement entrusted to us by your annual general meeting, we have audited the accompanying consolidated financial statements of Europcar Mobility Group for the year ended December 31, 2022.

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

Basis for Opinion

Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for statutory auditors, for the period from January 1, 2022 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.823-9 and R.823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the following assessments that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period.

Accounting estimates

Note 5 to the Notes to the Consolidated Financial Statements sets out the methods for valuing goodwill and trademarks recorded in the balance sheet as of December 31, 2022 for a net book value of 1,004,965 thousand euros and 807,814 thousands euros respectively. We ensured that the accounting principles are correctly applied, we assessed the data and assumptions on which the estimate of the recoverable value of goodwill and trademarks is based, in particular the cash flow forecasts prepared by the company's operating departments, we reviewed the company's calculations and reviewed the procedure for approval of these estimates by management. As part of our assessments, we have verified the reasonableness of these estimates.

These assessments were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the Group's information given in the management report of the Management Board.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the Group's management report, it being specified that, in accordance with article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 unless it is expected to liquidate the Company or to cease operations.

The consolidated financial statements were approved by the Management Board.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L.823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- Identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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.

- Obtains 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 internal control.

- Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements.

- Assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.

- Evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The statutory auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, March 31, 2023

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
Romain Dumont	Guillaume Devaux

Europcar Mobility Group

Consolidated financial statements as at 31 December 2022 and for the year then ended

CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 2022 AND FOR THE YEAR THEN ENDED

Consolidated income statement

(in thousands of euros)	Notes	**2022**	2021
Income from ordinary activities		**3,083,768**	**2,272,196**
Carrying costs of the vehicle fleet	4.2	(711,597)	(560,995)
Costs related to the operation, rental and revenue of the vehicle fleet	4.3	(993,780)	(756,960)
Personnel costs	9.1	(493,155)	(414,265)
Headquarters and network overheads	3.1	(230,860)	(187,665)
Depreciation and amortisation, excluding the fleet	3.2	(178,209)	(144,159)
Other income and expenses	3.3	5,258	16,088
Current operating profit		**481,425**	**224,240**
Impairment of non-current assets	3.4	(97,058)	-
Other non-recurring income and expenses	3.4	(70,881)	(69,189)
Operating profit		**313,485,**	**155,051**
Cost of net financial debt related to the vehicle fleet		(113,502)	(84,770)
Cost of net financial debt related to other borrowings		(44,197)	(46,170)
Other net financial expenses		(27,584)	(3,399)
Net financial result	**3.5**	**(185,283)**	**(134,339)**
Profit before tax		**128,203**	**20,712**
Income tax	3.6	(72,868)	8,325
Net profit for the period		**55,335**	**29,037**
Share attributable to:			
Shareholders of the parent company		55,456	29,019
Non-controlling interests		(121)	18

Consolidated statement of comprehensive income

(in thousands of euros)	2022 Before tax	2022 Tax income (expense)	2022 After tax	2021 Before tax	2021 Tax income (expense)	2021 After tax
Net profit for the period	**128,203**	**(72,868)**	**55,335**	**20,712**	**8,325**	**29,037**
Items that will not be reclassified to profit or loss	**44,055**	**(12,135)**	**31,919**	**21,832**	**(5,480)**	**16,352**
Actuarial gains/(losses) on defined benefit pension plans (*)	44,055	(12,135)	31,919	21,832	(5,480)	16,352
Items that may be reclassified to profit or loss in the future	**111,841**	**(37,074)**	**74,767**	**43,844**	**-**	**43,844**
Translation differences	(7,290)	-	(7,325)	11,233	-	11,233
Change in fair value of hedging instruments(**)	119,131	(37,074)	82,057	32,611	-	32,611
Other comprehensive income for the year	**155,896**	**(49,210)**	**106,686**	**65,676**	**(5,480)**	**60,196**
Overall result for the year	**284,099**	**(122,078)**	**162,021**	**86,388**	**2,845**	**89,233**
Share attributable to:						
Shareholders of the parent company			162,142			89,215
Non-controlling interests			(121)			18

(*) Related to the revaluation of pension commitments mainly due to the change in the discount rate as at 31 December 2022 (see note 9.2).
(**) Related to the revaluation of hedging instruments as at 31 December 2022 (see note 8).

Consolidated balance sheet

(in thousands of euros)	Notes	**As at 31 December 2022**	As at 31 December 2021
ASSETS			
Goodwill	5.1	1,004,965	1,007,522
Intangible assets	5.2	954,706	1,058,840
Property, plant and equipment	5.3	408,402	401,127
Financial instruments	8.1	131,484	8,672
Other non-current financial assets	8.1	65,960	38,257
Employee benefit assets	9.2	12,110	7,907
Deferred tax assets	3.6	48,491,	191,966
Total non-current assets		**2,626,118,**	**2,714,291**
Stocks	6.1	21,428	19,565
Fleet recorded in the balance sheet	4.1	3,021,257	2,861,155
Vehicle fleet receivables and similar	4.4	609,841	649,192
Trade and other receivables	6.2	441,329	434,185
Current financial assets	8.1	24,834	20,671
Current tax assets		23,658	26,782
Restricted cash	8.2	128,504	127,932
Cash and cash equivalents	8.2	268,256	298,883
Total current assets		**4,539,109**	**4,438,365**
TOTAL ASSETS		**7,165,228**	**7,152,656**
Equity			
Share capital	7	50,156	50,156
Share premium		2,032,836	2,032,836
Reserves		(77,810)	(152,577)
Retained earnings		(232,362)	(319,527)
Shareholders' equity		**1,772,818**	**1,610,888**
Non-controlling interests		858	941
Total equity		**1,773,675**	**1,611,829**
LIABILITIES			
Financial and lease liabilities	8.3	1,526,478	1,545,527
Financial instruments	8.5	-	28,919
Provisions for employee benefits	9.2	105,066	134,599
Other non-current provisions	10	3,311	10,368
Deferred tax liabilities	3.6	152,389	212,524
Other non-current liabilities		12,106	137
Total non-current liabilities		**1,799,349**	**1,947,888**
Current portion of financial and lease liabilities	8.3	2,157,716	2,353,396
Provisions for employee benefits	9.2	4,211	2,204
Other current provisions	10	288,846	246,472
Current tax liabilities		44,778	36,344
Vehicle fleet related liabilities and similar	4.4	432,916	380,929
Trade and other payables	6.3	663,736	573,594
Total current liabilities		**3,592,203**	**3,592,939**
Total liabilities		**5,492,279**	**5,540,827**
TOTAL LIABILITIES AND EQUITY		**7,165,228**	**7,152,656**

Consolidated statement of changes in equity

(in thousands of euros)	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
	Share attributable to the Group								
Balance at 1 January 2022	**50,156**	**2,032,836**	**(20,986)**	**(58,294)**	**(73,297)**	**(319,527)**	**1,610,888**	**941**	**1,611,828**
Result for the year	**-**	**-**	**-**	**-**	**-**	**55,456**	**55,456**	**(121)**	**55,535**
Other comprehensive income / (loss)	**-**	**-**	**82,057**	**(7,290)**	**-**	**31,919**	**106,686,**	**-**	**106,686**
Other movements	-	-	-	-	-	(211)	(211)	38	(173)
Balance at 31 December 2022	**50,156**	**2,032,836**	**61,071**	**(65,584)**	**(73,297)**	**(232,362)**	**1,772,818**	**858**	**1,773,675**

(in thousands of euros)	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
	Share attributable to the Group								
Balance at 1 January 2021	**163,884**	**701,229**	**(53,597)**	**(69,527)**	**(73,346)**	**(478,898)**	**189,745**	**522**	**190,267**
Result for the year	**-**	**-**	**-**	**-**	**-**	**29,019**	**29,019**	**18**	**29,037**
Other comprehensive income / (loss)	**-**	**-**	**32,611**	**11,233**	**-**	**16,352**	**60,196**	**-**	**60,196**
Transactions on treasury shares	-	-	-	-	49	-	49	-	49
Share-based payment	-	-	-	-	-	747	747	-	747
Capital reduction	(162,245)	-	-	-	-	162,245		-	-
Reserved capital increase	29,837	1,103,967	-	-	-	-	1,133,804	-	1,133,804
Capital increase in cash	13,163	236,942	-	-	-	-	250,105	-	250,105
Common share purchase warrants	5,517	-	-	-	-		5,517	-	5,517
Fees charged to the share premium	-	(9,302)	-	-	-		(9,302)	-	(9,302)
IFRIC 19 impact	-	-	-	-	-	(48,400)	(48,400)	-	(48,400)
Other movements	-	-	-	-	-	(592)	(592)	401	(191)
Transactions with shareholders	**(113,728)**	**1,331,607**	**-**	**-**	**49**	**114,000**	**1,331,928**	**401**	**1,332,329**
Balance at 31 December 2021	**50,156**	**2,032,836**	**(20,986)**	**(58,294)**	**(73,297)**	**(319,527)**	**1,610,888**	**941**	**1,611,828**

Consolidated cash flow statement

(in thousands of euros)	Notes	2022	2021
Profit before tax		**128,203**	**20,712**
Reversal of the following items:			
Depreciation and impairment of property, plant and equipment	3.2	118,065	102,800
Amortization and depreciation of intangible assets	5.1 & 5.2	60,145	41,359
Impairment of non-current assets [(a)]	3.4	97,058	-
Changes in provisions and employee benefits	9 & 10	33,186	22,992
Recognition of share-based payments	7	-	747
Capital gains and losses on disposals		1,831	419
Application of IFRIC 19 [(b)]	3.5	-	(48,400)
Other non-monetary items [(c)]		(33,067)	2,128
Total net interest expense		*161,625*	*144,450*
Amortization of financing costs [(d)]		*13 743*	*23,631*
Cost of net financial debt		**175,368**	**168,081**
Operating profit before changes in working capital		**580 788**	**310,838**
Acquisition of the balance sheet vehicle fleet [(e)]		(194,008)	(611,263)
Changes in working capital related to the vehicle fleet	4.4	95,849	(321,043)
Changes in working capital excluding vehicle fleet	6.4	90,157	(3,994)
Cash flow from operating activities		**572 776**	**(625,462)**
Taxes collected/paid		(26,730)	(21,114)
Net interest paid		(145,854)	(123,582)
Net cash flow from operating activities		**400 192**	**(770,158)**
Acquisitions of tangible and intangible assets	5.2 & 5.3	(73,214)	(60,278)
Proceeds from the disposal of tangible and intangible assets	5.2 & 5.3	5 267	(290)
Proceeds from the disposal of subsidiaries		(1 098)	478
Acquisitions of subsidiaries, net of cash acquired and other financial investments [(f)]		(37 408)	15,319
Net cash flows from investing activities		**(106 453)**	**(44,771)**
Capital increase (net of fees paid) [(g)]		-	246,723
(Purchase)/Sale of own shares		-	49
Net change in other borrowings [(h)]	8.3	(197,506)	665,224
Net change in rental liabilities	8.3	(109,350)	(98,020)
Payment of transactions costs	8.3	(20,612)	(23,530)
Net cash flows from financing activities		**(327 468)**	**790,446**
Opening cash and cash equivalents		**426,198**	**444,601**
Net increase/(decrease) in cash and cash equivalents after translation effects		(33 729)	(24,483)
Impact of translation differences		3 804	6,080
Cash and cash equivalents at end of year	**8.2**	**396,273**	**426,198**

(a) In 2022, the impairment loss is related to certain trademarks and relations customers recognized in intangible assets.
(b) In 2021, includes a gain of 48 million euro related to the recognition of the impact of IFRIC 19 for its first application.
(c) In 2022, includes mainly the impact of remeasuring financial instruments at fair value.
(d) In 2021, includes the recycling of capitalized refinancing costs related to the restructured debt converted into capital during the financial restructuring.
(e) Given the average holding period of the fleet, the Group recognizes vehicles as current assets at the beginning of the contract. The change in the value of the vehicles from one period to the next is therefore treated as an operating cash flow generated by the business.
(f) In 2022, includes mainly investments made in the portfolio of financial assets (diversified bond investments with several financial institutions) held by the Euroguard entities.
(g) Corresponds to the capital increase carried out as part of the financial restructuring completed by the Group on February 26, 2021 (see note 7).
(h) In 2022, the change is mainly due to "Current bank loans and other loans dedicated to fleet financing" as described in note 8.3. In 2021, the change was mainly due to the change in the SARF for 500 million euros. Unlike the refinancing carried out in 2021, the refinancing carried out by the Group in 2022 did not result in an increase in non-current financial liabilities.

EXPLANATORY NOTES

Note 1 General presentation

1.1 General information

Europcar Mobility Group is one of the leading players in the mobility sector. The Group offers a wide range of mobility solutions to meet the different needs of its customers. The Group operates through several brands, the main ones being Europcar®, Goldcar®, Buchbinder ®, Fox Rent A Car®, and Ubeeqo®. The Group is present worldwide through a network of over 140 countries.

Europcar Mobility Group S.A. was registered on March 9, 2006, with an initial share capital of 235,000 euros, and was transformed into a French limited company on April 25, 2006. Europcar Mobility Group S.A. changed its corporate governance structure on January 20, 2021 to a single-tier structure with a Board of Directors governed by Articles L.225-17 to L.225-56 of the French Commercial Code. From March 9, 2015 to February 26, 2021, the Company was a limited company with a Management Board and a Supervisory Board. As of today, and since June 29, 2022, EMG is again a limited company with a Management Board and a Supervisory Board.

The registered office of Europcar Mobility Group S.A. is located at 13 ter boulevard Berthier, 75017 Paris, France.

In the notes to the consolidated financial statements below, the terms "EMobG", "the Group" and "Europcar" refer to Europcar Mobility Group S.A. and its consolidated subsidiaries.

1.2 Main events of the period

1.2.1 Change of ownership

Volkswagen Group, Attestor Capital LLP and Pon Holdings BV have successfully completed a public tender offer for the acquisition of Europcar Mobility Group through a consortium called "Green Mobility Holding SA". The acquisition was effected by way of a cash tender offer at €0.50 per share, plus an additional price of €0.01 per share once the 90% squeeze-out threshold was reached. This acquisition led to the delisting of the Group on 13 July 2022. The breakdown of Europcar Mobility Group's share capital as at 31 December 2022 is presented in Note 7.1.

This acquisition is based on a strong strategic rationale: Volkswagen, as a long-standing business partner and former shareholder of the Group, with the support of the asset manager Attestor Limited and the Dutch mobility services provider Pon Holdings BV, intends to continue the transformation of Europcar Mobility Group, to broaden its offering in the areas of mobility solutions by leveraging its physical and digital platforms. It will help to meet customer expectations in a changing market, with a growing appetite for innovative, on-demand mobility solutions such as subscription and sharing models.

1.2.2 Refinancing of loans for corporate financing

On 30 November 2022, the Group refinanced the bulk of its corporate debt (including fleet financing) consisting of € 500 million Term Loan, € 170 million RCF (Senior Revolving Credit Facility) and € 225 million VFFA (Vehicle Fleet Financing Agreement) by a € 500 million 5-year Term Loan maturing in November 2027 and a new € 250 million RCF maturing in August 2027. Group's debts are presented in note 8.3.

1.2.3 Rating agencies

S&P - Corporate Rating

On April 12, 2022, S&P upgraded Europcar Mobility Group's long-term issuer rating from CCC+ to a positive B- "creditwatch" for its improved operating performance. S&P also upgraded the fleet bond rating from CCC+ to B.

On 26 September 2022, the agency again upgraded the group's rating from B- to B, stable outlook, in recognition of the improved credit profile following its acquisition by Green Mobility Holding, a company set up by a consortium led by the Volkswagen group. S&P also upgraded the fleet bond rating from B to B+.

Moody's

The agency upgraded the group's rating from Caa1 to B3 on 28 April 2022 based on the improved 2021 annual performance and the EC Finance Plc bond rating from B2 to B1.

1.2.4 Securitisations

Securitisation in the US

On 14 February 2022, the Group completed the securitisation programme for Fox Rent-a-Car in the USA. This programme consists mainly of a USD 225 million 2-year revolving facility to finance Fox's fleet. This facility will progressively refinance the existing local lines. Two associated hedges have been put in place maturing in February 2024.

Securitisation in the UK

On 21 June 22, Europcar UK signed a securitisation program consisting of a £450 million senior line for a period of 3 years. An associated hedge was put in place maturing in April 2026.

1.2.5 Conflict between Ukraine and Russia

The Group indicates that it does not have direct operations in these two countries, its presence being through two franchisees. During the 2022 financial year, the Group suspended its contracts with its Ukrainian, Russian and Belarusian franchisees.

The consequences of the conflict on the Group's activities are not significant, either directly in the countries affected or through the sanctions imposed by the international community on Russia and some of its nationals, as well as the counter-sanctions - taken by Russia. The main consequences are difficulties in supplying vehicles due to the impact on the supply chain.

1.3 Accounting principles and methods

1.3.1 Basis of the preparation of the financial statements

The Group's consolidated financial statements have been prepared in accordance with the principles defined by the IASB (*International Accounting Standards Board*) as adopted by the European Union. These standards are available on the European Commission's website: https://eur-lex.europa.eu/FR/legal-content/summary/international-financial-reporting-standards-ifrss.html

The international framework includes the *International Financial Reporting Standards* (IFRS), the International Accounting Standards (IAS), and their interpretations SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee).

The financial statements have been prepared under the historical cost convention, except for the valuation of certain financial instruments.

These consolidated financial statements are presented in euros, which is the functional currency of Europcar Mobility Group and the Group's presentation currency. All information presented in euros has been rounded to the nearest thousand, unless otherwise stated.

The Europcar Group's IFRS consolidated financial statements for the year ending December 31, 2022 were approved by the Management Board on March 24, 2023.

1.3.2 Valuation bases used in the preparation of the consolidated accounts

The accounting policies adopted are consistent with those used in the preparation of the consolidated financial statements for the period ended 31 December 2022.

(i) *Standards and interpretations applicable for the annual period beginning on or after 1 January 2022:*

New standards and interpretations	Main provisions
Amendment to IAS 16	This amendment clarifies that proceeds from the sale of manufactured items cannot be deducted from the cost of the asset. This amendment is applicable from 1 January 2022 but does not have a material impact on the Group's financial statements.
Amendment to IFRS 3	This amendment does not change the accounting treatment of business combinations but merely updates the references to the revised conceptual framework. This amendment is applicable from 1 January 2022 but does not have a material impact on the Group's financial statements.
Amendment to IAS 37	This amendment clarifies the definition of costs to be used when analysing loss-making contracts. This amendment is applicable from 1 January 2022 but does not have a material impact on the Group's financial statements.
IAS 38 decision	This decision specifies the cases of capitalisation of configuration and adaptation costs of software acquired in SaaS mode as intangible assets. This decision is applicable from 1 January 2022 but has no material impact on the Group's financial statements.
Annual improvements to IFRS Cycle 2018-2020	These annual improvements relate to the standards: • IFRS 9 (clarification of costs to be included in the 10% test); • IAS 41 (Fair value measurement of biological assets); • IFRS 1: Clarification on the measurement of translation differences. • and IFRS 16 (deletion of illustrative example 13 from the standard). These amendments are applicable from 1 January 2022 but do not have a material impact on the Group's financial statements.

(ii) Standards and interpretations issued for the financial period beginning on or after 1 January 2023 and not applied in the Group financial statement on or after 1 January 2022 (because the analysis is in progress or because the analysis already concludes on no application by the Group).

New standards and interpretations	Main provisions
IFRS 17 Insurance Contracts	IFRS 17 sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation. Currently valued at historical cost, contractual obligations will have to be recognised at present value under IFRS 17. The new standard is mandatory for accounting periods beginning on or after 1 January 2023. The Group has conducted an analysis and concluded that it will not be subject to the provisions of this new standard.
Amendment to IAS 1	Clarification of the principles for classifying a liability in the balance sheet as current or non-current and disclosure of accounting policies. This amendment is mandatory according to the IASB from 1 January 2023 on a retrospective basis. The Group is currently analysing the possible impacts.
Amendment to IAS 8	Disclosure of accounting policies. This amendment is applicable from 1 January 2023. The Group is currently analysing the possible impacts.
Amendment to IAS 12	Deferred tax relating to an asset or liability acquired in a single transaction. This amendment is applicable from 1 January 2023. The Group is currently analysing the possible impacts.

1.3.3 Accounting estimates and judgements

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities in the consolidated balance sheet, the reported amounts of income and expenses in the consolidated income statement and the disclosures in the notes to the consolidated financial statements.

Due to the uncertainties inherent in any valuation process, the Group revises its estimates on the basis of regularly updated information. Revisions to accounting estimates are reflected in the period in which the estimate is revised and in all relevant subsequent periods.

The Group makes assumptions on which it bases its regular estimates for its various activities. These estimates, which are based on past experience, incorporate factors inherent in the economic environment prevailing at the balance sheet date, as well as information available at that date. These economic trends and developments are analysed on a country-by-country basis.

Depending on changes in assumptions or conditions that differ from those anticipated, the amounts reported in future financial statements could differ from current estimates. Future results could also differ from those estimates.

The estimates cover:

- Measuring the fair value of assets and liabilities during the investment allocation process in a business combination;
- the value of investments in non-consolidated securities (see Note 8.1) and derivative financial instruments recognised at fair value in the Group's balance sheet (see Note 8.5);
- an estimate of future cash flows in the context of impairment testing of goodwill and assets, particularly trademarks (see notes 5.1 and 5.2);
- the amount of deferred tax assets that can be recognised in the balance sheet (see note 3.6);
- the valuation of post-employment and other employee benefits (see note 9.2);
- provisions for litigation and the valuation of contingent liabilities (see notes 10 and 6.5.4).

For vehicle rental, the estimates also cover:

- the residual value of "at risk" vehicles (see note 4);
- the fair value of vehicles purchased under contracts with a buy-back clause by car manufacturers or dealers when they are damaged or stolen (see note 4);
- the valuation of the ultimate cost of claims against the Group for self-insured losses, based on generally accepted actuarial techniques used in the insurance industry.

1.3.4 Recycling of translation differences

Translation differences recognised in Other Comprehensive Income will only be recycled in the event of a loss of control of the subsidiary. Loss of control is defined by the Group as a reduction in the percentage of interest in a subsidiary and not as a reduction in the amounts invested.

1.3.5 Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured in the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the functional currency of Europcar Mobility Group and the Group's presentation currency.

(ii) *Foreign currency transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rate prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated into euros using the exchange rate prevailing at that date. Translation differences arising from the conversion of monetary assets and liabilities are recognised in the income statement. Non-monetary assets and liabilities denominated in foreign currencies and measured at historical cost are translated at the exchange rate prevailing at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies and measured at fair value are translated into euros using the exchange rate prevailing at the date of the fair value estimate.

(iii) *Financial statements of foreign operations*

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into Euro using the exchange rate prevailing at each balance sheet date, while equity is translated at historical rates. Income and expenses of foreign operations are translated into Euro at the weighted average exchange rate. The resulting translation differences are recognised in other comprehensive income within equity.

(iv) *Conversion rate*

The main conversion rates used for the years ending 31 December 2022 and 2021 are:

	31 December 2022		31 December 2021	
	Average rate	**Closing rate**	Average rate	Closing rate
Pound Sterling (GBP)	1.173	1.127	1.163	1.190
Australian Dollar (AUD)	0.659	0.637	0.635	0.640
American Dollar (USD)	0.950	0.938	0.845	0.883
Danish Crown (DKK)	0.134	0.134	0.134	0.134

Source: Banque de France.

Note 2 Scope of consolidation

2.1 Scope and method of consolidation

Subsidiaries

The Group's financial statements include the accounts of the parent company Europcar Mobility Group (hereafter EmobG) and those of its subsidiaries for the year ending 31 December 2022.

Subsidiaries are all entities (including special purpose entities) controlled directly or indirectly by EMobG. Control exists when Europcar Mobility Group has power over key activities, is exposed to variable returns and has the ability to affect the entity's returns. In assessing control, account is taken of the existence of potential voting rights that are currently exercisable or convertible, where these are substantive. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control is obtained until the date that control ceases.

The Group accounts for the acquisition of subsidiaries using the purchase method. At the date of acquisition, Europcar Mobility Group transfers the consideration to the seller, acquires the assets and assumes the liabilities of the acquired entity.

The consideration transferred, assets acquired and liabilities assumed (including contingent consideration) are measured at their fair values at the date of acquisition.

Acquisition-related costs are recognised as an expense as incurred.

For each acquisition, the Group recognises any non-controlling interest in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the net assets of the acquired entity. This option remains open on a business combination by business combination basis.

At the acquisition date, is recognized as goodwill the difference between:

- the fair value of the consideration transferred, including contingent consideration, plus the amount of any non-controlling interest in the acquiree and, if applicable, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree as remeasured through profit or loss;
- and the net amount of identifiable assets acquired and liabilities assumed at the date of acquisition and measured at fair value;

If the difference resulting from the above calculation is negative, it is reported directly in the income statement.

The accounting policies of subsidiaries are changed, where necessary, to conform to the accounting policies adopted by the Group.

Transactions with non-controlling interests

Transactions with non-controlling interests are treated by the Group as transactions between shareholders. In the case of an additional acquisition of shares in an already controlled subsidiary, the difference between the consideration paid and the corresponding shares acquired of the carrying amount of the subsidiary's net assets is recognised in equity. When the Group ceases to exercise control, any residual interest in the entity is remeasured to fair value with changes in the carrying amount recognised in profit or loss.

Minority shareholders of certain fully consolidated subsidiaries benefit from promises to purchase their shares granted by the Group. In the absence of specific IFRS provisions, the Group accounts for these commitments as follows - the value of the commitment at the balance sheet date is included in "Other non-current liabilities"; - the corresponding minority interests are cancelled. In application of IFRS 3 revised and IFRS 10, the counterpart of this liability is recorded as a deduction from non-group shareholders' equity up to the book value of the minority interests concerned, and as a deduction from shareholders' equity, Group share, for any excess. The liability is revalued at each balance sheet date at the present value of the repayment, i.e. the present value of the exercise price of the put option. Any change in value is recognised in equity. This accounting treatment has no effect on the presentation of minority interests in the income statement.

Special purpose entities

Special purpose entities such as Securitifleet, Goldfleet, Euroguard (the Protected Cell Company insurance and reinsurance special purpose entity), FCT Sinople and EC Finance PLC, are consolidated when the nature of the relationship between the Group and the special purpose entity indicates that the special purpose entity is, in substance, controlled by the Group. Special purpose entities are entities created for a limited and well-defined purpose.

2.2 Changes in the scope of consolidation

2.2.1 Main acquisitions and disposals in the year 2022

In 2022, the Group sold its entities in Greece and in Turkey (Goldcar Hellas AEgr and Goldcar OTO Kiramala Tikaret). No material impact on the income statement resulted from this divestment.

In addition, a new entity in the Netherlands (Europcar Nederlands BV) was established.

In the context of the new securitisation programs in the United Kingdom and the United States, new entities were included in the scope of consolidation: respectively Securitifleet UK Limited, Europcar Securitifleet UK Issuer PLC and Securitifleet UK Holdings Limited for the United Kingdom and EMGFX Vehicle Financing LLC and EMGFX LLC for the United States.

No acquisitions were made during the year.

2.2.2 Other changes in the year 2022

Some companies were subject to liquidation proceedings which were finalised in 2022 with no material impact on the Group's financial statements.

Note 3 Main elements of the income statement

a) Income from ordinary activities

Revenue includes revenue from vehicle rental, commissions on services related to the vehicle rental business (including fuel) and royalties received from the Europcar franchise network, net of discounts and rebates and excluding intra-group sales and value added and sales taxes.

Revenue from services is recognised in the income statement on a time proportion basis over the period during which the vehicles are leased, in accordance with the terms of the lease contract. The stage of completion is assessed on the basis of the services actually provided (number of rental days during the year).

When vehicle rental revenues are generated by intermediaries (such as travel agencies), they are recognised gross in the income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- selects, at its own discretion, the intermediaries.

Commissions are recorded under the heading "Operating costs and other variable expenses related to the vehicle fleet" in the income statement (see note 4.3).

No revenue is recognised where there is significant uncertainty about the recovery of the consideration due.

b) Other non-recurring income and expenses

COSTS RELATED TO BUSINESS ACQUISITIONS

Acquisition-related expenses include expenses incurred in connection with the integration of acquisitions, such as legal and accounting fees, redundancy costs and consultancy fees relating to redundancies arising from the rationalisation of the rental station network and support functions, impairment of property, plant and equipment and transfer costs, lease termination costs and building refurbishment costs incurred in connection with the integration of acquired businesses.

REORGANISATION AND OTHER NON-RECURRING COSTS

Reorganisation expenses include expenses incurred in restructuring activities in order to adapt the local or Group organisation to changing economic conditions. These expenses include costs related to the reduction of the workforce, fees related to the transformation of the Group, costs related to the impairment of tangible and intangible assets and transfer costs, costs of early termination of leases in connection with these restructurings as well as costs and provisions related to litigation incurred by the Group such as tax audit and litigation relating to prior years.

Unusual, abnormal and infrequent items are presented separately in "Other income and other non-recurring expenses" to facilitate the understanding of the Group's performance.

c) Net financial result

The net financial result includes interest payable on borrowings calculated using the effective interest method, dividend income, financing costs, foreign exchange gains and losses, gains and losses on financial instruments that are recognised in the income statement and the ineffective portions of the gain or loss on cash flow hedging instruments, as well as the financial elements of pension costs (discounting effect and expected return on plan assets).

Interest income is recognised in the income statement as it accrues, using the effective interest method. The interest expense component of finance lease payments is recognised in the income statement using the effective interest method.

d) Tax

Income tax for the year comprises current and deferred tax. Income tax is recognised in the income statement unless it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the tax on the profit or loss for the year to be paid, estimated using tax rates enacted or substantively enacted at the balance sheet date, together with any adjustments to tax payable in respect of previous years.

The amount of deferred tax is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that it will be recovered from future taxable profits. The aspects considered in assessing this likelihood are as follows:

- existence of temporary differences that will give rise to taxation in the future;
- prospects for taxable profits.

e) Indicators not defined by IFRS

Adjusted corporate EBITDA: refers to the current operating result after deduction of interest charges related to debt used to finance the fleet and before non-fleet depreciation.

Corporate debt: refers to debt other than that used to finance the fleet.

3.1 Headquarters and network overheads

(in thousands of euros)	**2022**	2021
Network overheads	(53,985)	(44,144)
Headquarters and other overheads	(176,875)	(143,521)
TOTAL HEAD OFFICE AND NETWORK OVERHEADS	**(230,860)**	**(187,665)**

3.2 Depreciation and amortisation charges excluding the fleet

(in thousands of euros)	**2022**	2021
Amortisation of intangible assets	(60,145)	(41,359)
Depreciation of property, plant and equipment	(118,065)	(102,800)
TOTAL DEPRECIATION AND AMORTISATION CHARGES EXCLUDING FLEET	**(178,209)**	**(144,159)**

3.3 Other income and expenses

(in thousands of euros)	**2022**	2021
Reversal of surplus provisions	1,777	897
Gain or loss on disposal of fixed assets	1,131	(37)
Assistance received by the Group in France and Germany following the pandemic	-	11,054
Translation differences from operating activities	344	77
Other items, net	2,006	4,097
TOTAL OTHER INCOME AND EXPENSES	**5,258**	**16,088**

3.4 Impairment of non-current assets and other non-recurring income and expenses

(in thousands of euros)	**2022**	2021
Reorganisation and transformation costs (1)	(25,404)	(32,762)
Expenses related to the change in ownership (2)	(26,801)	(6,973)
Litigation	(15,870)	(10,072)
Financial restructuring charges (3)	(3,206)	(13,602)
M&A and integration costs	2,629	(867)
Other non-recurring income and expenses	(2,229)	(4,913)
Total other non-recurring income and expenses	**(70,881)**	**(69,189)**
Impairment of non-current assets (4)	(97,058)	-
TOTAL IMPAIRMENT OF NON-CURRENT ASSETS AND OTHER NON-RECURRING INCOME AND EXPENSE	**(167,939)**	**(69,189)**

(1) These expenses mainly include costs related to the reduction of staff (branches and head offices), costs of early termination of leases in the context of these restructurings, as well as fees and expenses related to the Group's various transformation projects.
(2) These expenses mainly include costs related to the change in ownership which is described in note 7.1.
(3) In 2021, mainly includes advisory fees incurred in connection with the Group's financial restructuring plan for an amount of € 13.6 million.
(4) In 2022, the charge mainly relates to the impairment loss recognised on certain trademarks and customer relationships recognised as intangible assets (refer to note 5).

3.5 Net financial result

(in thousands of euros)	**2022**	2021
Net financial expenses related to fleet financing loans	(113,502)	(84,770)
Net financial expenses relating to other borrowings	(44,197)	(46,170)
Total gross borrowing costs	**(157,699)**	**(130,940)**
Expenses related to derivative financial instruments (1)	22,891	2,725
Amortization of transaction costs	(13,743)	(11,131)
Exchange rate differences	(5,156)	(3,160)
IFRIC 19 application (2)	-	48,400
Impact of financial restructuring (3)	-	(12,500)
Other (4)	(31,577)	(27,733)
Other financial charges	**(27,584)**	**(3,399)**
NET FINANCIAL RESULT	**(185,283)**	**(134,339)**

(1) In 2022 mainly includes the impact of fair valuing derivatives whose characteristics do not qualify for hedge accounting.
(2) In 2021, includes a gain of € 48 million related to the recognition of IFRIC 19 impacts.
(3) In 2021 and as part of the Group's financial restructuring, includes a loss of € 12 million related to the accelerated amortisation of transaction costs associated with debt converted to equity.
(4) Other financial expenses mainly include administration fees, structuring costs and non-utilisation fees.

3.6 Tax

3.6.1 Tax in the income statement

(in thousands of euros)	**2022**	2021
Current tax	(37,183)	(13,297)
Deferred tax	(35,685)	21,621
TOTAL TAXES	**(72,868)**	**8,325**

The table below shows the reconciliation between the theoretical tax charge determined on the basis of the statutory tax rate to which Europcar Mobility Group SA is subject in France and the tax charge shown in the income statement for the year:

(in thousands of euros)	**2022**	2021
Profit before tax	**128,203**	**20,712**
Statutory tax rate	25.83%,	28.41%,
Theoretical tax	**(33,115)**	**(5,884),**
Impact of tax rate differences [(1)]	6,555	(787)
Permanent differences [(2)]	(9,161)	20,100
Capitalisation of losses and temporary differences not recognised in the past[(3)]	4,950	16,717
Unrecognised deferred tax assets	(25,106)	(22,042)
Impact of CVAE in France, IRAP in Italy and Trade tax in Germany	(6,076)	(4,347)
Other	(10,914)	4,568
INCOME TAX	**(72,868)**	**8,325**
Effective tax rate	56.84%	(40.19%)

The impact of rate differences [(1)] reflects the difference between the rate in force in each country and the tax rate in France, and arises mainly in Germany, Spain, the United Kingdom and the United States.

In 2021, the permanent differences [(2)] were mainly related to the restructuring of the Group's financial debt.

At December 31, 2022, the Group has fully written down the deferred tax assets previously recognized on tax losses carried forward in Germany. The change of control that took place in the summer of 2022 rendered all the Group's tax loss carried forward at this time in this jurisdiction unavailable for future use. This impairment loss of €21 million is the main item presented here [(3)].

3.6.2 Deferred taxes

(i) *Deferred tax assets and liabilities*

As part of a more detailed analysis of the sources of deferred tax in the various countries in which it is subject to corporate tax, the Group has applied as from 31 December 2022 a presentation whereby assets and liabilities under the same tax authority are offset in the balance sheet.

(in millions of euros)	**As at 31 December 2022**	As at 31 December 2021
Deferred tax assets	48,491	191,966
Deferred tax liabilities	(152,389)	(212,524)
TOTAL NET DEFERRED TAX ASSETS AND LIABILITIES	**(103,897)**	**(20,558)**

As of December 31, 2022, the deferred tax liabilities recognized by the Group were mainly based on intangible assets, including in particular the various brands recognized in the balance sheet, including that of Europcar; the deferred tax liability accounted for in respect of brands amounted to €118 million as of December 31, 2022, compared with €128 million at the end of 2021, the change during the year being mainly attributable to the impairment loss recorded on the Buchbinder brand. Another significant source of deferred tax liabilities at December 31, 2022 is the fair value at that date of interest rate derivatives, which rose sharply during the year as a result of the sharp increase in interest rates, resulting in the recognition of financial assets in the balance sheet. The deferred tax liability recognized in this respect is approximately €30 million.

Temporary tax differences resulting in the recognition of deferred tax assets for the Group are mainly related to provisions for employee benefits.

(ii) *Unrecognised deferred tax assets*

Deferred tax assets are recognized up to the limit of deferred tax liabilities and on the basis of the recovery prospects established on the basis of business plans.

For each tax group, recognition of deferred tax assets is determined on the basis of earnings forecasts in a manner consistent with the assumptions used for the impairment tests on non-current assets.

The Group has also considered the tax consequences of strategic opportunities during the life of tax loss carryforwards and the specific situation of each tax group, in a context still disrupted by the effects of the pandemic.

For the recognition of its deferred tax assets at December 31, 2022, the Group has assumed a four-year horizon for the projection of future taxable profits in the relevant jurisdictions.

The unrecognized deferred tax assets relating to tax loss carryforwards are mainly in France, Spain and Italy.

All tax losses may be carried forward without time limitation. In most jurisdictions however the ability to use of losses against taxable profits for a given year is limited to a certain percentage provided for by local tax authorities, which is subject to annual revision.

Note 4 The vehicle fleet

a) The vehicle fleet recorded in the balance sheet

The Group operates a large fleet which is either acquired (with or without a buy-back clause) or held under lease agreements with car manufacturers, dealers or financial institutions.

The accounting treatment is detailed below. However, regardless of the accounting treatment applied, the fleet is recognised as a current asset given the Group's operating cycle under the heading "Balance sheet fleet".

(i) *Vehicles acquired with a buy-back clause from the manufacturer or dealer (so-called **"buy-back"** vehicles)*

One of the specificities of the automotive industry is the purchase or sale of vehicles under contracts with a buy-back clause by the manufacturer or dealer at the end of a predetermined period of time, usually less than 12 months.

These vehicles do not meet the Group's definition of an item of property, plant and equipment within the meaning of IAS 16 because:

- the Group does not have control over the vehicle as it cannot resell it;
- the contract only grants the right to use the asset for a specified period of time; and
- that the asset retains a significant portion of its value at the time it is purchased by the manufacturer.

This method of accounting is in line and symmetrical with the accounting of manufacturers who consider that there is no transfer of assets, that they retain the residual value risk of the asset and that this risk is significant.

The acquisition cost of the vehicles (net of volume rebates) is recorded against two separate current assets:

- the "Receivable on contracts with vehicle buy-back clause", which represents the contractual buy-back price (the commitment of the car manufacturer or dealer); these buy-back prices are determined (subject to adjustments according to the condition of the vehicles, their mileage and the holding periods) according to (i) a predefined percentage of the initial price of the vehicle and the month in which the vehicle is bought back or (ii) the acquisition price minus a predefined economic depreciation amount. This claim is depreciated in the event of theft of the vehicle, or in the event of a severely damaged vehicle, in the latter case on the basis of third party appraisals;

- the right of use ("Deferred Vehicle Depreciation") which represents the difference between the acquisition cost of the vehicle and the contractual buy-back price. This asset is depreciated in the income statement on a straight-line basis over the contractual ownership period of the vehicle.

Given the holding period of these assets, the Group recognises these vehicles as current assets at the beginning of the contract.

There is no rental debt as the vehicles are fully prepaid.

(ii) *Fleet held under lease agreements with car manufacturers, car dealers or financial institutions*

The operated fleet may be financed through leases with financial institutions or the financing divisions of vehicle manufacturers. These leases are within the scope of IFRS 16.

Thus, leases are recognised in the balance sheet as a right of use of the leased asset and a financial liability for lease payments and other payments to be made during the lease term used to measure the lease liability.

The Group has chosen to recognise all of its fleet leases on the balance sheet, regardless of their duration, and has therefore not elected to use the exemption for short-term leases (less than 12 months) for this asset class.

The interest expense on the financial debt and the amortisation expense of the right of use are separately recognised in the income statement:

- The right of use is depreciated on a straight-line basis over the lease term and recognised in the income statement under "Fleet holding costs";

- the financial debt is amortised actuarially over the term of the lease under the heading "Net financial debt cost of the vehicle fleet" in the financial result.

(iii) *Vehicles acquired without a buy-back clause from the manufacturer or dealer ("at risk" vehicles)*

Vehicles at risk" are vehicles acquired without a buy-back clause from the manufacturer or car dealer, and for which the residual value risk is therefore borne by the Group. These vehicles fall within the scope of IAS 16. Vehicles are initially measured at cost, including import duties, non-refundable purchase taxes and any costs directly attributable to bringing the vehicle to the rental location and to making it suitable for rental. Upon acquisition, "at risk" vehicles are depreciated on a straight-line basis over the planned holding period and their projected residual value. The residual value of vehicles is regularly reviewed during the holding period in the light of second-hand market conditions (improvement or deterioration) and adjusted if necessary, particularly in the event of impairment.

In most cases, the holding period for a vehicle is no longer than 12 months though sometimes the holding period can extend over 12months. Although vehicles are sometimes in nature property, plant and equipment, the Group classifies these vehicles as current assets under the heading "On-balance sheet fleet".

b) Fleet holding costs

Fleet holding costs include:

- vehicle costs such as those related to vehicle fleet contracts with car manufacturers or lessors through the recognition of vehicle depreciation expense;
- taxes relating to the vehicle fleet; and
- costs incurred for the purchase or sale of vehicles.

Costs related to vehicle leases mainly include depreciation charges, net of discounts (see Note 3.2).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and the costs associated with the commissioning of new vehicles and the sale of used vehicles.

c) Operating costs of the fleet

Fleet operating costs are costs incurred during the operating cycle of the fleet for:

- remediation;
- repairs;
- maintenance;
- the depreciation of severely damaged, crashed or stolen vehicles; and
- insurance.

Rental costs include fuel, vehicle transfers, vehicle washing, etc. Costs related to revenue from ordinary activities include commissions, airport and rail fees, etc.

d) Receivables and similar liabilities related to the fleet

Receivables include:

- receivables due from car manufacturers or dealers who buy back the vehicles once they have been returned to the manufacturer at the end of the holding period (contracts with buy-back clauses). Receivables related to the vehicle fleet are recognised at their fair value, which corresponds to their nominal value. These receivables are due within one year;
- the total amount of the Group's VAT receivables as most of them relate to the vehicle fleet.

The vehicle fleet liabilities represent amounts due to car manufacturers or dealers. These liabilities, which are recognised at fair value, are due within one year. Fleet-related liabilities include the full amount of VAT liabilities, as these mainly relate to the vehicle fleet.

4.1 The vehicle fleet recorded in the balance sheet

The fleet recorded in the balance sheet is broken down as follows:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Rights of use relating to the fleet	220,289	159,388
Net book value of vehicles held with a *buy-back* agreement(1)	1,093,152	1,435,152
Total *buy-back* fleet and right of use of leased vehicles	**1,313,441**	**1,594,540**
Europcar-owned vehicles held without a buy-back clause ("at risk" vehicles)	1,707,817	1,266,615
TOTAL VEHICLE FLEET RECORDED IN THE BALANCE SHEET	**3,021,257**	**2,861,155**

(1) The net book value includes the receivable on the buy-back contracts and the deferred depreciation of the vehicles.

The fleet is shown net of depreciation or amortization for €12.1 million (compared to € 9.5 million in 2021) made in respect of stolen or damaged vehicles. The increased mix of at-risk vehicles further exposes the Group to risk in residual pricing assumptions should market resale values fall. On an at risk fleet of €1,707 million at 31 December 2022 each 1% change in value equates to circa €17 million.

As per its Sustainability-Linked Issuance Framework dated 22 September 2021, the Group is actively tracking its progress on growing its green fleet - electric vehicles (EVs) and plug-in hybrid electric vehicles (PHEVs) emitting less than 50g CO2e / km - which together total 6% of the vehicle mix at 31 December 2022.

4.2 Fleet holding costs

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Net depreciation of vehicles and rights of use (1)	(591,609)	(447,950)
Other fleet holding costs (2)	(119,988)	(113,045)
TOTAL FLEET HOLDING COSTS	**(711,597)**	**(560,995)**

(1) The depreciation charge relates to:
- vehicles acquired under buy-back contracts by car manufacturers or dealers and "at risk" vehicles.
- vehicle rights of use in accordance with IFRS 16.
- gains from the sale of "at risk" vehicles.

(2) Other fleet holding costs include in particular:
- costs related to the purchase and sale of vehicles (costs of vehicle accessories and costs related to the integration of new vehicles and the sale of used vehicles).
- vehicle taxes.

4.3 Costs related to the operation, rental and revenue of the vehicle fleet

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Operating costs of the fleet (1)	(350,157)	(286,356)
Commissions and fees on ordinary activities (2)	(413,846)	(294,335)
Of which: allowance for doubtful debts and debts recognised as losses	*(24,189)*	*(23,495)*
Rental-related costs (3)	(229,776)	(176,269)
TOTAL COSTS RELATED TO THE OPERATION, RENTAL AND REVENUE OF THE VEHICLE FLEET	**(993,780)**	**(756,960)**

(1) The operating costs of the vehicle fleet mainly include insurance, repair and maintenance costs, costs incurred for damaged or stolen vehicles, as well as costs of refurbishing vehicles prior to their resale to car manufacturers and dealers.
(2) Revenue costs include agent and travel agency commissions and airport and rail charges.
(3) Rental-related costs include the costs of transporting vehicles during the holding period, vehicle washing costs and fuel costs.

4.4 Receivables and similar liabilities relating to the fleet

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Fleet-related receivables	492,272	488,671
VAT receivables (1)	117,570	160,521
VEHICLE FLEET RECEIVABLES AND SIMILAR	**609,841**	**649,192**

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Payables related to the vehicle fleet	386,277	307,669
VAT liabilities (1)	46,639	73,260
TOTAL DEBTS AND SIMILAR LIABILITIES RELATED TO THE VEHICLE FLEET	**432,916**	**380,929**

(1) VAT receivables and payables mainly relate to acquisitions and disposals of vehicles.

The change in working capital related to the vehicle fleet is detailed below:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Receivables related to the disposal of the fleet	(4,349)	(83,026)
VAT receivables	40,488	(59,382)
Debts related to the acquisition of the fleet	85,897	(122,568)
VAT liabilities	(26,186)	(56,067)
CHANGE IN WORKING CAPITAL RELATED TO THE VEHICLE FLEET	**95,849**	**(321,043)**

Note 5 Goodwill, tangible and intangible assets

a) Goodwill

Goodwill recognised in local currency, which is not amortised, is tested for impairment annually or more frequently when a triggering event (impairment indicator) occurs. For the purpose of impairment testing, goodwill is allocated to those Cash Generating Units or groups of Cash Generating Units that are expected to benefit from the business combination that gave rise to the goodwill.

A cash-generating unit (CGU) is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the vehicle rental business segment, by country.

The recoverable amount of a CGU is the higher of its fair value less costs to sell and its value in use, determined using the discounted cash flow method or another more appropriate method. When the recoverable amount is less than the carrying amount, an impairment loss is recognised in the income statement. The impairment loss is first recognised as an adjustment to the carrying amount of the goodwill allocated to the cash-generating unit and the remaining loss, if any, is allocated to the other non current assets of the unit.

b) Intangible assets

Intangible assets other than goodwill mainly relate to trademarks and licences, contractual relationships with customers, acquired software licences and capitalised development projects.

TRADEMARKS AND LICENCES

Trademarks with an indefinite useful life

The Europcar trademark, which has an indefinite useful life, is recognised at cost and is not amortised. However, it is subject to an annual impairment test using the net settlement method.

Following the acquisition in 2017, the Buchbinder and Goldcar trademarks have been identified and valued using the “relief from royalty” method and is currently considered to have an indefinite useful life and is subject to an annual impairment test.

Following the acquisitions in 2019, the Fox Rent A Car trademark has been identified and valued using the “relief from royalty” method and is currently considered to have an indefinite useful life and is subject to an annual impairment test.

Impairment losses related to trademarks are recognised under 'Impairment of non-current assets' in the income statement (note 3.4).

CONTRACTUAL CUSTOMER RELATIONSHIPS

Contractual customer relationships acquired in business combinations are amortised over the useful life of the relationship, i.e. 10 years. The valuation method is based on expected excess profits. These are tested for impairment if management identifies any indication of impairment of these assets.

Impairment losses related to contractual relationships with customers are recognised under "Impairment of non-current assets" in the income statement (note 3.4).

SOFTWARE AND OPERATING SYSTEMS

Acquired software licences are capitalised on the basis of the costs incurred for their acquisition and commissioning. These costs are amortised over the estimated useful life of the software (see below). Costs associated with the development and maintenance of software are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software controlled by the Group, and that are expected to generate economic benefits in excess of the costs incurred over a period of more than one year, are recognised as intangible assets and when they meet the capitalisation criteria of IAS 38. Costs include the costs of personnel assigned to the development of the software, as well as a share of overheads directly attributable to the development of the software.

AMORTIZATION

Intangible assets are amortised on a straight-line basis from the date they are brought into use. The estimated useful lives are as follows:

- customer relations: 10 years;
- software: 3 to 6 years;
- operating systems: 5 to 10 years.

c) Property, plant and equipment

OWN ASSETS

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses.

Where components of an item of property, plant and equipment have different useful lives, they are recognised as separate items of property, plant and equipment and depreciated over the useful life of each component. Repair and maintenance costs are expensed as incurred.

NON-FLEET LEASED ASSETS

The leased assets correspond to:

- real estate contracts related to the leasing activity in all countries where the Group operates (agencies, airport desks, preparation areas, vehicle parks); and
- real estate contracts not related to the rental activity (offices).

Under IFRS 16, leases are recognised in the balance sheet as a right of use of the leased asset and a financial liability for lease payments and other payments to be made during the lease term used to measure the lease liability.

The right of use is amortised on a straight-line basis and the financial liability is amortised actuarially over the lease term. The interest expense on the financial liability and the amortisation expense on the right of use are recognised separately in the income statement.

The Group has applied simplification measures and has identified certain contracts for which IFRS 16 allows a similar treatment to IAS 17. These contracts are recognised directly as expenses.

SUBSEQUENT COSTS

The Group includes in the carrying amount of an item of property, plant and equipment the cost of replacing part of that item when that cost is incurred, it is probable that future economic benefits associated with that item will flow to the Group and the cost of that item can be measured reliably. All other costs are recognised as an expense in the income statement as incurred. Repair costs and interest on borrowings are recognised as current expenses.

AMORTIZATION

Land is not depreciated. The following assets are depreciated on a straight-line basis.

The estimated useful lives are as follows:

- constructions: 25 to 50 years;
- technical installations and machinery: 6 to 12 years;
- other office equipment, machinery and furniture, including specific tools: 3 to 15 years.

The useful lives are reviewed annually.

5.1 Goodwill

(in thousands of euros)	Gross value	Loss of value	Book value
Balance at 1 January 2021	**1,321,961**	**(323,842)**	**998,119**
Impairment	-	-	-
Various	(878)	199	(679)
Effect of exchange rate fluctuations	12,302	(2,220)	10,082
Balance at 31 December 2021	**1,333,385**	**(325,863)**	**1,007,522**
Balance at 1 January 2022	**1,333,385**	**(325,863)**	**1,007,522**
Acquisitions	-	-	-
Impairment charge	-	(2,812)	(2,812)
Various	(4,473)	3,330	(1,143)
Effect of exchange rate fluctuations	(188)	1,587	1,398
Balance at 31 December 2022	**1,328,724**	**(323,758)**	**1,004,965**

5.1.1 Goodwill on leasing activities held by the Group, analysed by cash generating unit

The Group considers that each country corresponds to a cash generating unit.

The table below shows the allocation of the most significant goodwill amounts to the Cash Generating Units (CGUs) and reflects the organisation at 31 December 2022.

(in thousands of euros)	Germany	United Kingdom	France	Spain	Portugal	Other	**Total Europe**	United States	Australia	Total rest of the world	Total Group
Balance at 1 January 2022	**239 316**	**71 594**	**55 093**	**303 504**	**65 330**	**169 930**	**904 767**	**75 244**	**27 511**	**102 755**	**1 007 522**
Acquisitions	-	-	-	-	-	-	**-**	-	-	**-**	**-**
Impairment loss for the period	-	-	(267)	-	-	(2 545)	**(2 812)**	-	-	**-**	**(2 812)**
Transfer and other	-	-	(627)	-	-	(517)	**(1 144)**	-	1	**1**	**(1 143)**
Exchange rate fluctuations	-	(2 777)	-	-	-	(344)	**(3 121)**	4 656	(137)	**4 519**	**1 398**
Balance at 31 December 2022	**239 316**	**68 817**	**54 199**	**303 504**	**65 330**	**166 524**	**897 690**	**79 900**	**27 375**	**107 275**	**1 004 965**

5.1.2 Annual impairment test

In accordance with IAS 36 "Impairment of Assets", the Group has performed an annual impairment test of goodwill as at 31 December 2022. No impairment was recorded as a result of this test. The only impairment charge for the year relates to the liquidation of Wanderio and Brunel.

At 31 December 2022, the recoverable amount of the CGUs was assessed based on the discounted cash flows expected from the assets. For each CGU, the cash flows are projected over a period of 5 years and have been constructed using the following assumptions

- 5-year business plan (2023-2027), approved by the Management at the end of 2022;
- The assumptions made in terms of turnover and corporate growth;
- Adjusted EBITDA reflects management's best estimate;
- The terminal value is based on normalised cash flows discounted over an indefinite period assuming a long-term growth rate of 1%;
- The rights of use and related lease liabilities are netted in the carrying amount of the CGU;
- For the discounting of future cash flows, the weighted average cost of capital used for each CGU is revalued to take into account market and competitive developments. The table below shows the weighted average cost by CGU at the end of 2022:

	France	Germany	Italy	Spain	United Kingdom	Belgium	Portugal	Australia	Ireland	Denmark	United States	Finland	Norway
Weighted average cost of capital	**7.97 %**	**7.53 %**	**9.19 %**	**8.44 %**	**8.80 %**	**8.04 %**	**8.52 %**	**8.68 %**	**8.41 %**	**7.88 %**	**8.81 %**	**8.23 %**	**8.15 %**

The weighted average cost of capital is applied to the cash flows of each cash-generating unit on the basis of an equity risk premium of 6.75%, corresponding to the risk-free rate adjusted by a risk premium for each country.

The debt ratio used to calculate the weighted average cost of capital is based on the average annual ratio of net debt to equity, published quarterly by comparable companies.

5.1.3 Sensitivity analysis

Goodwill has been tested for impairment by the company as described in Note 5.1.1.

At 31 December 2022, the Group has analysed the sensitivity of the assumptions used to perform the tests based on:

- a 1-point change in the discount factor;
- a 1 percentage point change in the long-term growth rate;
- a 1 percentage point decrease in the Adjusted Corporate EBITDA margin.

This analysis did not identify any likely scenario where the recoverable amount could be lower than the carrying amount.

5.2 Intangible assets

(in thousands of euros)	Trademarks	Software and operating systems	Relations Customers	Total
Gross values				
Balance at 1 January 2021	**934,929**	**469,537**	**45,291**	**1,449,756**
Acquisitions	-	40,676	-	40,676
Disposals	-	(1,024)	-	(1,024)
Transfers	-	(154)	-	(154)
Effect of exchange rate fluctuations	6,033	2,054	-	8,087
Balance at 31 December 2021	**940,962**	**511,089**	**45,291**	**1,497,341**
Balance at 1 January 2022	**940,962**	**511,089**	**45,291**	**1,497,341**
Acquisitions	(1)	46,387	-	46,386
Disposals	(607)	(27,932)	-	(28,539)
Transfers and reclassifications	(203)	(26,056)	-	(26,259)
Effect of exchange rate fluctuations	(920)	327	-	(592)
Balance at 31 December 2022	**939,231**	**503,816**	**45,291**	**1,488,388**
Depreciation and amortization				
Balance at 1 January 2021	**(55,284)**	**(325,388)**	**(13,253)**	**(393,925)**
Depreciation and amortization	-	(36,483)	(4,378)	(40,862)
Impairment charge	-	-	-	-
Disposals	-	1,606	-	1,606
Transfers	-	5	-	5
Effect of exchange rate fluctuations	(3,564)	(1,760)	-	(5,324)
Balance at 31 December 2021	**(58,848)**	**(362,020)**	**(17,631)**	**(438,500)**
Balance at 1 January 2022	**(58,848)**	**(362,020)**	**(17,631)**	**(438,500)**
Depreciation and amortization	-	(52,238)	(4,491)	(56,729)
Impairment charge	(76,067)	(3,687)	(12,973)	(92,727)
Disposals	607	23,902	-	24,509
Transfers and reclassifications	-	27,077	-	27,077
Effect of exchange rate fluctuations	2,891	(153)	-	2,738
Balance at 31 December 2022	**(131,417)**	**(367,120)**	**(35,095)**	**(533,632)**
Net book values				
As at 31 December 2021	**882,114**	**149,069**	**27,660**	**1,058,840**
As at 31 December 2022	**807,814**	**136,696**	**10,196**	**954,706**

5.2.1 Trademarks

The trademarks recorded in the consolidated financial statements as of December 31, 2022 amount in net value to nearly €808 million and relate mainly to the Europcar (€674 million), Goldcar (€90 million), Buchbinder (€9 million) and Fox Rent A Car (€34 million) trademark. These trademarks have an indefinite life.

(i) *Annual impairment test*

In accordance with IAS 36, "Impairment of Assets", the Group has carried out an annual impairment test of the book value of its trademarks using the royalty method. This test is carried out globally, for all countries and entities without allocation to a lower level.

The value in use of trademarks has been determined based on projections of the royalties to be collected within the network (Group-owned entities, national and international franchisees). The business plan assumptions and revenue growth rates are derived from the projections and assumptions used for the goodwill impairment test (Note 5.1.2).

The valuation of the terminal value is based on a long-term growth rate of 1%.

The discount rate used to calculate the weighted average cost of capital is applied to the net cash flows from royalties for each CGU. For the Europcar brand, the weighted average cost of capital applied for the year 2022 is estimated at 8.47% (compared to 7.91% in 2021).

The tests conducted on the trademarks using the revised projections at the end of 2022 led to the recognition of impairment losses totalling €76 million.

(ii) *Sensitivity analysis*

A reasonable change in the key assumptions would not result in a carrying amount in excess of the recoverable amount and therefore would not result in an impairment loss. The table below shows the result of the impairment test and the resulting margin of discretion (difference between the recoverable amount and the net book value of the trademarks) under different assumptions for long-term growth rates and weighted average cost of capital.

The test results for the Europcar trademark as at 31 December 2022 are shown in the table below:

(in millions of euros)	Long-term growth rate 0.5 %	1.0 %	1.5 %
WACC			
8,47 %	315	357	405
9,47 %	227	263	304
10,47 %	152	182	217

The tests conducted on the trademarks led to the recognition of impairment losses in 2022 totalling € 76 million when assessing the carrying values against the latest business plan revenues by brand.

5.2.2 Customer Relationships

In 2022, the Group's impairment tests on these assets resulted in the full impairment of the residual value of the contractual relationships initially recognised in respect of the Buchbinder acquisition for an amount of €28 million. The additional impairment charge thus recognised amounted to €13 million.

5.2.3 Software and operating systems

The main software has been measured at fair value in accordance with IFRS 3 "Business Combinations", using the PFA method (functional point analysis). This method is based on the calculation of the functional points of each of the segments/software of fleet management and reservation systems, which correspond to the functionalities used to assess the replacement value. The net book value of these internally developed software products is zero since the 31 December 2017 closing. Software and operating systems in progress and activated total €481 million at 31 December 2022. The amount of capitalised costs for the year 2022 is € 151 million and the amount of work in progress not yet capitalised is € 23 million.

5.3 Property, plant and equipment

(in thousands of euros)	Land and buildings	Technical facilities	Rights of use outside the fleet	Total
Gross values				
Balance at 1 January 2021	**117 466**	**316 500**	**425 875**	**859 842**
Acquisitions	1 598	15 637	97 745	114 977
Disposals	(2 033)	(11 440)	(74 800)	(88 273)
Transfers	(2 609)	(506)	(81)	(3 196)
Effect of exchange rate fluctuations	830	4 252	4 793	9 875
Balance at 31 December 2021	**115 252**	**324 443**	**453 531**	**893 226**
Balance at 1 January 2022	**115 252**	**324 443**	**453 531**	**893 226**
Acquisitions	5 190	20 168	147 697	173 055
Disposals	(13 305)	(90 691)	(58 333)	(162 329)
Transfers	(4 814)	(491)	-	(5 305)
Reclassifications	(6)	(10 577)	(619)	(11 202)
Effect of exchange rate fluctuations	(117)	30	(2 787)	(2 874)
Balance at 31 December 2022	**102 200**	**242 882**	**539 489**	**884 571**
Depreciation and amortization				
Balance at 1 January 2021	**(35 322)**	**(252 582)**	**(158 766)**	**(446 670)**
Depreciation and amortization	(1 296)	(21 596)	(79 217)	(102 110)
Impairment charge	-	-	-	-
Disposals	2 005	11 537	48 793	62 235
Transfers	(608)	121	81	(406)
Effect of exchange rate fluctuations	(194)	(3 542)	(1 509)	(5 245)
Balance at 31 December 2021	**(35 417)**	**(266 111)**	**(190 620)**	**(492 099)**
Balance at 1 January 2022	**(35 417)**	**(266 111)**	**(190 620)**	**(492 099)**
Depreciation and amortization	(2 284)	(17 060)	(96 049)	(115 394)
Impairment charge	1 115	(2 634)	-	(1 519)
Disposals	6 889	89 529	23 023	119 440
Transfers	165	3 661	-	3 826
Reclassifications	3	8 096	617	8 716
Effect of exchange rate fluctuations	107	(274)	1 076	910
Balance at 31 December 2022	**(29 422)**	**(184 793)**	**(261 953)**	**(476 168)**
Book values				
As at 31 December 2021	**79 835**	**58 331**	**262 911**	**401 127**
As at 31 December 2022	**72 779**	**58 089**	**277 534**	**408 402**

Land and constructions in progress and activated total almost €73 million at 31 December 2022. The amount of capitalised costs for the year 2022 is almost € 5 million and the amount of remaining work in progress not yet capitalised is almost € 3 million.

At 31 December 2022, in accordance with IAS 36, an impairment test of property, plant and equipment was performed. The Group reviewed the recoverable amount of the rights of use related to the leases of its real estate and vehicles. The Group has not identified any impairment losses arising from these tests.

5.4 Right of use

(in thousands of euros)	Fleet	Non-fleet	Total
Gross values			
Balance at 1 January 2021	**185 090**	**425 797**	**610 887**
Acquisitions	141 403	97 745	239 148
Disposals	(149 340)	(74 803)	(224 143)
Transfers	101 988	-	101 988
Effect of exchange rate fluctuations	1 791	4 793	6 595
Balance at 31 December 2021	**280 933**	**453 531**	**734 464**
Balance at 1 January 2022	**280 933**	**453 531**	**734 464**
Acquisitions	217 029	147 697	364 726
Disposals	(153 216)	(58 333)	(211 549)
Transfers	-	-	-
Various	(574)	(619)	(1 193)
Effect of exchange rate fluctuations	(1 818)	(2 787)	(4 605)
Balance at 31 December 2022	**342 353**	**539 489**	**881 842**
Depreciation and impairment			
Balance at 1 January 2021	**(108 596)**	**(158 687)**	**(267 284)**
Depreciation and amortization	(155 753)	(79 217)	(234 970)
Disposals	159 436	48 793	208 229
Transfers	(15 501)	-	(15 501)
Effect of exchange rate fluctuations	(1 130)	(1 509)	(2 639)
Balance at 31 December 2021	**(121 544)**	**(190 620)**	**(312 164)**
Balance at 1 January 2022	**(121 544)**	**(190 620)**	**(312 164)**
Depreciation and amortization	(140 403)	(96 049)	(236 453)
Disposals	138 394	23 023	161 417
Transfers	-	-	-
Divers	277	617	894
Effect of exchange rate fluctuations	1 213	1 076	2 289
Balance at 31 December 2022	**(122 063)**	**(261 954)**	**(384 018)**
Book values			
As at 31 December 2021	**159 388**	**262 911**	**422 300**
As at 31 December 2022	**220 289**	**277 535**	**497 825**

The amount of net rights of use is almost € 498 million at 31 December 2022 and the associated rental debt amounts to € 482 million, of which EUR 288 million is non-fleet (mainly real estate) and € 194 million is fleet related.

At 31 December 2022, in accordance with IAS 36, an impairment test of the rights of use was conducted. The Group reviewed the recoverable amount of the related rights of use and vehicles. The Group has not identified any impairment losses related to these tests.

Note 6 Working capital and commitments related to the business

6.1 Inventory

There are no major restrictions on the ownership or right to use the stocks listed below:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Consumables	1 042	1 109
Fuel	19 684	17 792
Vehicles	139	201
Spare parts	490	390
Other elements	73	73
TOTAL INVENTORY	**21 428**	**19 565**

Inventories are stated net of provisions of € 341 thousand (compared to € 375 thousand in 2021). The vehicles included in inventories are vehicles that are not yet in operation at the balance sheet date.

6.2 Trade and other receivables

All trade receivables are due within one year. The table below shows all trade and other receivables net of impairment:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Rental receivables	260 244	240 925
Other receivables	88 115	95 589
Other tax receivables	1 730	617
Insurance claims	30 950	35 655
Advance payments	25 545	25 883
Employee-related receivables	686	5 582
Deposits, other receivables	34 060	29 934
TOTAL TRADE AND OTHER RECEIVABLES	**441 329**	**434 186**

The table below shows the evolution of the impairment of vehicle rental receivables and other trade receivables only:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Opening balance	**(59 968)**	**(61 956)**
Impairment for bad debts	(11 177)	(3 142)
Change in scope of consolidation	-	-
Receivables recognised as losses in the year/period	5 527	5 399
Reversal of unused amounts	-	-
Foreign currency differences	251	(269)
CLOSING BALANCE	**(65 367)**	**(59 968)**

The amounts for the provision and reversal of the allowance for doubtful debts have been included in the operating costs of the vehicle fleet (note 4.3). The maturity of all trade and other receivables is as follows:

	As at 31 December 2022				
(in thousands of euros)	**Total**	**Not due**	**Less than 90 days overdue**	**Due between 90 and 180 days**	**Over 180 days overdue**
Trade and other receivables - gross value	547 792	324 218	102 761	30 034	90 779
Impairment for bad debts	(106 463)	(23 876)	(11 290)	(9 897)	(61 400)
Trade and other receivables - net value	**441 329**	**300 342**	**91 471**	**20 137**	**29 378**

	As at 31 December 2021				
(in thousands of euros)	Total	Not due	Less than 90 days overdue	Due between 90 and 180 days	Over 180 days overdue
Trade and other receivables - gross value	534 541	295 929	84 393	27 266	126 953
Impairment for bad debts	(100 356)	(2 418)	(8 510)	(7 398)	(82 030)
Trade and other receivables - net value	**434 185**	**293 511**	**75 882**	**19 869**	**44 923**

6.3 Trade and other payables

The fair values of trade payables correspond to their nominal values. Trade and other payables are all due within one year.

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Trade payables	471 243	378 895
Other tax payables	24 398	15 975
Deposits	73 224	54 218
Social debts	94 869	106 409
Debts on investments	0	18 097
TOTAL TRADE AND OTHER PAYABLES	**663 734**	**573 594**

6.4 Change in working capital requirement excluding vehicle fleet

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Trade receivables	(28 830)	(38 739)
Other receivables	(75 945)	(15 074)
Tax receivables	(1 110)	2 523
Inventories	(2 105)	(3 234)
Payables	90 384	(1 439)
Other payables	98 845	59 653
Tax liabilities	8 907	(7 684)
CHANGE IN WORKING CAPITAL REQUIREMENT EXCLUDING VEHICLE FLEET	**90 147**	**(3 994)**

6.5 Off-balance sheet commitments

6.5.1 Leases

The Group's minimum lease payments under non-cancellable leases not restated in accordance with the exemptions and provisions of IFRS 16 are detailed below:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Maturity:		
Within one year	29 178	23 561
Between one and five years	29 308	14 728
More than five years	550	1 133
TOTAL LEASES	**59 036**	**39 422**

With the application of IFRS 16, the majority of leases are recognised in the balance sheet and are therefore not included in the off-balance sheet commitments presented in the table above.

Only the following lease commitments are considered:

- contracts covered by the exemptions allowed by the standard;
- contracts considered as service contracts for which the rent expense is recognized directly in the Group's income statement as operating income;
- contracts considered to be substitutable assets where the lessor has the option to change the lessee's location without significant financial consideration. Several contracts within airports are affected and are therefore excluded from the scope of IFRS 16.

6.5.2 Vehicle purchase commitments

In the year ended 31 December 2022, the Group entered into contracts for the purchase of vehicles. € 1,407 million (compared to € 1,066 million in 2021).

6.5.3 Commitments to purchase fixed assets

During the year ended 31 December 2022, the Group entered into contracts to purchase property, plant and equipment and intangible assets. As at 31 December 2022, the outstanding commitments are not material as at 31 December 2021.

6.5.4 Contingent assets and liabilities and guarantees

Guarantees given by the Group

- The Group has given various guarantees (mostly joint and several) to certain third parties (mainly in respect of fleet leasing transactions) in the normal course of its business, as well as specific guarantees, including a guarantee of £26 million to Euler Hermes in respect of the performance of certain commitments under its self-insurance programme (excess agreement), which may have to be implemented in the very unlikely event that Europcar is unable to honour the commitments under the excess agreement.
- As at 31 December 2022 the company has given guarantees to suppliers of € 41.4 million (December 2021: € 59.4 million). Contingent assets amount to € 3.9 million (December 2021: € 2.8 million).

- Securitifleet S.A.S., Goldfleet France S.A.S., Securitifleet S.L. and Goldfleet Spain S.L. respectively hold a significant part of the fleet leased by Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. and Goldcar Spain S.L.U. to their respective customers and have pledged their vehicles, in the case of Securitifleet S.A.S. and Goldfleet France S.A.S., in favour of Crédit Agricole Corporate and Investment Bank, its successors and assignees, and, more particularly, in favour of the Fonds Commun de Titrisation FCT Sinople, in accordance with Articles 2333 et seq. of the French Civil Code, and, in respect of Securitifleet S.L. and Golfleet Spain S.L, in favour of its creditors, successors and assignees, under a contract known as the "*Spanish Securitifleet Financing Agreement*" and the "*Spanish Goldfleet Financing Agreement*" respectively and in accordance with Article 1863 of the Spanish Civil Code. For the purposes of these warranties, Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A. and Goldcar Spain S.L.U. have been appointed respectively as agreed third party and *third party poseredor de conformidad in* accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code. Consequently, any vehicle returned by a customer of Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. or Goldcar Spain S.L.U. shall be returned to Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. or Goldcar Spain S.L.U. in their capacity as agreed third party and *tercero poseedor de conformidad* or, as the case may be, any other entity that may be substituted for them and in no case to Securitifleet France S.A.S., Goldfleet France S.A.S., Securitifleet S.L. or Goldfleet Spain S.L.U.

- Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet S.P.A. and Goldfleet SAS are or will be the owners of a substantial part of the fleet leased by Europcar France SAS to its customers and have pledged their vehicles to Crédit Agricole Corporate and Investment Bank and its successors and assigns and, in particular, to the FCT Sinople Finance securitisation fund, in accordance with Articles 2333 et seq. of the French Civil Code. For the purposes of this pledge, Europcar France SAS has been designated as the "agreed third party" in accordance with Article 2337 of the Civil Code. Consequently, any return of a vehicle by a client of Europcar France SAS must be made to Europcar France SAS in its capacity as agreed third party or, where applicable, to any other entity that may be substituted for it in this capacity and in no case to Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet S.P.A. or Goldfleet SAS.

- Goldfleet SAS and Securitifleet SAS are or will be the owners of a substantial part of the fleet leased by Goldcar France SARL to its customers and have granted a pledge on their vehicles to Crédit Agricole Corporate and Investment Bank and its successors and assigns and, in particular, to the Fonds Commun de Titrisation FCT Sinople Finance, in accordance with Articles 2333 et seq. of the French Civil Code. For the purposes of this pledge, Goldcar France SARL has been designated as an "agreed third party" in accordance with Article 2337 of the Civil Code. Consequently, any return of a vehicle by a customer of Goldcar France SARL must be made to Goldcar France SARL in its capacity as an agreed third party or, where applicable, to any other entity that may be substituted for it in this capacity and in no case to Goldfleet SAS or Securitifleet SAS.

- As security for the Senior Credit Facility and the Term Loan, dated 30 November 2022, the following security interests have been put in place by the Company in favour of the lenders and the hedge banks, among others:
    - Joint and several guarantee of the obligations of borrowers and debtors (*Obligors*),
    - Pledge of Europcar International S.A.S.U., Europcar Participations S.A.S.U and Europcar Holding S.A.S.U shares

- As security for the *Indenture* governing the EC Finance Plc Bonds (bonds issued in the principal amount of EUR 500 million and bearing interest at a rate of 3% redeemable in 2026), dated 7 October 2021, the following guarantee, among others, has been put in place by the Company: joint and several guarantee of the obligations of EC Finance plc under the Indenture and the bonds.

- In respect of the obligations of Europcar Group UK Limited as *Service Provider*, *Operating Company* and *Hirer* under certain procurement and service documents as at 20 June 2022, the following guarantee has been put in place: the guarantee by Europcar International S.A.S.U to SECURITIFLEET UK LIMITED to secure the obligations of Europcar Group UK Limited.

- As security for the $225,000,000 Notes dated 14 February 2022, the following guarantee has been put in place: the guarantee by Europcar Mobility Group SA for the benefit of Bank of New York Mellon Trust Company, acting as Indenture Trustee, to secure the obligations of Fox Rent a Car, Inc.

Guarantees received by the Group

The company benefited from a guarantee of liabilities and assets granted by the Volkswagen group when it acquired the Europcar group in 2006. This guarantee has expired and can no longer be enforced, except in very limited specific circumstances. On the other hand, in respect of previous implementations or these specific implementations, the company may still receive compensation subject to the finalisation of ongoing litigation or pre-litigation and agreement with Volkswagen on the final amount of such compensation.

In addition, the EMP benefits from a 90% guarantee from the French State *via* Bpifrance Financement, a subsidiary of Bpifrance S.A., pursuant to the order of 23 March 2020 granting the State guarantee to credit institutions and finance companies in application of Article 6 of the Amending Finance Act No. 2020- 289 of 23 March 2020.

Pledges

The Group has pledged certain of its assets, in particular equity interests in subsidiaries, receivables, bank accounts and operating assets. The assets of the Securitifleet Entities and the Goldfleet Entities or assets used by the Securitifleet Entities and the Goldfleet Entities are pledged in favour of the EC Finance Bondholders and the SARF lenders. Other assets are pledged to the lenders of the senior revolving credit facility, except for fleet assets located in the various jurisdictions, including the UK and Australia and New Zealand, which are themselves pledged to their local lenders.

Certain assets (including bank accounts and vehicles) have been pledged to Securitifleet UK Limited for the purposes of the UK securitisation.

Certain assets (including, but not limited to, vehicles, insurance and other receivables, bank accounts) have been pledged by EMGFX VEHICLE FINANCING LLC to Bank of New York Mellon Trust Company, N.A.

Note 7 Capital and reserves

7.1 Share capital and share premium

As at December 31, 2022, the registered share capital of Europcar Mobility Group is 50,156,401 euros and is composed of 5,015,640,081 shares of 0.01 euros each, all of which are ordinary shares.

No capital transactions were carried out during the year 2022.

The following capital transactions took place during the year 2021:

Date	Operation	Share capital *(in €)*	Legal reserve *(in €)*	Share premium *(in €)*	Number of shares	Nominal value *(in €)*
31/12/2020		163,884,278	16,388,428	687,217,731	163,884,278	1,000
26/02/2021	Capital reduction [1]	(162,245,435)	-	-	-	0.01
26/02/2021	Reserved capital increase[2]	29,836,935	-	1,103,966,590	-	0.01
26/02/2021	Capital increase [3]	13,163,419	-	236,941,545	-	0.01
26/02/2021	BSA[3]	5,517,204	-	-	-	0.01
26/02/2021	Capitalised fees[4]	-	-	(9,302,442)	-	0.01
31/12/2021		50,156,401	16,388,428	2,018,823,424	5,015,640,081	0.01

Recognition of impacts related to debt restructuring

(1) Reduction of the Company's capital by way of a reduction in the nominal value of the Company's shares from €1.00 to €0.01, approved by the General Meeting held on 20 January 2021.

(2) Included the capital conversion of the 2024 Bonds and the 2026 Bonds, in principal for an amount of €1,050 million plus accrued and unpaid interest and amounted to €33.4 million at the date of completion of the transaction (26 February 2021) and the conversion of the Credit Suisse Loan into principal, €50 million plus accrued and unpaid interest, which amounted to €0.4 million at the date of completion of the transaction (26 February 2021).

(3) Included the capital increase subscribed in cash through the issue of new ordinary shares with shareholders' preferential subscription rights maintained for an amount of €250 million and the injection of 6 million in cash through the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to the Bondholders.

(4) In the context of the financial restructuring plan, fees had been allocated to equity instruments for a total amount of €9 million.

At 31 December 2022, the distribution of shareholders in the company's capital is as follows

Shareholders	Total number of shares	Percentage of ordinary shares and voting rights	Percentage of share capital
Green Mobility Holding SA	5 006 993 062	100%	99,83%
Treasury shares	8 552 323	-	0,17%
Other	94 696	-	0,00%
TOTAL	**5 015 640 081**	**100%**	**100%**

The squeeze-out and delisting of Europcar Mobility Group S.A.'s shares from the Euronext Paris market took place on 13 July 2022, following the takeover by GMH of 99.83% of the company's share capital after the transaction.

As of 31 December 2021, the distribution of shareholders in the company's capital was as follows

Shareholders	Total number of shares	Percentage of ordinary shares and voting rights	Percentage of share capital
ANCHORAGE CAPITAL GROUP	1 249 312 849	24,95%	24,91%
MARATHON ASSET MANAGEMENT LP	539 774 396	10,78%	10,76%
ATTESTOR LTD	641 514 896	12,81%	12,79%
DIAMETER CAPITAL PARTNERS LP	260 738 525	5,21%	5,20%
CENTERBRIDGE Partners	310 616 449	6,20%	6,19%
UBS GROUP AG	252 666 888	5,05%	5,04%
CARVAL INVESTOR LP	254 574 218	5,08%	5,08%
Self-retention	8 552 323	-	0,17%
FCPE	3 930 487	0,08%	0,08%
Other	1 493 959 050	29,85%	29,79%
TOTAL	**5 015 640 081**	**100%**	**100%**

7.2 Own shares

Europcar Group shares held by the Parent Company are recorded at their acquisition cost as a deduction from consolidated equity. In the event of disposal, the capital gains or losses and the corresponding tax effects are recorded as changes in consolidated shareholders' equity.

At 31 December 2022, there is no impact on the change in equity related to treasury shares (compared to € 0.1 million at 31 December 2021).

The number of treasury shares held can be analysed as follows:

	2022
Number of treasury shares at 31 December 2021	**8 552 323**
Own shares purchased	-
Own shares sold	-
Number of treasury shares at 31 December 2022	**8 552 323**

Note 8 Financing and financial risk management

Financial assets are classified into three categories: assets at fair value through equity, assets at fair value through profit or loss and assets at amortised cost. Two criteria are used to determine the classification and measurement of financial assets: the entity's business model for managing its financial assets and the contractual cash flow characteristics of the financial asset. The classification used is fair value through profit or loss.

Financial liabilities are classified into the following categories: financial liabilities at fair value through profit or loss and liabilities at amortised cost.

Management decides on the classification of financial assets and liabilities on initial recognition.

a) Financial assets

FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

Gains and losses arising from changes in the fair value of these instruments are recognised in Other comprehensive income within equity, except for impairment losses and monetary items such as translation differences. On derecognition of these instruments, the cumulative gain or loss stored in equity is reported in profit or loss. Where these instruments are interest-bearing, interest is recognised in the income statement using the effective interest method.

Those assets that are not quoted in an active market and whose fair value cannot be reliably measured are measured at historical cost less accumulated impairment losses.

IMPAIRMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

A significant or prolonged decline in their fair value below their historical cost is also taken into account in determining whether an impairment loss exists. If such evidence exists, the cumulative net loss previously recognised directly in equity is removed from equity and recognised in the income statement.

Impairment losses on equity instruments recognised in the income statement are not reversed through the income statement until the equity instrument is sold. Subsequent to an impairment loss, an increase in the fair value of an equity instrument is recognised directly in equity.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss mainly include investments in non-consolidated companies (see Note 8.6).

FINANCIAL ASSETS AT AMORTISED COST

Similar claims related to the vehicle fleet

See note Receivables and payables related to the vehicle fleet.

b) Trade and other receivables

Trade receivables are amounts due from customers for services provided in the normal course of business and are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

The method of impairment of receivables is presented below in paragraph (e). Details of impairment of receivables are provided in note 6.2.

The impairment loss is recognised in the income statement under "*Operating and other variable costs related to the vehicle fleet*" (see note 4.3).

c) Cash and cash equivalents

Cash and cash equivalents include cash and cash equivalents

Cash equivalents are short-term investments and highly liquid instruments such as marketable securities and bonds with a maturity of less than 3 months at the date of acquisition, that are readily convertible to a known amount of cash and that are not subject to significant currency risk. Financial instruments classified as cash and cash equivalents are carried at fair value through profit or loss.

Restricted cash

Cash and cash equivalents are considered restricted cash when they are (i) used to cover future claims payments or (ii) not immediately available for the financing of the subsidiaries' operations. Accordingly, cash held in the following special purpose entities in connection with the vehicle leasing and insurance activities is considered to be restricted cash:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople ("Fonds Commun de Titrisation" meaning a Securitization holding);
- EC Finance PLC; and
- Euroguard, captive insurance company.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

d) Other financial assets

Other financial assets mainly relate to non-derivative financial assets with fixed or determinable payments and fixed maturity, which the entity has the positive intention and ability to hold to maturity, which are not quoted in an active market and arise from lending activities or the provision of goods or services. It mainly includes loans, receivables, deposits and advance payments and marketable securities not classified as cash and cash equivalents as well as the portfolio of financial assets (diversified bond investments with several financial institutions) held by Euroguard cells.

These assets are initially recognised at fair value, including transaction costs. They are subsequently measured at amortised cost using the effective interest method.

The amortised cost of short-term receivables generally approximates the nominal amount of these items.

These assets are considered as non-current financial assets if their maturity is more than 12 months or as current financial assets.

e) Impairment of financial assets

Impairment of assets measured at amortised cost is estimated on the basis of expected losses from counterparty credit risk using a mechanism based on the difference between discounted expected cash flows and the original cash flows or balance sheet amount outstanding. A collective impairment for a group of assets is made when the characteristics of the assets so grouped are similar.

Expected losses for buy-back receivables from builders are assessed on the basis of the probabilities of default of the Group's main builders obtained from rating agencies. Expected losses for lease receivables are assessed using a historical loss rate. Additional impairment may be recognised when there is an objective indicator of impairment with a proven loss.

The impairment of assets measured at amortised cost is detailed in Note 4.4.

The method of impairment of assets at fair value through equity is detailed in paragraph (i) Financial assets at fair value through equity.

f) Financial liabilities at amortised cost

These financial liabilities include:

- loans and financial debts;
- trade and other payables; and
- bank overdrafts.

The amortised cost of trade and other payables generally approximates their nominal amount.

Borrowings are initially recognised at fair value, net of transaction costs. Borrowings are subsequently measured at amortised cost. The calculation of the effective interest rate takes into account interest payments and amortisation of transaction costs. Transaction costs are amortised using the effective interest rate method over the term of the loan.

Bank overdrafts repayable on demand, which form an integral part of the Group's cash management, are included in current borrowings in the balance sheet and cash flow statement.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

In the event of a change in financial liability at amortised cost, the carrying amount of the financing is recalculated as the sum of the new flows discounted at the original EIR. In fact, the financial gain or loss resulting from changes in characteristics is recognised immediately in the income statement.

g) Derivative financial instruments at fair value through equity or through profit or loss

A financial instrument is a contract that gives rise to both a financial asset in one entity and a financial liability or equity instrument in another.

The Group uses derivative financial instruments to manage its exposure to foreign exchange and interest rate risks. In accordance with its cash management policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

Hedge accounting is applied when derivatives are held for the purpose of hedging risks to which the Group is exposed and meet the required normative requirements.

At the inception of the transaction, the Group documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items. The fair values of derivatives used for hedging purposes are disclosed in note 8.5.

h) Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in equity (see consolidated statement of comprehensive income), and is recycled to the income statement in the periods in which the hedged item affects profit or loss. Any ineffective portion of the gain or loss relating to the hedged item is recognised immediately in the income statement within 'Financial income or expense' (see note 3.5).

8.1 Financial assets

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Non-current financial assets		
Financial instruments assets at fair value (1)	131 484	8 672
Financial assets carried at amortised cost (2)	34 194	10 024
Deposits and advance payments	28 897	27 796
Other non-current financial assets	2 869	437
TOTAL NON-CURRENT FINANCIAL ASSETS	**197 444**	**46 929**
Current financial assets		
Financial assets carried at amortised cost (2)	24 834	20 671
TOTAL CURRENT FINANCIAL ASSETS	**24 834**	**20 671**

(1) Financial instruments assets are described in note (8.5).
(2) 48.3 million covering liabilities related to our captive insurance entities (€ 26.4 million as at 31 December 2021), mainly consisting of bonds carried at amortised cost. Given the short maturity of these bonds, management has concluded that the fair value of these investments approximates their carrying value at 31 December 2022.

8.2 Cash, cash equivalents and restricted cash

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Availability	268 315	298 973
Accrued interest	(59)	(90)
Cash and cash equivalents	**268 256**	**298 883**
Restricted cash	128 504	127 932
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**396 760**	**426 815**

Cash includes €71.1 million (December 2021: € 82.6 million) of cash held in Securitifleet and Goldfleet, with the exception of the two SFH *Holdings*, and is intended for fleet financing in France, Germany, Italy and Spain. As such, they are not considered restricted cash.

Cash and cash equivalents of *special purpose* vehicles are considered as restricted cash. The reconciliation of cash and cash equivalents in the balance sheet to cash and cash equivalents in the cash flow statement is detailed below:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Cash and cash equivalents	268 256	298 883
Restricted cash	128 504	127 932
Bank overdrafts	(487)	(616)
CASH AND CASH EQUIVALENTS PRESENTED IN THE CASH FLOW STATEMENT	**396 273**	**426 199**

8.3 Financial liabilities

(in thousands of euros)	**As of 31 December 2021**	**Change with cash impact**	**Exchange rate impacts**	**Other**	**As at 31 December 2022**
Bond issues	500 000	-	-	-	500 000
Term Loan B	500 000	(500 000)	-	-	-
Term Loan		500 000			500 000
Other bank loans dedicated to the financing of the fleet	47 552	(23 190)	7 257	(9)	31 612
Financial liabilities related to government measures	306 433	(2 758)	-	(5 299)	298 376
Rental debt and associated interest	209 509	-	(1 645)	10 719	218 583
Transaction costs/Premium/Discount	(17 967)	(13 684)	201	9 358	(21 828)
Non-current liabilities	**1 545 527**	**(39 632)**	**5 814**	**14 769**	**1 526 478**
Senior revolving credit facility	60 000	(60 000)	-	-	0
Senior credit facility	1 028 677	280 537	(12 673)	(30)	1 296 510
Financial liabilities related to government measures	43 265	(14 701)	402	4 995	33 961
Other loans to finance the vehicle fleet	660 195	(207 596)	(8 871)	(36 429)	407 299
Bank overdrafts	616	-	-	(129)	487
Current bank loans and other loans dedicated to fleet financing	334 359	(169 796)	4 587	(16 776)	152 373
Transaction costs/Premium/Discount	(3 432)	(6 928)	109	3 577	(6 674)
Rental debt and associated interest	220 349	(109 350)	(629)	152 593	262 963
Accrued interest	9 367	-	(43)	1 471	10 795
Current liabilities	**2 353 396**	**(287 834)**	**(17 119)**	**109 273**	**2 157 716**
TOTAL BORROWINGS	**3 898 923**	**(327 466)**	**(11 305)**	**124 042**	**3 684 194**

(in thousands of euros)	As of 31 December 2020	Change with cash impact	Change in scope of consolidation	Exchange rate impacts	Other	As of 31 December 2021
Bond issues	1 550 000	-	(1 050 000)	-	-	500 000
Term Loan B	-	500 000	-	-	-	500 000
Other bank loans dedicated to the financing of the fleet	44 421	83 257	-	11 975	(92 101)	47 552
Financial liabilities related to government measures	309 409	10 764	-	-	(13 740)	306 433
Rental debt and associated interest	214 616	-	-	2 767	(7 874)	209 509
Transaction costs/Premium/Discount	(13 241)	(23 530)	12 104	(12)	6 713	(17 967)
Non-current liabilities	**2 105 205**	**570 491**	**(1 037 896)**	**14 729**	**(107 002)**	**1 545 527**
Senior revolving credit facility	623 748	(563 748)	-	-	-	60 000
Senior credit facility	444 784	583 893	-	-	-	1 028 677
Financial liabilities related to government measures	40 571	(11 562)	-	516	13 740	43 265
Other loans to finance the vehicle fleet	566 326	144 027	-	34 674	(84 832)	660 195
Bank overdrafts	1 997	-	-	-	(1 381)	616
Current bank loans and other loans dedicated to fleet financing	366 054	(81 408)	(50 000)	8 212	91 500	334 359
Transaction costs/Premium/Discount	(8 829)	-	-	(60)	5 457	(3 432)
Rental debt and associated interest	139 511	(98,020)	-	1 303	177 555	220 349
Accrued interest	35 001	-	(33 804)	35	8 136	9 367
Current liabilities	**2 209 163**	**(26 818)**	**(83 804)**	**44 679**	**210 175**	**2 353 396**
TOTAL BORROWINGS	**4 314 368**	**543 673**	**(1 121 700)**	**59 408**	**103 173**	**3 898 923**

8.3.1 Reconciliation of Total Net Debt

Total net debt includes corporate net debt and total fleet net debt. The latter includes all fleet-related financing and lease liabilities for rental and other payments to be made during the term of the lease.

(in thousands of euros)	Notes	**As at 31 December 2022**	As at 31 December 2021
Non-current loans and financial debts	8.4	1 307 895	1 336 018
Current loans and financial debts	8.4	1 894 752	2 133 047
Held-to-maturity financial assets	8.1	(34 194)	(10 024)
Other current financial assets	8.1	(16 937)	(19 723)
Cash, cash equivalents and restricted cash	8.2	(396 760)	(426 814)
TOTAL NET DEBT RECORDED IN THE BALANCE SHEET		**2 754 756**	**3 012 504**
Rental debts		**481 546**	**429 858**
TOTAL NET DEBT		**3 236 760**	**3 442 361**

8.3.2 Analysis of loans and financial debts by maturity date

(in thousands of euros)	**As at 31 December 2022**	**< 1 year**	**Between 1 and 5 years**	**> 5 years**
Bond issues	500 000	-	500 000	-
Term Loan	500 000	-	500 000	-
Other bank loans dedicated to the financing of the fleet	31 612	-	31 612	-
Financial liabilities related to government measures	298 376	-	298 376	-
Rental debts and associated interest	218 583	-	218 583	-
Transaction costs/Premium/Discount [1]	(21 828)	-	(21 828)	-
NON-CURRENT LIABILITIES	**1 526 473**	-	**1 526 473**	-
Senior revolving credit facility for fleet financing	1 296 510	1 296 510	-	-
Financial liabilities related to government measures	33 961	33 961	-	-
Senior credit facility	407 299	407 299	-	-
Bank overdrafts	487	487	-	-
Current bank loans and other loans dedicated to fleet financing	152 373	152 373	-	-
Rental debts and associated interest	262 963	262 963	-	-
Transaction costs/premium/discount - current fraction [1]	(6 674)	(6 674)	-	-
Accrued interest	10 795	10 795	-	-
CURRENT LIABILITIES	**2 157 716**	**2 157 176**	-	-

(1) Includes € 6.7 million in respect of the RFC and € 7 million and € 2.3 million respectively following the securitisation in the UK and the USA.

(in thousands of euros)	As at 31 December 2021	< 1 year	Between 1 and 5 years	> 5 years
Bond issues	500 000	-	500 000	
Term Loan B	500 000	-	500 000	
Other bank loans dedicated to the financing of the fleet	47 552	-	47 552	-
Financial liabilities related to government measures [1]	306 433	-	306 433	-
Rental debts and associated interest	209 509	-	209 509	
Transaction costs/Premium/Discount [2]	(17 967)	-	(17 967)	-
NON-CURRENT LIABILITIES	**1 545 527**	-	**1 545 527**	
Senior revolving credit facility	60 000	60 000	-	-
Senior revolving credit facility for fleet financing	1 028 677	1 028 677	-	-
Financial liabilities related to government measures	43 265	43 265	-	-
Senior credit facility	660 195	660 195	-	-
Bank overdrafts	616	616	-	-
Current bank loans and other loans dedicated to fleet financing	334 359	334 359	-	-
Rental debts and associated interest	220 349	220 349	-	
Transaction costs/premium/discount - current fraction [2]	(3 432)	(3 432)	-	-
Accrued interest	9 367	9 367	-	-
CURRENT LIABILITIES	**2 353 396**	**2 353 396**	-	-

(1) € 7.2 million in respect of the EC Finance plc bond issue of € 500 million, € 9.0 million in respect of the SARF, € 1.5 million in respect of the financial liabilities related to government measures (governmental grants received during the pandemic crisis) and € 3.6 million in respect of the RCF and Term Loan B.

8.3.3 Analysis by subscription currency

At 31 December 2022, the breakdown of loans and financial debts by currency of subscription was as follows

(in thousands of euros)	**As at 31 December 2022**	**EURO**	**GBP**	**USD**	**AUD**	**DKK**
Bond issues	500 000	500 000	-	-	-	-
Term Loan	500 000	500 000	-	-	-	-
Transaction costs	(28 765)	(22 855)	(3 627)	(2 283)	-	-
Financial liabilities related to government measures	332 337	332 337	-	5 318	-	-
Accrued interest	10 795	9 628	-	1 167	-	-
Senior revolving credit facility	-	-	-	-	-	-
Senior credit facility	1 296 510	866 423	262 449	167 638		
Other loans	407 299	19 127	140 117	58 944	187 187	1 923
Bank overdrafts	487	-	-	-	-	487
Current bank loans and other loans dedicated to fleet financing	152 373	8 801	-	81 599	-	61 973
Rental debts and associated interest	481 546	361 768	38 819	35 429	34 307	11 223
Other bank loans	31 612	31 612	-	-	-	-
TOTAL LOANS AND DEBTS	**3 684 194**	**2 606 831**	**437 758**	**342 496**	**221 494**	**75 614**

(in thousands of euros)	As at 31 December 2021	EURO	GBP	USD	AUD	DKK
Bond issues	500 000	500 000	-	-	-	-
Term Loan B	500 000	500 000	-	-	-	-
Transaction costs	(21 399)	(20 553)	(705)	(141)	-	-
Financial liabilities related to government measures	349 698	344 380	-	5 318	-	-
Accrued interest	9 367	8 909	-	458	-	-
Senior revolving credit facility	60 000	60 000	-	-	-	-
Senior credit facility	1 028 678	1 028 678				
Other loans	660 195	2 786	446 263	102 372	105 926	2 847
Bank overdrafts	616	452	-	-	-	164
Current bank loans and other loans dedicated to fleet financing	334 359	178 892	-	95 551	-	59 916
Rental debts and associated interest	429 858	317 389	47 684	6 222	43 741	14 822
Other bank loans	47 552	47 552	-	-	-	-
TOTAL LOANS AND DEBTS	**3 898 923**	**2 968 484**	**493 243**	**209 780**	**149 667**	**77 749**

8.3.4 Financial clauses

At 31 December 2022, the Group was in compliance with all of the financial covenants set out below:

(i) *For the UK fleet finance facilities*

Europcar UK shall ensure that the fleet utilization rate is over 75%.

(ii) *For the Senior Revolving Credit Facility*

The ratio of cash and cash equivalents (which must include, for any 12-month period ending on a quarterly or half-yearly date depending on the application of the contract, the cash and cash equivalents recorded in the balance sheet at the beginning of that period) to total debt service must not be less than 1.10.

Total debt service is the total amount of interest and related costs paid over a 12-month period plus the repayment of financial debts, which are subject to certain restrictions.

(iii) *Net debt to market value of assets clause*

The Group must comply with a maximum ratio of the debt of all Securitifleet companies (including Securitifleet Holding) to the total market value of the assets of certain Securitifleet companies of 95%, which is tested quarterly.

(iv) *For asset financing in Australia*

Europcar Australia shall ensure that:

- the minimum net real value (i.e. total equity) is always greater than A$70 million;
- the average daily cash surplus is over A$10 million.
- a fixed cost coverage ratio of over 1.10.

(v) *For the financing of the fleet in Denmark*

Europcar Denmark shall ensure that:

- the equity ratio (equity/total liabilities) is above 20%;
- the actual EBITDA is not less than 50% of the forecast EBITDA.

(vi) *For the financing of the Fox fleet*

Fox Rent-a-Car must ensure that:

- at each quarter end, for the majority of lenders, EBITDA is above $65 million over the previous 4 quarters and $15 million over the last quarter;
- at each quarter end, the debt to EBITDA ratio is below 5.
- an advance rate of less than 80% on certain facilities
- a debt service to cash flow coverage ratio of 1.10:1

(vii) *Loan guaranteed by the French State*

The loan guaranteed by the French State requires the Group to maintain a cash flow to total debt service ratio of at least 1.10:1.

Total debt service will be the total amount of interest and related costs paid over a 12-month period plus the repayment of financial debts, which are subject to certain restrictions.

(viii) *Italian State Guaranteed Loan (Unlimited)*

The loan guaranteed by the Italian State provides that until maturity, Europcar Italy must ensure that at each half-year end the debt to EBITDA and equity ratios are below the thresholds below:

Covenants	2022	**2023**	**2024**
NFP/ EBITDA	*< 3,25x*	< 3,00x	< 2,50x
NFP/PN	*< 1,55x*	< 1,50x	< 1,45x

8.3.5 Asset-Based Lending Facilities

(i) *Senior revolving loan for asset financing*

The SARF ("Senior Asset Revolving Facility") was concluded on 30 July 2010 and has been amended several times, most recently on 15 October 2021. Prior to this date, the most recent additional amendments to the SARF were signed.

a) on 9 February 2017 in order to bring the securitisation program into line with the new methodology published by Standard & Poor's relating to sovereign risk ("Rating above the sovereign" methodology) and thus maintain its A rating. These amendments include the inclusion of new concentration limits on the vehicle fleets in Spain and Italy financed through the SARF;

b) 31 August 2017 to adjust the concentration limits by manufacturer to take account of the acquisition of Opel by the PSA group;

c) on 14 May 2018, in order to enable the financing of Goldcar's vehicles. The amount of the line was thus increased from €1.3 billion to €1.7 billion and new *special purpose* entities dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were created. The Group took advantage of this opportunity to renegotiate the margin from 1.50% to 1.30%, extend the maturity of the line from January 2020 to January 2022 and relax the concentration limits on the vehicle fleet in Spain and Italy.

On 27 July 2021, the group finalised and signed the extension of the SARF (securitisation instrument for fleet financing) for a period of 3 years and an amount of € 1.7 billion with a pool of international banks subject in particular to the refinancing of the EC Finance Plc bond.

On 15 October 2021, the extension and new terms and conditions of the SARF came into effect following the refinancing of the EF Finance Plc bond on 7 October 2021.

(ii) *UK Fleet Finance Facility*

The Group's UK entities finance their fleet through a £450 million securitisation and a new finance lease facility ("Club Facility") for a total of £150 million, both of which were signed in June 2022.

In addition, Europcar UK has operating leases with certain financial institutions of car manufacturers

(iii) *Asset finance in Australia and New Zealand*

Certain Australian and New Zealand financial institutions (banks or financial entities of certain vehicle manufacturers) have made available to Europcar Australia and Europcar New Zealand senior credit facilities (the "Australian and New Zealand Asset Finance Facilities"), including operating leases or revolving and non-revolving fleet finance leases of up to A$318 million. These facilities are renewed annually and are intended to finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over the assets of Europcar Australia and Europcar New Zealand, including goodwill and uncalled and called but not paid-up capital with delegation of the related insurance policy. These financings also provide for performance bonds.

(iv) *Asset financing in the US*

As of 31 December 2022, Fox Rent A Car had bilateral lines of credit for the financing of its vehicle fleet granted by local financial institutions for a maximum amount of USD 565 million. These lines are indexed to Libor or SOFR for the most recent ones with different margins and maturities depending on the financier.

Fox Rent A Car also benefits from a securitisation of which the senior portion is USD 225 million.

Note 8.4 "Financial risk management" provides further information on the Group's exposure to interest rate and liquidity risks.

8.4 Financial risk management

Through its activities, the Group is exposed to various financial risks: market risk (including currency risk and interest rate risk), credit risk, price risk and liquidity risk. The Group's risk management program seeks to minimise the potential adverse effects of financial market volatility on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group constantly assesses the identified financial risks (including market risk, credit risk and liquidity risk) and documents its exposure in its financial statements.

Certain exogenous factors, such as a new wave of Covid-19 or an increase in geopolitical tension, are likely to increase the impact and probability of occurrence of several risks identified by the Group, which could have a significant adverse effect on the Group, its activities, its financial situation or its results and financial forecasts/prospects.

8.4.1 Market risk

(i) *Foreign exchange risk*

The Group, which operates in several countries, is exposed to foreign exchange risk arising from various foreign currency exposures, principally the pound sterling and the US dollar. The foreign exchange risk arises from the translation of the results and net assets of subsidiaries with a functional currency other than the euro into euros. The currency risk related to intra-group financial transactions and, to a lesser extent, transactions with franchisees, is fairly limited, with each subsidiary operating in its own market and functional currency.

As at 31 December 2022, the Group has no investments in foreign operations other than in the United Kingdom, Australia and New Zealand, Denmark, Turkey, Hungary, Croatia, Norway and the United States whose net assets would be exposed to currency risk. A summary of the Group's quantitative exposure to foreign currency risk arising from the translation of balances into the functional currency is presented below:

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2022
Trade and other receivables (including vehicle fleet)	75 384	24 072	21 162	16 339	136 956
Other financial assets	5 397	3 387	63	989	9 837
Non-current financial assets	-	-	-	-	-
Other financial assets	122	-	-	70	192
Cash and cash equivalents	32 017	68 335	20 732	3 462	124 546
Total financial assets	**112 920**	**95 757**	**41 956**	**20 861**	**271 493**
Trade and other payables (including vehicle fleet)	89 006	43 533	57 259	19 865	209 662
Borrowings and financial debts	394 536	430 700	169 978	60 427	1 055 641
Total financial liabilities	**483 542**	**474 233**	**227 237**	**80 292**	**1 265 304**
NET EXPOSURE TO TRANSLATION RISK OF NON-EURO COMPANIES	**(370 622)**	**(378 476)**	**(185 281)**	**(59 431)**	**(993 810)**

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2021
Trade and other receivables (including vehicle fleet)	78 293	19 278	9 594	9 618	116 782
Other financial assets	4 972	3 275	37	896	9 180
Other financial assets	69	-	-	105	174
Cash and cash equivalents	39 753	23 311	37 764	1 956	102 784
Total financial assets	**123 088**	**45 863**	**47 394**	**12 575**	**228 920**
Trade and other payables (including vehicle fleet)	47 956	32 884	23 062	13 904	117 806
Borrowings and financial debts	526 505	327 771	105 926	62 927	1 023 129
Total financial liabilities	**574 461**	**360 654**	**128 989**	**76 831**	**1 140 936**
NET EXPOSURE TO TRANSLATION RISK OF NON-EURO COMPANIES	**(451 374)**	**(314 791)**	**(81 595)**	**(64 257)**	**(912 016)**

(ii) *Interest rate risk*

Apart from the investments in bonds of the Euroguard insurance program (see "insurance risk"), the Group does not hold any significant interest-bearing assets. Its income is therefore not subject to interest rate fluctuations.

The Group is exposed to an upward interest rate risk on its variable rate financing: on *revolving* credit lines on the one hand, but also on vehicle leases. Variable rate debt exposes the Group to interest rate cash flow risk. Fixed rate debt exposes the Group to fair value interest rate risk.

In accordance with its hedging policy and in respect of a portion of its financial liabilities (specifically the SARF, RCF, certain bilateral credit facilities and most operating leases) bearing interest at variable rates, the Group hedges a large part of its exposure to fluctuations in the benchmark interest rate, which is generally based on EURIBOR. The Group is also exposed to the risk of fluctuations in various indices such as LIBOR/SONIA/SOFR and/or the local reference rate in jurisdictions outside the euro zone, notably in the UK, the USA and Australia.

The Group performs a dynamic analysis of its interest rate risk exposure. Different scenarios are used to simulate refinancing, rollover of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on the result of a given change in interest rates. For each simulation, the same rate change is used for all currencies. Only liabilities representing the main interest bearing positions are subject to these scenarios.

Based on different scenarios, the Group manages the interest rate cash flow risk by using floating-to-fixed interest rate *swaps* or *caps*. These *swaps have the* effect of converting floating rate debt into fixed rate debt. *Caps* offer protection against increases in EURIBOR or other benchmarks, including SONIA and SOFR

The Group is protected against the risk of rising interest rates through a portfolio of hedging instruments including swaps and caps:

- € 350 million at a fixed rate of 1.10% maturing in December 2024;
- An interest rate swap with a nominal amount of € 250 million (same rate and maturity);
- € 1,700 million at a protected rate of 0.80% maturing in April 2025;
- Caps for a total amount of USD 225 million at a protected rate of 1.75% maturing in February 2024;
- Caps for £450 million at a protected rate of 5% maturing in April 2026.

At the end of the year, the breakdown of borrowings excluding leases by type of interest rate is as follows:

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Non-current liabilities		
Fixed-rate borrowing	989 622	493 274
Borrowing at variable rates	318 274	842 744
Whose variable interest rate is hedged	*286 604*	*795 315*
Whose variable interest rate is not hedged	*31 670*	*47 429*
TOTAL NON-CURRENT LIABILITIES	**1 307 895**	**1 336 018**
Current liabilities		
Fixed-rate borrowing	7 886	5 034
Borrowing at variable rates	1 886 866	2 128 013
Whose variable interest rate is hedged	*1 327 057*	*1 266 458*
Whose variable interest rate is not hedged	*559 810*	*861 555*
TOTAL CURRENT LIABILITIES	**1 894 752**	**2 133 047**

8.4.2 Credit risk

Credit risk is managed at Group level. Credit risk arises from the following:

- cash and cash equivalents;
- derivative financial instruments;
- deposits with banks and financial institutions;
- credit exposures related to car manufacturers and dealers;
- to customer items, including receivables and outstanding commitments.

For banks and financial institutions, only independently rated counterparties are accepted. The use of credit limits is regularly monitored.

Analysis of credit risk related to loans and receivables

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Neither matured nor impaired	640 807	581 224
Due but not impaired	199 206	192 333
Impaired	66 455	76 964
TOTAL	**906 468**	**850 521**

The maximum exposure to credit risk at the balance sheet date is the carrying amount of loans and receivables. The Group does not hold collateral on these instruments.

Loans and receivables that are neither past due nor impaired relate to various independent counterparties that have no recent history of default or anticipated default.

The Group's credit risk exposure to car manufacturers and dealerships arises mainly from:

- the risk of non-recovery of receivables arising from buy-back commitments by manufacturers;
- in direct relation to the previous point, the risk of having to finance these claims;
- the ancillary risk of bankruptcy of a major supplier and the consequent uncertainty of supply.

No single Europcar Group customer will account for 10% or more of the Group's revenue in 2022.

In addition, the Group has taken general measures to control and reduce the credit risk to which the company is exposed, including customer credit limits in the information system, monthly monitoring of automotive manufacturers' ratings, and a process for monitoring and controlling the ageing of receivables. The ageing of loans and receivables that are past due but not impaired, excluding loans and financial receivables, is analysed below:

(in thousands of euros)	**Not yet due**	**Less than 3 months old**	**Expired for 3 to 6 months**	**Expired for more than 6 months**	**Total**
Receivables related to the vehicle fleet	407 163	75 023	3 805	6 282	492 272
Rental receivables	169 744	66 881	16 082	6 864	259 571
Customers	25 698	7 257	612	10 129	43 696
Other receivables	38 202	5 697	568	7	44 474
Total at 31 December 2022	**640 807**	**154 857**	**21 067**	**23 282**	**840 013**

(in thousands of euros)	Not yet due	Less than 3 months old	Expired for 3 to 6 months	Expired for more than 6 months	Total
Receivables related to the vehicle fleet	396 395	55 130	30 711	6 434	488 671
Rental receivables	183 096	48 890	10 446	(1 506)	240 925
Customers	15 116	6 292	923	19 950	42 281
Other receivables	40 845	8 456	4 612	(605)	53 307
Total at 31 December 2021	**635 452**	**118 768**	**46 693**	**24 272**	**825 185**

8.4.3 Price risk

The Group is not exposed to equity risk due to the insignificant amounts of financial investments it holds, whether classified in the consolidated balance sheet as available-for-sale or carried at fair value through profit or loss. The Group is not directly exposed to commodity price risk; however, it is exposed to the risk associated with the increased cost of ownership of vehicles.

8.4.4 Liquidity risk

The Group is currently monitored by the rating agencies Moody's and Standard & Poor's, which have respectively assigned the ratings described in note 1.2 "Main events of the period". This note also details the refinancing of the corporate financing loans carried out in fiscal 2022.

The following table analyses the Group's financial liabilities, including derivative financial instruments, by maturity band, based on the remaining contractual maturities at the balance sheet date. The amounts presented in the table are undiscounted contractual cash flows. The balances due within one year correspond to the carrying amounts, as the impact of discounting is negligible.

(in thousands of euros)	Book value	Less than a year away		Between 1 and 5 years		Over 5 years		Total	
		Main	Interests	Main	Interests	Main	Interests	Main	Interests
31 December 2022									
Issuance of bonds	497 427	-	15 000	500 000	43 750	-	-	500 000	58 750
Bank loans and finance lease liabilities	1 360 781	562 521	15 015	801 699	227 851	-	-	1 364 220	242 866
Senior Asset-Based Loan	1 282 808	-	39 554	1 296 510	46 645	-	-	1 296 510	86 199
Other loans	182 893	152 861	5 350	28 347	992	-	-	181 208	6 342
Suppliers and debts related to the vehicle fleet	432 916	432 916	-	-	-	-	-	432 916	-
TOTAL FINANCIAL LIABILITIES	**3 756 824**	**1 148 297**	**74 919**	**2 626 556**	**319 238**	**-**	**-**	**3 774 854**	**394 157**

(in thousands of euros)	Book value	Less than a year away		Between 1 and 5 years		Over 5 years		Total	
		Main	Interests	Main	Interests	Main	Interests	Main	Interests
31 December 2021									
Issuance of bonds	496 241	-	15 000	500 000	58 750	-	-	500 000	73 750
Bank loans and finance lease liabilities	1 813 052	1 003 292	47 157	811 308	20 283	-	-	1 814 600	67 440
Senior Asset-Based Loan	1 020 623	-	11 478	1 028 677	22 957	-	-	1 028 677	34 435
Other loans	223 981	179 975	4 499	42 554	1 064	-	-	222 529	5 563
Derivative financial instruments - liabilities	32 679	-	-	-	32 679	-	-	-	32 679
Suppliers and debts related to the vehicle fleet	380 929	380 929	-	-	-	-	-	380 929	-
TOTAL FINANCIAL LIABILITIES	**3 967 505**	**1 564 196**	**78 135**	**2 382 539**	**135 733**	**-**	**-**	**3 946 735**	**213 867**

Revolving credit facilities are classified in the balance sheet as current debt due to their nature.

The following table shows the credit limits and balances with the three main counterparties at the balance sheet date:

(in thousands of euros)	As at 31 December 2022		As at 31 December 2021	
	Credit limit	Retrieved from	Credit limit	Retrieved from
Revolving credit (1)	250 000	41 430	670 000	619 404
Senior loans for fleet financing	2 368 764	1 296 510	1 700 000	1 028 677
Financing other than the senior loan for fleet financing (2)	1 826 425	1 372 295	2 119 934	1 767 708

(1) At 31 December 2022, the amounts drawn down include the Term Loan of € 500 million as well as guarantees given in the context of the Group's operational activities.

(2) Mainly relates to the fleet activities in the UK, Goldcar, Australia, Denmark, Ireland, Spain, Italy and Portugal which are financed through various credit lines other than the senior fleet loan.

8.4.5 Capital risk management

In managing capital, the Group's objective is to safeguard its ability to continue as a going concern in order to provide dividends to shareholders and benefits to other stakeholders while maintaining an optimal structure that minimises the cost of capital. The change of ownership that occurred in 2022 is also described in note 7.

8.4.6 Insurance risk

The Group's operating subsidiaries in France, Portugal, Belgium, Italy, Ireland, Germany and the Netherlands take out a motor liability insurance policy with entities of AIG Europe SA, which reinsures part of the risks with a reinsurance unit hosted by Euroguard, a Protected Cell Company. The Group has a reinsurance cell within Euroguard, which has been consolidated since January 2006. Europcar's local entities finance a significant portion of their risks through a franchise fund system managed *via* another cell within Euroguard acting as a simple fund manager. The funds housed in this unit are also consolidated.

The Spanish, Australian, New Zealand, Danish, Norwegian, Finnish, UK and Fox subsidiaries take out insurance cover in their local markets on a traditional risk transfer model, with or without a deductible.

The Group's objective is to have the various countries and acquisitions subscribe to the motor liability insurance policy with entities of AIG Europe SA. Comparative studies are initiated when policies are renewed.

(i) *Frequency and severity of claims*

The risk that the Group faces in the context of the programs covering its fleet is that of property damage and bodily injury and the related operating loss caused by the driver of a Europcar vehicle to a third party. As motor insurance is compulsory, the risk is initially transferred to the insurer but is partially reinsured and ultimately financed by Europcar through various self-financing techniques.

The cost of liability risks related to Europcar's vehicle fleet depends on the frequency and severity of claims. Europcar has developed a strategy of self-financing frequent risks and effectively transferring serious claims to the insurer (applicable to the main countries in which the Group operates directly, with the exception of Spain, Australia and New Zealand, the United States, Norway, Finland, Denmark:

- the operation of a large fleet of vehicles entails the risk of a multiplicity of claims involving Europcar's motor liability. The cost of these minor claims can be predicted with a satisfactory level of certainty by the actuaries, who include in their projections the variations in activity and the trends observed in the various countries. 500,000 per claim is thus self-insured (for the former Buchbinder entity, this limit is
- the operation of a fleet also entails the occurrence of costlier events of a more random nature, which are essentially bodily injuries caused to a third party involving Europcar's liability. These events cannot be anticipated with a satisfactory level of certainty by the actuaries, which explains why the portion of claims exceeding 500,000 euros is borne by the insurer (respectively 1,000,000 euros for the former Buchbinder entity).

The trend observed in 2022 in the markets where Europcar operates is an inflation in the unit cost of personal injury and property damage. This is due to economic, legal and social factors.

(ii) *Sources of uncertainty in estimating future claims payments*

Claims under the motor liability policies are compensated on a case-by-case basis. The Group, under the self-insurance component of the program, is financially supported for all insured events up to a maximum of EUR 500,000 per claim occurring within the policy period. A portion of the claims that occur during a policy period materialise after the expiry date of that period due to late reporting of certain claims and developments in the period after the policy period (generally due to a deterioration in the victim's health or the judicial nature of the cases). As a result, claims reserves are settled over a long period of time and a larger proportion of these reserves relate to so-called "late claims" (or IBNR - "incurred but not reported").

(iii) *Changes in assumptions and methodology*

For the year 2022, the Group has not changed its key assumptions or methodology for insurance contracts and has incorporated the impacts of inflation on property and casualty costs.

8.5 Derivative financial instruments

(in thousands of euros)	Nominal in thousands of local currency	Index	Qualification	**Fair value at 31/12/2022**	Changes in fair values	Impact on financial result	Equity impact
Interest rate *swaps* maturing in 2022 - 0.94	EUR 1 000 000	EUR 1 month	*Swap* CFH	-	11 666	2 807	8 859
Interest rate *swaps* maturing in 2024 - 1.10%.	EUR 250,000	EUR 6 months	*Swap* CFH	10 728	19 356	148	19 208
Interest rate *caps* maturing in 2022 0.50	EUR 1 700 000	EUR 1 month	Cap CFH	89 908	81 236	(355)	81 591
Rate *caps* maturing in 2024 - 1.75 (1)	USD 225,000	TERM SORF 3 months	Cap CFH	7 382	2 541	(1 470)	4 011
Interest rate caps maturing 2026 - 5.0%.(2)	GBP 450,000	SONIA CAPI	Cap CFH	8 447	2 106	(916)	3 022
Interest rate swap maturing in 2024 - 1.1%.(3)	EUR 350,000	EUR 6 months	Swap Trading	15 019	27 098	27 098	-
TOTAL FINANCIAL INSTRUMENTS				**131 484**	**144 003**	**27 312**	**116 691**

(1) Setting up a hedging instrument associated with the implementation of the US securitisation for USD 225 million via a 1.75% cap maturing in February 2024

(2) Setting up a hedging instrument associated with the implementation of the UK securitisation for £450 million via a 5.0% cap maturing in April 2026.

(3) Derivatives whose characteristics no longer qualify for hedge accounting.

(in thousands of euros)	Nominal	Index	Qualification	**Fair value at 31/12/2021**	Changes in fair values during the year	Impact on financial result	Equity impact
Interest rate *swaps* maturing in 2022 - 0.94	1 000 000	EUR 1 month	*Swap* CFH	(11 666)	13 615	771	10 617
Interest rate *swaps* maturing in 2024 - 1.10%. (1)	250 000	EUR 6 months	*Swap* CFH	(8 755)	5 890	-	5 890
Interest rate *swaps* maturing in 2024 - 1.10%. (1)	350 000	EUR 6 months	*Swap* Trading	(12 258)	7 441	2 263	5 178
Interest rate *caps* maturing in 2022 0.50	600 000	EUR 1 month	Not qualified	19	(18)	(18)	-
Interest rate *caps* maturing in 2025 0.80 (2)	1 700 000	EUR 1 month	CFH caps	8 672	4 404	-	4 404
TOTAL FINANCIAL INSTRUMENTS	**3 900 000**			**(23 988)**	**31 332**	**3 016**	**26 089**

(1) Reduction of the fixed rate from 0.96% to 0.75% for the period maturing on 21 June 2021 and extension of the maturity to 20 December 2024 at a fixed rate of 1.10%.
(2) 1,700 million at a protected rate of 0.8% maturing in April 2025 with coverage having become effective as of October 2022.

All the instruments held by Europcar qualify for hedge accounting and are treated as such in the Group's financial statements, with the exception of the € 350 million interest rate swap which was disqualified in 2021 and whose change in fair value in 2022 was therefore fully recognized as income in the financial result for the year, in the amount of € 27 million (the impact of the disqualification on the income statement for 2021 was not material). The Group also terminated this contract early in February 2023 (see note 14).

The fair value of the CFH instruments, including those put in place in 2022, increased by a total net amount of €117 million during the year, which was recognized in other comprehensive income, and the efficiency tests carried out as of December 31 did not reveal any significant inefficiency.

The fair value of a hedging derivative is fully recognized as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months, and as a current asset or liability when the maturity of the hedged item is less than 12 months.

8.6 Other information on financial assets and liabilities

This note presents the fair value measurement methodology of the Group's financial assets and liabilities. The Group's financial risk management policy is detailed in Note 8.4 "Financial risk management".

The fair value of financial assets and liabilities traded in an active market (such as non-consolidated securities) is measured based on quoted market prices at the balance sheet date. The closing market price used to value the financial assets held by the Group is the current bid price: Level 1 in the fair value hierarchy.

The fair value of financial assets and liabilities that are not traded in an active market (e.g. over-the-counter derivatives) is determined using valuation techniques. The Group uses various methods and assumptions based on market conditions at each reporting date. Quoted market prices or prices provided by market participants for similar instruments are used for long-term debt. Other techniques, such as discounted cash flow estimates, are used to calculate the fair value of other financial assets. The fair value of interest rate *swaps is* determined using the discounted cash flow method: level 2 in the fair value hierarchy.

The carrying amount less the provision for impairment of receivables and payables is assumed to approximate the fair value of these items.

Taking into account the maturity of the financial liabilities, other liabilities and their respective interest rates, management has concluded that the fair value of the financial liabilities approximates their carrying amount, with the exception of the bond maturing in 2026, whose fair value has been determined using quoted prices as at 31 December 2022 on the Euro MTF market.

The fair value of other financial assets and liabilities (investments, other assets, trade payables and trade receivables) approximates their carrying amount due to their short-term maturity.

The fair values of financial assets and liabilities, as well as their carrying amounts in the balance sheet, are detailed below:

Fair value at 31 December 2022 *(in thousands of euros)*	Notes	**Book value**	**Fair value**	**Fair value through profit or loss**	**Fair value through equity**	**Financial instruments at amortised cost**
Lease receivables and other trade receivables	6.2	348 358	348 358	-	-	348 358
Deposits, other receivables and loans	8.1	34 060	34 060	-	-	34 060
Receivables related to the vehicle fleet	4.4	492 309	492 309	-	-	492 309
Total loans and receivables		**874 727**	**874 727**	**-**	**-**	**874 727**
Financial assets carried at amortised cost and other non-current financial assets	8.1	62 445	62 445	-	-	62 445
Deposits and advance payments	8.1	28 897	28 897	-	-	28 897
Restricted cash	8.2	128 504	128 504	128 504	-	-
Cash and cash equivalents	8.2	268 256	268 256	268 256	-	-
Derivative financial instruments - assets	8.5	131 484	131 484	15 018	116 466	-
TOTAL FINANCIAL ASSETS (1)		**1 493 765**	**1 493 765**	**411 778**	**114 466**	**966 070**
Financial liabilities and non-current lease liabilities	8.3.3	1 526 478	1 481 149	-	-	1 481 149
Trade and other payables	6.3	663 736	663 736	-	-	663 736
Liabilities related to the vehicle fleet	4.4	386 277	386 277	-	-	386 277
Other non-current liabilities		12 106	12 106	-	-	12 106
Financial liabilities and current lease liabilities	8.3.3	2 157 716	2 157 716	-	-	2 157 716
TOTAL FINANCIAL LIABILITIES (1)		**4 746 312**	**4 700 984**	**-**	**-**	**4 700 984**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not offset.

Fair value at 31 December 2021 ***(in thousands of euros)***	**Notes**	**Book value**	**Fair value**	**Fair value through profit or loss**	**Fair value through equity**	**Financial instruments at amortised cost**
Customers	6.2.1	336 514	336 514	-	-	336 514
Current deposits and loans	8.1	27 796	27 796	-	-	27 796
Receivables related to the vehicle fleet	4.4	488 671	488 671	-	-	488 671
Deposits, other receivables and loans	6.2.1	29 934	29 934	-	-	29 934
Total loans and receivables		**882 916**	**882 916**	**-**	**-**	**882 916**
Other non-current investments	8.1	437	437	-	437	-
Current financial assets	8.1	20 671	20 671	-	-	20 671
Restricted cash	8.2	127 932	127 932	127 932		
Cash and cash equivalents	8.2	298 883	298 883	298 883		
Derivative financial instruments - assets	8.5	8 672	8 672	-	8 672	
TOTAL FINANCIAL ASSETS (1)		**1 339 510**	**1 339 610**	**426 815**	**9 109**	**903 587**
Bonds and other borrowings	8.3.3	1 545 527	1 558 731	-	-	1 558 731
Suppliers	6.3	573 595	573 595	-	-	573 595
Liabilities related to the vehicle fleet	4.4	307 669	307 669	-	-	307 669
Bank overdraft and current portion of borrowings	8.3.3	2 353 396	2 353 396	-	-	2 353 396
Derivative financial instruments - liabilities	8.5	32 679	32 679	12 258	20 421	-
TOTAL FINANCIAL LIABILITIES (1)		**4 812 866**	**4 826 070**	**12 258**	**20 421**	**4 793 391**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not offset.

Note 9 Employee benefits and share-based payments

a) Employee benefits

The Group provides post-employment benefits to its employees through defined contribution pension plans, defined benefit pension plans, long-term service benefits and incentive and bonus plans.

DEFINED CONTRIBUTION PENSION SCHEMES

A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to an independent entity or pension fund. The Group has no legal or constructive obligation to make additional contributions if the fund does not have sufficient assets to pay all benefits due in respect of the current and prior years. The Group contributes to public schemes and takes out insurance for the benefit of certain employees, which are considered to be defined contribution schemes. Contributions to the plans are recognised as an expense in the period in which the employees render services.

DEFINED BENEFIT PENSION PLANS

Pension plans that do not meet the definition of a defined contribution plan are defined benefit plans. Under the Group's defined benefit pension plan, the amount of pension an employee will receive on retirement is defined by reference to the employee's length of service and final salary.

The Group retains a legal obligation for benefits, even if the plan assets used to fund the defined benefits have been reserved. Plan assets may include assets specifically earmarked for a long-term pension fund.

The Group's net liability for defined benefit pension plans is valued by an independent actuary using the projected unit credit method. This method requires the use of specific actuarial assumptions which are detailed in this note. These actuarial valuations are performed at each balance sheet date by estimating the present value of future benefits earned by employees in return for services rendered in the current and previous years, and incorporating the impact of future salary increases.

Pension plan assets are generally held by separate legal entities and are measured at fair value, as determined at each reporting date.

In accordance with IFRIC 19, the liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. This liability is reclassified as an asset if the fair value of the plan assets exceeds the present value of the obligation.

From one year to the next, the differences between the anticipated liabilities and their re-estimated amounts on the one hand and the expected level of dedicated assets and their actual level on the other hand constitute the actuarial differences, which are accumulated at the level of each pension plan. These actuarial differences may arise either from changes in the actuarial assumptions used at the balance sheet date, or from experience adjustments arising from changes during the year in the assumptions used at the previous balance sheet date.

The Group recognises actuarial gains and losses in other comprehensive income in the statement of comprehensive income in the period in which they arise.

The past service cost is recognised immediately in operating expenses under the heading "Staff costs".

The discounting effects and the expected return on plan assets are recognised in the financial result (see note 9.2).

LONG-TERM BENEFITS

The Group's net liability for long-term employee benefits other than pensions (or post-employment benefit plans) represents future benefits that employees have earned in return for services rendered in the current and prior periods, for example the Médaille du Travail in France and the Jubilee in Germany. The liability, determined using the projected unit credit method, is calculated at its present value. The provision is recognised net of the fair value of all related assets (i.e. all actuarial gains and losses and past service costs are recognised immediately in the consolidated income statement).

INCENTIVE AND BONUS PLANS

The Group recognises a liability and an expense for bonuses and profit-sharing based on a formula that incorporates the profit or loss accruing to Europcar Mobility Group shareholders, taking into account certain adjustments. The Group recognises a provision when it has a contractual obligation.

The related expenses are recorded under Staff costs (see below).

b) Share-based payments

The Group has set up free share plans for the benefit of its executives and certain employees. The fair value of these plans is equal to the value of the free shares at the grant date and takes into account the valuation of the restriction during the lock-up period, if any. These plans give rise to the recognition of a personnel expense spread over the vesting period. The estimate of the expense to be recognised takes into account the staff turnover rate over the vesting period.

9.1 Personnel costs

9.1.1 Personnel costs

Personnel expenses were impacted by the short-time working measures implemented by the Group to mitigate the impact of the health and economic crisis related to the Covid-19 pandemic, in the countries concerned when unavoidable.

(in thousands of euros)	**At 31 December 2022**	At 31 December 2021
Wages and salaries [(1)]	(416 134)	(335 801)
Social security charges	(74 355)	(69 925)
Post-employment benefits	(6 603)	(6 075)
Other elements	3 936	(2 463)
TOTAL PERSONNEL COSTS	**(493 155)**	**(414 265)**

(1) Includes expenses related to bonuses and profit-sharing, as well as IFRS 2 impacts related to free share plans, i.e. an expense of € 1.1 million as of December 31, 2022, including social security charges (compared to an expense of € 0.8 million as of December 31, 2021).

9.1.2 Workforce

in average number of full-time equivalents	**As at 31 December 2022**	As at 31 December 2021
TOTAL NUMBER OF EMPLOYEES	**8 198**	**7 876**

The Group also uses a number of temporary or seasonal employees and outsourced services, mainly for the movement and cleaning of vehicles during peak full stops and in accordance with the applicable legislation in each of the countries in which the Group offers its services. These numbers are not included in the data presented above.

9.2 Employee benefits

The Group has commitments for defined benefit pension plans of € 95.4 million and other employee benefits of € 1.8 million as of December 31, 2022, representing a total commitment of € 97.2 million:

	As at 31 December 2022			As at 31 December 2021		
(in thousands of euros)	**Defined benefit pension plans**	**Other employee benefits**	**Total**	Defined benefit pension plans	Other employee benefits	Total
Not current	(91 189)	(1 767)	(92 956)	(140 509)	(1 997)	(142 506)
Current	(4 211)		(4 211)	(2 204)		(2 204)
TOTAL	**(95 400)**	**(1 767)**	**(97 167)**	**(142 713)**	**(1 997)**	**(144 710)**

The note below shows the development of the defined benefit pension plans only.

9.2.1 Breakdown of net liabilities recorded in the balance sheet

The Group has liabilities for the benefit of certain employees on retirement in the UK, France, Germany, Italy and Belgium.

(in thousands of euros)		**As at 31 December 2022**	As at 31 December 2021
Present value of funded or partially funded liabilities	(A)	(56 003)	(79 346)
Fair value of plan assets	(B)	64 169	81 280
Closing surplus/(deficit) (1)		**8 167**	**1 934**
Present value of unfunded liabilities	(C)	(103 567)	(144 646)
Net liabilities at the end of the period	(D)	**(95 400)**	**(142 713)**
Of which:			
Liability recorded in the balance sheet in the amount of		(107 511)	(142 713)
Asset recorded in the balance sheet in the amount of		12 110	-

(1) € 12,110 thousand which has been reclassified as an individual asset in the balance sheet due to this debit position (see asset/liability breakdown at the bottom of the table).

9.2.2 Change in net liabilities recorded in the balance sheet

(in thousands of euros)	**2022**	2021
Net liabilities at 1 January	(142 713)	(167 675)
Regulations	955	444
Contributions paid	2 110	1 574
Benefits paid	3 745	4 224
Service cost, interest cost and expected return on plan assets	(4 583)	(4 257)
Actuarial gains and losses recognised in equity (1)	44 055	21 832
Expected return	1 385	1 041
Translation and other changes	(353)	103
NET LIABILITIES AT THE END OF THE PERIOD (D)	**(95 400)**	**(142 713)**

(1) In 2022, the pension liabilities have been revalued by € 35.7 million in Germany, by € 5 million in the other Eurozone countries and by € 2.7 million in the United Kingdom mainly due to the evolution of the discount rate. The discount rate has increased from 0.90% at 31 December 2021 to 3.75% at 31 December 2022 in the Eurozone and from 1.90% to 4.85% in the UK.

9.2.3 Change in liabilities

(in thousands of euros)		**As at 31 December 2022**	As at 31 December 2021
Commitments as of 1 January		(223 514)	(236 949)
Regulations		955	445
Benefits paid		6 404	7 846
Cost of services		(2 015)	(2 462)
Financial cost		(2 568)	(1 795)
Actuarial gains and losses recognised in equity		61 747	13 664
Translation and other changes		(578)	(4 262)
COMMITMENTS AT THE END OF THE PERIOD	**(A)+(C)**	**(159 569)**	**(223 514)**

9.2.4 Changes in assets

(in thousands of euros)		**As at 31 December 2022**	As at 31 December 2021
Fair value of plan assets at 1 January		81 280	69 274
Contributions paid		2 110	1 575
Benefits paid		(2 659)	(3 622)
Expected return on plan assets		1 385	1 041
Actuarial gains and losses recognised in equity		(17 692)	8 291
Conversion and other differences		(254)	4 721
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**(B)**	**64 169**	**81 280**

9.2.5 Nature of plan assets by geographical area

	2022		2021	
(average in %)	**Euro zone**	**United Kingdom**	Euro zone	United Kingdom
Actions	0%	0%	0 %	30 %
Bonds	0%	83%	0 %	20 %
Other instruments	100%	17%	100 %	50 %

9.2.6 Defined benefit expense recognised in the income statement

(in thousands of euros)	**2022**	2021
Cost of services rendered	(2 015)	(2 462)
Financial cost	(2 568)	(1 795)
Expected return on plan assets	1 385	1 041
Past service cost	-	-
Discounts/settlements	1 194	400
DEFINED BENEFIT EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(2 004)**	**(2 816)**

The expense is recognised in "Staff costs", as analysed in Note 7, except for the interest cost and the expected return on plan assets which amount to EUR 1.1 million. In the three main countries (France, Germany and the United Kingdom), the estimated expense recognised in the income statement for the year 2023, based on assumptions as at 31 December 2022, would amount to

9.2.7 Actuarial assumptions

The Group's liabilities are valued by an independent actuary on the basis of assumptions at the balance sheet date which are periodically reviewed. These assumptions are shown in the table below:

	2022			2021		
	Eurozone Except Germany[(1)]	**Germany**	**United Kingdom**	Eurozone Except Germany[(1)]	Germany	United Kingdom
Discount rate	3,75%	3,75%	4,85%	0,90%	0,90%	1,90%
Inflation rate	From 2.00% to 5.90%.	2,30%	3,30%	From 1.20% to 2.70%.	1,90%	3,45%
Anticipated rate of wage growth	From 2.50% to 5.93%.	4,00%	-	From 1.70% to 3.50%.	2,00%	-
Anticipated rate of pension growth	From 0.00% to 1.75%.	2,30%	3,00%	From 0.00% to 1.75%.	1,75%	3,35%
Expected return on plan assets	3,75%	NA	4,85%	0,45%	NA	1,90%

(1) The euro area covers the schemes in Italy, France and Belgium, expressed as a weighted average.

The discount rate represents the yield at the balance sheet date on bonds with a minimum rating of AA and maturities approximating the Group's liabilities.

A 0.25% increase in the discount rate would result in a decrease in the obligation of € 4.4 million while a 0.25% decrease in the discount rate would result in an increase in the obligation of € 4.8 million.

The estimated return on plan assets has been determined on the basis of long-term bond interest rates. All plan assets are allocated to UK and Belgian employees.

The assumption on long-term returns on plan assets is based on the discount rate used to value the defined benefit obligation.

Assumptions about future mortality rates are based on good practice and are consistent with published statistics and country experience.

9.2.8 Actuarial gains and losses recognised directly in equity (net of deferred tax)

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Cumulative amount at opening	(57 894)	(74 886)
Gain/(loss) recognised during the period	31 919	16 337
CUMULATIVE CLOSING AMOUNT	**(25 975)**	**(58 549)**

9.2.9 Experience-related adjustments

(in thousands of euros)	**As at 31 December 2022**	As at 31 December 2021
Present value of liabilities	(40 109)	(65 664)
Fair value of plan assets	52 219	73 571
(Surplus)/deficit	12 110	7 906
Experience adjustments - liabilities	-	-
Experience adjustments - assets	(18 040)	(8 183)

9.3 Share-based payments

On 20 March 2019, the Supervisory Board reviewed and authorised the main terms and conditions of a free share allocation plan to be implemented in 2019 in favour of the members of the Management Board, senior executives as well as certain other executives of the Group (the "2019 AGM Plan").

Europcar's Annual General Meeting of Shareholders of 26 April 2019, in the 32e resolution, authorised the implementation of a free performance share allocation plan for certain employees and managers of the Group.

The vesting of these performance shares, at the end of a three-year vesting period, is subject to a condition of presence in the Group on the vesting date and to the achievement of performance conditions for the financial years ending 31 December 2019, 31 December 2020 and 31 December 2021, linked to the cumulative Group Sales, the average Corporate EBITDA margin and a relative TSR (*Total Shareholder Return).*

Furthermore, following the three (3) year vesting period, no retention period for the free shares is foreseen.

The number of shares initially granted was 968,000. In 2022, the 792,000 free shares related to the AGA 19 Plan that were still vesting on 31 December 2021 were distributed.

The details of the free share plan are as follows:

	Type of plan	Date of award	Number of shares allocated	In the process of being acquired	Duration of the vesting period	Period vesting	Fair value of shares *(in €)* (1)
AGM 19	Free shares	22 May 2019	573 000	478 000	3 years	22 May 2022	5,92
AGM 19	Free shares	4 November 2019	395 000	314 000	3 years	4 November 2022	2,90

(1) Fair value at grant date.

The employer's contribution at the rate of 20% was calculated on the basis of the fair value of the shares as estimated at the date of grant.

The movements relating to the vesting of free shares in the years 2022 and 2021, for which IFRS 2 "Share-based Payment" is applicable, are as follows:

	Number of shares
In the process of being acquired at 1 January 2021	**1 698 681**
Granted	-
Cancelled	(698 467)
Delivered	(208 214)
Under acquisition at 1 January 2022	792 000
Granted	-
Cancelled	-
Delivered	(792 000)
IN THE PROCESS OF BEING ACQUIRED AT 31 DECEMBER 2022	**0**

At 31 December 2022, the impact on the income statement in respect of services received is an expense of € 1.1 million, compared with an expense at 31 December 2021 of € 0.8 million. The counterparty is recognised in equity.

MAIN ASSUMPTIONS USED FOR THE VALUATION OF THE PLANS

The weighted average fair value of the shares granted was determined at the date of grant using a Monte Carlo simulation model. The dividend rate was 3%. The grant date fair value was calculated by restating the amount of dividends discounted over the vesting period of the plan.

Note 10 Provisions, risks and disputes

A provision is recognised in the balance sheet when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. If the impact is material, provisions are determined by discounting the estimated future cash flows using a pre-tax rate that reflects the market's assessment of the time value of money and, where appropriate, the risks specific to the liability.

An actuarially determined provision is made for the estimated value of uninsured losses arising from known and unknown claims. Where these claims are expected to be settled over a long period of time, the provision made represents the present value of the estimated expenditure required to settle the obligation. The recoverability of any excess of prepaid premiums over estimated liabilities is assessed and a provision made if necessary.

In the normal course of business, the Group may be subject to legal proceedings or investigations in connection with compliance with laws and regulations in various jurisdictions, including some by tax or competition authorities. The Group generally records a provision when a risk represents a probable cash outflow to a third party for no consideration and the loss that may result can be estimated with sufficient reliability.

A provision is made for the costs of buying back and refurbishing vehicles over the period of ownership.

10.1 Provisions

(in thousands of euros)	Provisions for claims	Provisions for reconditioning	Other provisions	Total
Balance at 1 January 2021	**106 187**	**26 982**	**91 898**	**225 068**
Increases	79 386	74 312	23 612	177 310
Uses	(76 175)	(50 449)	(12 564)	(139 188)
Takeovers	-	-	(12 919)	(12 919)
Changes in the scope of consolidation		-	-	-
Transfers	990		-	990
Impact of translation differences	1 843	389	3 347	5 579
Balance at 31 December 2021	**112 232**	**51 234**	**93 374**	**256 840**
Not current			*10 368*	*10 368*
Current	*112 232*	*51 234*	*83 007*	*246 472*
Total provisions	**112 232**	**51 234**	**93 374**	**256 840**
Balance at 1 January 2022	**112 232**	**51 234**	**93 374**	**256 840**
Increases	90 950	123 562	39 630	254 142
Uses	(66 939)	(117 459)	(17 154)	(201 552)
Takeovers	-	-	(14 071)	(14 071)
Changes in the scope of consolidation	-	-	-	-
Transfer	-	2 316	(716)	1 600
Impact of translation differences	(1 387)	(783)	(2 631)	(4 801)
BALANCE AT 31 DECEMBER 2022	**134 856**	**58 869**	**98 431**	**292 156**
Not current			*3 311*	*3 311*
Current	*134 856*	*58 869*	*95 120*	*288 845*
TOTAL PROVISIONS	**134 856**	**58 869**	**98 432**	**292 156**

(i) *Provisions for claims*

These provisions mainly concern the insurance risks detailed in the "Financial risk management" paragraph. For the self-financed portion of the motor liability risk, Europcar establishes a cost schedule each year that includes the cost of insurance, brokerage, taxes and the cost of the financed portion of the car by country. The cost is established per rental day and is included in the budget instructions sent to countries at the end of the year. On the basis of this cost per rental day, the Europcar entities make provisions for the costs of the financed part of the car, which will enable claims to be paid when compensation is actually due to third parties.

(ii) *Provisions for reconditioning*

The provisions for refurbishment relate to costs to be incurred in respect of the existing fleet at the end of contracts with a buy-back clause.

Indeed, Europcar acquires a large proportion of its vehicles from car manufacturers with buy-back commitments from them at the end of the contract. These contracts generally stipulate that the vehicles must be returned after a certain period (less than 12 months) and in a certain "state" (mileage, cleanliness, etc.). As a result, the group has an obligation to the manufacturers under these contracts and makes provision for the cost of refurbishing the vehicles in the fleet at the balance sheet date. This cost is not based on specific assumptions but is determined using statistics compiled by the Fleet Department over the last 6 to 12 months.

(iii) *Other provisions*

Other provisions mainly include:

- provisions for risks and liabilities related to damaged vehicles financed through operating leases;
- restructuring costs (personnel costs and costs related to the relocation of the head office);
- litigation costs, which include disputes with franchisees, labour disputes and claims.

10.2 Risks and disputes

In the normal course of business, the Group becomes involved in legal, administrative or regulatory proceedings. Under the accounting standards applicable to the Group, a provision is recognised in the balance sheet when the Group has an obligation as a result of a past event, it is possible that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

The main disputes and proceedings that are ongoing or have developed during the period are as follows

10.2.1 Investigation by Leicester City Council's *Trading Standards Services*

On 23 June 2017, Leicester City Council's *Trading Standards Services* opened an investigation into Europcar UK for breaching *Regulation* 9 of the *Consumer Protection from Unfair Trading Regulations 2008*, based on allegations that Europcar UK (i) charged its customers, without their consent, for repairs to vehicles in cases where the damage was disputed, and (ii) charged excessive amounts, in excess of the cost of the repairs. Europcar UK is cooperating with the investigating authorities. Europcar UK has agreed with the Trade Practices Inspectorate the list of documents to be submitted by the company and has appointed Deloitte to carry out this task. The results of Deloitte's investigations were presented to the Trade Practices Inspectorate in November 2018.

The Leicester Trade Practices Inspectorate investigations are ongoing and the Group continues to cooperate fully with the authorities. There has not been any recent contact from Trading Standards on this matter.

In its financial statements as at 31 December 2017, the Group recorded a provision of £38 million (€43 million) as a non-recurring expense. This amount continues to represent the Group's best estimate, based on a number of assumptions, including the assumption that the pricing practices would be misleading under Article 9 of the Consumer Protection from Unfair Trading Regulations 2008 and potential inappropriate behaviour in the recharging of repair costs to customers. Based on the latest available information, the Group continues to hold the provision of £38 million (€45 million) at 31 December 2022.

10.2.2 Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U. - Italian Competition Authority (AGCM)

On 30 May 2019, the ICA conducted a site visit as part of an investigation into various consumer complaints of unlawful practices. The hearing took place on 1 August 2019 and on 4 November 2019, the ICA entered a condemnation procedure and imposed a fine of €3,400,000 which was paid for non-compliance with its previous decision. Goldcar appealed this decision on 27 December 2019 before the Administrative Court of Lazio. The Group continues to wait for confirmation of a court date to hear this appeal.

10.2.3 Fire in a car park in Paris: criminal proceedings and civil liability action (insurance)

On 12 November 2014, a fire broke out in a Europcar garage located at 88, rue de la Roquette in Paris. The fire destroyed all 77 vehicles that were parked in the garage (the net loss recorded at this stage amounts to €1.1 million) and damaged the integrity of the building's structure. The public prosecutor has opened a criminal investigation (criminal proceedings). At the same time, Europcar France and its insurer, AIG EUROPE Limited, initiated proceedings against the owner of the garage, his insurer, the building's co-owners' association and the French Diabetes Association, before the President of the Paris Tribunal de Grande Instance to request the appointment of an expert to determine the origin of the fire and to assess the amount of the damage suffered by each of the parties (civil proceedings). The criminal proceedings were closed by the investigating magistrate on 24 November 2016. The decision to close this case was based on the fact that the judicial investigation did not determine the cause of the fire and that the expert report ordered by the investigating magistrate indicated that the fire was probably caused by an electrical fault in a vehicle. The expert report ordered in the civil proceedings is still pending. Europcar France has brought a professional liability action against the experts named in these proceedings.

ALLIANZ Iard brought an action against Europcar France and AIG before the Commercial Court of Nanterre on the basis of the law of 5 February 1985 in order to obtain a joint order to pay the sum of 3,902,743.37 euros, Europcar and AIG asked the Court to stay the proceedings pending the decision of the Court of Appeal in the dispute over the liability of the experts. In July 2020, Europcar's professional liability claim against the experts was dismissed by the Paris Court of First Instance, a judgment against which Europcar has appealed. There were no new events during the 2022 financial year.

10.2.4 Litigation against GEFION regarding Charterline's vehicle insurance coverage

Charterline Fuhrpark Service GmbH concluded insurance cover for its vehicle fleet with the insurer GEFION (third-party liability and damage) in 2018 for up to 16,058 vehicles. GEFION stopped honouring the damage reimbursements and terminated the contract in February 2019. Charterline then had to terminate the contract in February 2019 and had to compensate for the missed reimbursements by not paying premiums to GEFION in return for the period from February 2019 to December 2019. In the meantime, Charterline filed 321 individual claims with the District Court of Bad Kreuznach at the end of June 2019 for an amount of €620,000. To date, more than 13,000 claims have not been honoured (including those brought before the court). GEFION filed a counterclaim requesting the termination of the insurance contract and thus the reimbursement of all compensation already paid to Charterline. On 03 April 2020, the court rejected all of Charterline's arguments and ruled that the framework agreement was void and demanded full reimbursement of all insurance benefits paid. The appeal was filed. The hearing before the Koblenz Regional Court took place on 31 March 2021. The court annulled the first decision and rejected GEFION's claims. The parties are waiting for the Supreme Court to decide whether to accept the case on the basis of GEFION's complaint of non-admission.

In January 2023, the Federal Court of Justice rejected the appeal for non-admission in favour of EMobG Services Germany GmbH (renamed following the merger of Charterline into EMobG Services Germany GmbH) so insurance benefits should still be received, though the premiums remain payable to GEFION. The Financial statements accurately reflect this position with a gross receivable for insurance benefits and a payable for premiums due to GEFION. On 5 July 2022, the court decided in favour of AXA which AIG and Europcar have appealed. AIG have agreed that it will provide guaranteed cover to Europcar against this risk.

Note 11 Related parties

According to the definition in IAS 24, a related party is, inter *alia*, a party that can exercise control or significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted under normal market conditions. Several members of the Group's management and Supervisory Board are members of the controlling bodies of companies with which Europcar Mobility Group S.A. has relationships in the normal course of business. All transactions with these companies are carried out under normal market conditions.

11.1 Transactions with companies having a significant influence on the Group

In the 2022 financial year, the Volkswagen Group has exercised significant influence over Green Mobility Holding, which has become the majority shareholder of Europcar Mobility Group (see Note 1.2 "Key events of the period").

During the 2022 exercise, EMG contracted a loan from the Volkswagen Group for € 500 million, as readable in Note 8.3 "Financial liabilities".

The Group periodically enters into fleet acquisition agreements with Volkswagen Group and PON which are transacted on an arm's length basis.

In the financial year 2022, the Group did not carry out any significant transaction with Green Mobility Holding apart from € 1 million of re-invoicing of costs following its acquisition.

11.2 Transactions with companies over which the Group exercises significant influence

As at 31 December 2022, the Group had not carried out any significant transactions with companies over which Europcar Mobility Group exercises significant influence.

11.3 Compensation of key executives

Employee salaries and short-term benefits include salaries, wages and payroll taxes and are presented below:

(in thousands of euros)	**2022**	2021
Employee salaries and short-term benefits	4 495	974
Termination indemnities	1 984	-
TOTAL	**6 479**	**974**

In fiscal year 2022, Europcar Mobility Group paid compensation of €345 thousand to members of the Supervisory Board and the Board of Directors as Directors' fees and other compensation (compared with €463 thousand in the previous year).

Note 12 List of consolidated entities

Company name	Head office (city)	Country	Consolidation method [1]	% interest	control % of control
Parent company					
Europcar Mobility Group SA	Paris	France	FC		
Information on consolidated companies					
Europcar International S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
EC 4 S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Europcar Holding S.A.S.	Paris	France	FC	100,0 %	100,0 %
Europcar Lab S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Europcar Lab UK Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
E-Car Club Holding Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
E-Car Club	Leicester	United Kingdom	FC	100,0 %	100,0 %
Europcar Participations S.A.S.U.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo International S.A.S.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo France S.A.S.	Paris	France	FC	100,0 %	100,0 %
Ubeeqo BV	Zaventem	Belgium	FC	100,0 %	100,0 %
Ubeeqo GmbH	Berlin	Germany	FC	100,0 %	100,0 %
Guidami S.r.L.	Milan	Italy	FC	100,0 %	100,0 %
Dos Palos Spain S.L	Madrid	Spain	FC	100,0 %	100,0 %
Blue Sostenible S.L.	Madrid	Spain	FC	100,0 %	100,0 %
Securitifleet Holding S.A.	Paris	France	FC	99,30 %	8,26 %
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	0,0 %	0,0 %
EC Finance Plc	London	United Kingdom	FC	0,0 %	0,0 %
FCT Sinople	Paris	France	FC	0,0 %	0,0 %
Europcar France S.A.S.	Paris	France	FC	100,0 %	100,0 %
Securitifleet France S.A.S.U.	Paris	France	FC	99,30 %	8,26 %
Securitifleet Location S.A.S.U.	Rouen	France	FC	99,30 %	8,26 %
Parcoto Services S.A.S	Rouen	France	FC	100,0 %	100,0 %
Monaco Auto Location SAM	Monaco	Monaco	FC	100,0 %	100,0 %
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100,0 %	100,0 %
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100,0 %	100,0 %
Securitifleet GmbH	Hamburg	Germany	FC	100,0 %	5,41 %
Europcar S.A.	Zaventem	Belgium	FC	100,0 %	100,0 %
InterRent S.a.r.l	Luxembourg	Luxembourg	FC	100,0 %	100,0 %
Europcar IB S.A.	Madrid	Spain	FC	100,0 %	100,0 %
Securitifleet S.L.	Madrid	Spain	FC	100,0 %	0,40 %
Ultramar *Cars* S.L.	Madrid	Spain	FC	100,0 %	100,0 %
LC EC Participations Investments S.L.U	Madrid	Spain	FC	100,0 %	100,0 %
Car Rentals TopCo S.L.	Alicante	Spain	FC	100,0 %	100,0 %
GoldCar Spain S.L.U.	Alicante	Spain	FC	100,0 %	100,0 %
Goldfleet Spain SLU	Alicante	Spain	FC	100,0 %	100,0 %
Goldcar FleetCo Italy S.P.A.	Laives	Italy	FC	100,0 %	100,0 %
Goldcar FleetCo France S.A.R.L	Vitrolles	France	FC	100,0 %	100,0 %
Goldhire Portugal SLU	Faro	Portugal	FC	100,0 %	100,0 %
Goldcar Italy S.r.l.	Laives	Italy	FC	100,0 %	100,0 %
Goldfleet Italy S.p.A	Laives	Italy	FC	100,0 %	100,0 %
Goldcar France S.A.R.L	Vitrolles	France	FC	100,0 %	100,0 %
Goldcar Rental D.O.O.	Zagreb	Croatia	FC	100,0 %	100,0 %
Goldcar Master S.L.U.	Alicante	Spain	FC	100,0 %	100,0 %
Goldfleet France S.A.S	Rouen	France	FC	100,0 %	100,0 %
Goldfleet Location S.A.S	Rouen	France	FC	100,0 %	100,0 %
Europcar Italia S.p.A.	Bolzano	Italy	FC	100,0 %	100,0 %
Securitifleet S.p.A.	Bolzano	Italy	FC	99,32 %	13,76 %
Europcar Lab Italia S.R.L	Milan	Italy	FC	100,0 %	100,0 %
Europcar Internacional Aluguer de Automoveis S.A.	Lisbon	Portugal	FC	100,0 %	100,0 %
Europcar Longa Duracao	Lisbon	Portugal	FC	100,0 %	100,0 %
Europcar UK Limited	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental EMEA *Holdings* Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental *Holdings* Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Brucar Ltd	Leicester	United Kingdom	FC	100,0 %	0,0 %

Company name	Head office (city)	Country	Consolidation method [1]	% interest	control % of control
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Brunel Group *Holdings* Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
A&A Prestige Chauffeurs Ltd	Leicester	United Kingdom	FC	100,0 %	0,0 %
Brunel *Corporate* Facilities Ltd	Leicester	United Kingdom	FC	100,0 %	0,0 %
Goldcar Rental UK	Leicester	United Kingdom	FC	100,0 %	100,0 %
Securitifleet UK Limited	Leicester	United Kingdom	FC	0,0 %	0,0 %
Europcar Securitifleet UK Issuer PLC	Leicester	United Kingdom	FC	0,0 %	0,0 %
Securitifleet UK Holdings Limited	Leicester	United Kingdom	FC	0,0 %	0,0 %
Euroguard insurance Company Pcc limited	Gibraltar	Gibraltar	FC	100,0 %	100,0 %
Europcar Holding Property Ltd	Melbourne	Australia	FC	100,0 %	100,0 %
Europcar Australia Pty Ltd	Victoria	Australia	FC	100,0 %	100,0 %
Goldcar Rental New Zealand Ltd	Christchurch	New Zealand	FC	100,0 %	100,0 %
EC New Zealand Ltd	Christchurch	New Zealand	FC	100,0 %	100,0 %
Executive Trust Limited	Dublin	Ireland	FC	100,0 %	100,0 %
Irish Car Rentals Limited	Dublin	Ireland	FC	100,0 %	100,0 %
Interrent Oy	Vantaa	Finland	FC	100,0 %	100,0 %
Interrent AS	Hovik	Norway	FC	100,0 %	100,0 %
Europcar Mobility Group Denmark A/S	Aarhus	Denmark	FC	100,0 %	100,0 %
Europcar Mobility Group USA LLC	Delaware	United States	FC	100,0 %	100,0 %
Euroguard (DFA)	Gibraltar	Gibraltar	FC	100,0 %	100,0 %
Europcar Services SA	Lisbon	Portugal	FC	100,0 %	100,0 %
Europcar Nederlands BV	Amsterdam	Netherlands	FC	100,0 %	100,0 %
Fox Rent A Car Inc.	Tulsa	United States	FC	100,0 %	100,0 %
Fox Reservation System Inc.	Tulsa	United States	FC	100,0 %	100,0 %
EMGFX Vehicle Financing LLC	Tulsa	United States	FC	100,0 %	100,0 %
EMGFX LLC	Tulsa	United States	FC	100,0 %	100,0 %
Nordcar Finance A/S	Silkeborg	Denmark	FC	100,0 %	100,0 %

(1) FC: fully consolidated.

Consolidated *Special Purpose* Entities

In the context of the securitisation programme relating to part of the fleet financing in Germany, the United Kingdom, France, Italy and Spain, *special purpose* entities called Securitifleet and Goldfleet have been created in each of these countries and are either wholly owned or controlled (with a shareholding of over 90%) by one of the following *special purpose* entities: "Securitifleet Holding S.A." or "Securitifleet Holding Bis S.A.S.", both registered in France, and "Securitifleet UK Holdings Limited" registered in the United Kingdom. The Group consolidates all Securitifleet and Goldfleet entities, i.e. the seven local Securitifleet companies and four local Goldfleet companies (in France, Italy and Spain), as well as the three Securitifleet *holding* companies, which were created with specific objectives defined by Europcar Group.

The Group's operating subsidiaries in France, Portugal, Belgium, Italy, Ireland and Germany take out an insurance policy with entities that reinsure part of the risks with a reinsurance cell hosted by Euroguard, a Protected Cell Company. The Group has a reinsurance cell within Euroguard. Europcar's local entities (France, Portugal, Belgium, Italy) finance a significant part of the risks through a deductible financing system managed *via* another cell within Euroguard acting as a simple fund manager. The funds hosted in this unit are also consolidated.

Note 13 Audit fees

The EU legislation to reform the statutory audit market adopted by the EU Directive 2014/56/EU and transposed to the French law under an ordinance dated March 17, 2016, has been applicable since June 17, 2016. This new legislation introduced the category of “Non-Audit services” instead of “Other diligences and services directly related to the Statutory Auditors’ role”.

(in thousands of euros)	Pricewaterhouse Coopers (PwC) Audit 2022	PwC Network 2022	**PwC 2022**	Mazars SA 2022	Mazars Network 2022	**Mazars 2022**	**Total 2022**
Audit of statutory and consolidated accounts	**535**	**905**	**1 440**	**479**	**689**	**1 168**	**2 608**
of which Europcar Group	*286*	*-*	*286*	*236*	*-*	*236*	*522*
of which fully consolidated subsidiaries	*249*	*905*	*1 154*	*243*	*689*	*932*	*2 086*
Non-audit services	**187**	**104**	**291**	**141**	**60**	**201**	**492**
of which Europcar Group	118	-	118	141	-	141	259
of which fully consolidated subsidiaries	69	104	173	-	60	60	233
TOTAL	**722**	**1 009**	**1 731**	**620**	**749**	**1 369**	**3 100**
of which Europcar Group	404	-	404	377	-	377	781
of which fully consolidated subsidiaries	318	1 009	1 327	243	749	992	2 319

(in thousands of euros)	Pricewaterhouse Coopers (PwC) Audit 2021	PwC Network 2021	PwC **2021**	Mazars SA 2021	Mazars Network 2021	Mazars **2021**	Total **2021**
Audit of statutory and consolidated accounts	**495**	**786**	**1,281**	**329**	**734**	**1,063**	**2,344**
of which Europcar Group	*257*	*-*	*257*	*223*	*-*	*223*	*480*
of which fully consolidated subsidiaries	*238*	*786*	*1,024*	*106*	*734*	*840*	*1,864*
Non-audit services (1)	**70**	**114**	**184**	**98**	**-**	**98**	**282**
of which Europcar Group	*70*	*-*	*70*	*98*	*-*	*98*	*168*
of which fully consolidated subsidiaries	*-*	*114*	*114*	*-*	*-*	*-*	*114*
TOTAL	**565**	**900**	**1,465**	**427**	**734**	**1,161**	**2,626**
of which Europcar Group	327	0	327	321	0	321	648
of which fully consolidated subsidiaries	238	900	1,138	106	734	840	1,978

(1) Non-audit services mainly related to the Group's financing operations and the redesign of the digital service for the network.

Note 14 Subsequent events

- **Ratings**

S&P
On 31 January 2023, S&P upgraded the Group's rating from B positive outlook to B+ stable outlook.

Moody's
On 3 February 2023, Moody's affirmed the Group's rating of B3 and raised the outlook from stable to positive.

- **Early settlement of a hedging instrument**

In February 2023, the Group terminated early the €350 million interest rate swap contract which had not been eligible for hedge accounting since 2021, and whose contractual maturity date was December 31, 2024. This termination resulted in the Group receiving a cash payment of approximately €14 million, corresponding to the fair value of the instrument at the date of treatment, plus accrued interest, and will not have a material impact on the results of the 2023 financial year. However, the amount of unrealized losses recognized in equity at the date of disqualification and not yet amortized has been fully recycled to 2023 financial income (loss), with an offsetting entry in other comprehensive income, in the amount of €7.5 million.