

Europcar Mobility Group S.A.

Unaudited Interim condensed consolidated financial statements

for the six months ending
June 30, 2023

CONSOLIDATED INCOME STATEMENT

| <i>In thousands of euros</i> | | As of June 30, 2023 | As of June 30, 2022 |
|--|--------------|------------------------|------------------------|
| | Notes | | |
| Revenue | | 1,412,073 | 1,400,133 |
| Fleet holding costs | 5.2 | (374,863) | (314,168) |
| Fleet operating, rental and revenue related costs | 5.3 | (457,068) | (452,282) |
| Personnel costs | 10 | (251,738) | (235,412) |
| Network and head office overhead costs | | (126,136) | (111,995) |
| Depreciation, amortization and impairment expenses | 4.1 | (81,453) | (82,646) |
| Other income | | 47 | 3,028 |
| Current operating income | | 120,862 | 206,658 |
| Other non-recurring expenses | 4.2 | (25,081) | (40,735) |
| Operating income | | 95,781 | 165,923 |
| Net fleet financing expenses | | (49,802) | (56,394) |
| Net non-fleet financing expenses | | (24,519) | (20,831) |
| Net other financial expenses | | (29,649) | (849) |
| Net financing costs | 4.3 | (103,971) | (78,074) |
| Profit/(loss) before tax | | (8,190) | 87,849 |
| Income tax benefit/(expense) | 4.4 | (21,857) | (7,295) |
| Net profit/(loss) for the period | | (30,047) | 80,554 |
| Attributable to: | | | |
| Owners of Europcar Mobility Group | | (30,017) | 80,628 |
| Non-controlling interests | | (29) | (74) |

STATEMENT OF COMPREHENSIVE INCOME

| <i>In thousands of euros</i> | As of June 30, 2023 | | | As of June 30, 2022 | | |
|--|------------------------|-----------------|-----------------|------------------------|-----------------|----------------|
| | Before tax | Tax | After tax | Before tax | Tax | After tax |
| Net profit/(loss) for the period | (8,190) | (21,857) | (30,047) | 87,849 | (7,295) | 80,554 |
| Items that will not be reclassified to profit or loss | - | - | - | 54,227 | (16,269) | 37,958 |
| Actuarial gains/(losses) on defined benefit pension schemes | - | - | - | 54,227 | (16,269) | 37,958 |
| Items that may be reclassified subsequently to profit or loss | 8,480 | 9 490 | 17,970 | 56,825 | - | 56,825 |
| Foreign currency differences | (1,200) | - | (1,200) | 5,171 | - | 5,171 |
| Effective portion of changes in fair value of hedging instruments | 9,680 | 9 490 | 19,170 | 51,654 | - | 51,654 |
| Other comprehensive income for the period | 8,480 | 9 490 | 17,970 | 111,052 | (16,269) | 94,783 |
| Total comprehensive income/(loss) for the period | 290 | (12,367) | (12,077) | 198,901 | (23,564) | 175,337 |
| Attributable to: | | | | | | |
| Europcar Mobility Group | | | (12,047) | | | 175,411 |
| Non-controlling interests | | | (29) | | | (74) |

CONSOLIDATED BALANCE SHEET

| <i>In thousands of euros</i> | | As of June 30, 2023 | As of December 31, 2022 |
|---|--------------|--------------------------------|------------------------------------|
| Assets | | | |
| | <i>Notes</i> | | |
| Goodwill | 6.1 | 1,004,153 | 1,004,965 |
| Intangible assets | 6.2 | 961,050 | 954,706 |
| Property, plant and equipment | | 390,685 | 408,402 |
| Financial instruments | 9.1 | 118,656 | 131,484 |
| Other non-current financial assets | 9.1 | 55,461 | 65,960 |
| Employee benefit assets | | 12,819 | 12,110 |
| Deferred tax assets | | 47,411 | 48,491 |
| Total non-current assets | | 2,590,234 | 2,626,118 |
| Inventory | | 23,271 | 21,428 |
| Rental fleet recorded on the balance sheet | 5.1 | 3,610,831 | 3,021,257 |
| Rental fleet and related receivables | 5.4 | 609,453 | 609,841 |
| Trade and other receivables | | 466,788 | 441,329 |
| Current financial assets | 9.1 | 25,399 | 24,834 |
| Current tax assets | | 20,505 | 23,658 |
| Restricted cash | 9.2 | 134,192 | 128,504 |
| Cash and cash equivalents | 9.2 | 223,123 | 268,256 |
| Total current assets | | 5,113,562 | 4,539,109 |
| Total assets | | 7,703,797 | 7,165,228 |
| Equity | | | |
| Share capital | | 50,156 | 50,156 |
| Share premium | | 2,035,212 | 2,032,836 |
| Reserves | | (59,840) | (77,810) |
| Retained earnings (losses) | | (265,201) | (232,362) |
| Total equity attributable to the owners of EMG | | 1,760,324 | 1,772,818 |
| Non-controlling interests | | 829 | 858 |
| Total equity | 8 | 1,761,153 | 1,773,675 |
| Liabilities | | | |
| Financial liabilities | 9.3 | 1,295,679 | 1,526,478 |
| Employee benefit liabilities | | 105,430 | 105,066 |
| Non-current provisions | 11.1 | 3,149 | 3,311 |
| Deferred tax liabilities | | 142,439 | 152,389 |
| Other non-current liabilities | | 12,187 | 12,106 |
| Total non-current liabilities | | 1,558,884 | 1,799,349 |
| Current portion of financial liabilities | 9.3 | 2,796,129 | 2,157,716 |
| Employee benefits | | 4,211 | 4,211 |
| Current provisions | 11.1 | 286,321 | 288,846 |
| Current tax liabilities | | 24,900 | 44,778 |
| Rental fleet related payables | 5.4 | 548,746 | 432,916 |
| Trade payables and other liabilities | | 723,453 | 663,736 |
| Total current liabilities | | 4,383,760 | 3,592,203 |
| Total liabilities | | 5,942,644 | 5,492,279 |
| Total equity and liabilities | | 7,703,797 | 7,165,228 |

STATEMENT OF CHANGES IN EQUITY

| In thousands of euros | Attributable to owners of Europcar Mobility Group | | | | | | | Non-controlling interests | Total equity |
|--|---|------------------|-----------------|---------------------|-----------------|-------------------|------------------|---------------------------|------------------|
| | Share capital | Share premium | Hedging reserve | Translation reserve | Treasury Shares | Retained earnings | Total | | |
| Balance as of January 1, 2022 | 50,156 | 2,032,836 | (20,986) | (58,294) | (73,297) | (319,527) | 1,610,888 | 941 | 1,611,828 |
| Net profit/(loss) for the period | - | - | - | - | - | 80,628 | 80,628 | (74) | 80,554 |
| Foreign currency differences | - | - | - | 5,171 | - | - | 5,171 | - | 5,171 |
| Effective portion of changes in fair value of hedging Instruments | - | - | 51,654 | - | - | - | 51,654 | - | 51,654 |
| Actuarial gains (losses) on defined benefit pension schemes ⁽¹⁾ | - | - | - | - | - | 54,227 | 54,227 | - | 54,227 |
| Income tax relating to components of other comprehensive income | - | - | - | - | - | (16,269) | (16,269) | - | (16,269) |
| Other comprehensive income/(loss) | - | - | 51,654 | 5,171 | - | 37,958 | 94,783 | - | 94,783 |
| Other | - | - | - | - | - | (1,109) | (1,109) | 38 | (1,071) |
| Transactions with owners | - | - | - | - | - | (1,109) | (1,109) | 38 | (1,071) |
| Balance as of June 30, 2022 | 50,156 | 2,032,836 | 30,668 | (53,123) | (73,297) | (202,050) | 1,785,190 | 905 | 1,786,095 |
| ⁽¹⁾ The pension commitments related to Germany, UK and France were revalued respectively by €45 million, €5 million and €3 million mainly taking into account the change in the discount rate at June 30, 2022 in the Euro Zone (0.90% as of December 31, 2021 versus 3.20% as of June 30, 2022). | | | | | | | | | |
| Balance as of January 1, 2023 | 50,156 | 2,032,836 | 61,071 | (65,584) | (73,297) | (232,362) | 1,772,818 | 858 | 1,773,675 |
| Net profit/(loss) for the period | - | - | - | - | - | (30,017) | (30,017) | (29) | (30,047) |
| Foreign currency differences | - | - | - | (1,200) | - | - | (1,200) | - | (1,200) |
| Effective portion of changes in fair value of hedging Instruments | - | - | 9,680 | - | - | - | 9,680 | - | 9,680 |
| Income tax relating to components of other comprehensive income | - | - | 9,490 | - | - | - | 9,490 | - | 9,490 |
| Other comprehensive income/(loss) | - | - | 19,170 | (1,200) | - | - | 17,970 | - | 17,970 |
| Other | - | 2 376 | - | - | - | (2 822) | (446) | - | (446) |
| Transactions with owners | - | 2 376 | - | - | - | (2 822) | (446) | - | (446) |
| Balance as of June 30, 2023 | 50,156 | 2,035,212 | 80,241 | (66,784) | (73,297) | (265,201) | 1,760,324 | 829 | 1,761,153 |

CONSOLIDATED CASH FLOW STATEMENT

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|---|--------------------------------|--------------------------------|
| Profit/(loss) before tax | (8,190) | 87,849 |
| Reversal of the following items | | |
| Depreciation and impairment expenses on property, plant and equipment | 57,252 | 56,801 |
| Amortization and impairment expenses on intangible assets | 24,201 | 25,845 |
| Impairment of financial assets | 59 | - |
| Changes in provisions and employee benefits | (1,532) | 18,505 |
| Profit/(loss) on disposal of assets | (15) | 344 |
| Other non-cash items | 25,420 | (16,837) |
| <i>Total net interest costs</i> | <i>77,405</i> | <i>80,291</i> |
| <i>Amortization of transaction costs</i> | <i>5,893</i> | <i>4,754</i> |
| Net financing costs | 83,298 | 85,045 |
| Net cash from operations before changes in working capital | 180,493 | 257,552 |
| Changes to the rental fleet recorded on the balance sheet | (589,505) | (223,534) |
| Changes in fleet working capital | 109,212 | 232,511 |
| Changes in non-fleet working capital | 39,005 | 77,529 |
| Cash generated from operations | (260,795) | 344,058 |
| Income taxes received/(paid) | (37,681) | (9,352) |
| Net interest paid | (69,977) | (74,445) |
| Net cash generated from (used by) operating activities | (368,454) | 260,261 |
| Acquisition of intangible assets and property, plant and equipment | (42,929) | (32,192) |
| Proceeds from disposal of intangible assets and property, plant and equipment | 1,314 | 2,270 |
| Acquisition of subsidiaries, net of cash acquired and other financial investments | 4,710 | (41,489) |
| Net cash used by investing activities | (36,906) | (71,411) |
| Change in other borrowings | 333,763 | (127,191) |
| Change in rental debt | 33,308 | (45,168) |
| Payment of transaction costs | - | (9,518) |
| Net cash generated from (used by) financing activities | 367,071 | (181,877) |
| Cash and cash equivalent at beginning of period | 396,273 | 426 198 |
| Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences | (38,288) | 6,973 |
| Effect of foreign exchange differences | (790) | 1,020 |
| Cash and cash equivalents at end of period | 357,195 | 434,191 |

NOTE 1 – GENERAL OVERVIEW

1.1 GENERAL INFORMATION

Europcar Mobility Group S.A. is one of the major actor of Mobility. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, Buchbinder®, Fox Rent A Car® and Ubeeqo®. The Group is present worldwide through a network of over 140 countries. Since June 29, 2022, EMG is a limited company with a Management Board and a Supervisory Board.

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

In these consolidated financial statements, the terms “EMobG”, “the Group” and “Europcar” mean Europcar Mobility Group S.A. together with its consolidated subsidiaries.

1.2 BASIS OF PREPARATION

The Europcar Group's interim condensed consolidated financial statements for the six-month period ending June 30, 2023 were prepared in accordance with IAS 34 “Interim Financial Reporting” requirements, the IFRS standard adopted by the European Union. Being only condensed statements, they do not contain all of the disclosures required for a complete set of financial statements in accordance with IFRS and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2022.

The interim condensed consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

1.3 MAIN EVENTS OF THE PERIOD

- **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 13 April 2023, Moody's upgraded the Group's rating from B3 to B2 and changed of the outlook to stable.

- **Early settlement of a hedging instrument**

In February 2023, the Group terminated early a €350 million interest rate swap contract which had not been eligible for hedge accounting since 2021, and for which the contractual maturity date was December 31, 2024. This termination resulted in the Group receiving a cash payment of €12.5 million, corresponding to the fair value of the instrument at the date of termination, plus accrued interest. 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.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 PRINCIPLE OF ACCOUNTS PREPARATION

The accounting principles used to prepare the Group's interim condensed consolidated financial statements are identical to those used on December 31, 2022 and described in the notes to the consolidated financial statements for the period ending December 31, 2022, except for certain interim reporting treatments and new compulsory accounting standards for periods beginning on or after January 1, 2023, such as those described below in the sections “New Accounting Standards and Interpretations” and “Use of estimates and judgments”.

2.2 NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

The accounting principles used are consistent with those used to prepare the consolidated financial statements for the period ended December 31, 2022.

(i) Standards and interpretations applicable for the annual period beginning on or after January 1, 2023:

| New standards and interpretations | Description and conclusion |
|-----------------------------------|---|
| IFRS 17 | Principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation. The new standard is mandatory for accounting periods beginning on or after 1 January 2023. The Group has conducted an analysis and concluded that its insurance contracts were not in the scope of this new standard. |
| Amendment to IAS 1 | Information to be provided about the accounting principles. This amendment is applicable from 1 January 2023. The Group concludes that there is no change needed in the information already provided in the financial statements. |
| Amendment to IAS 8 | Accounting estimate definition. This amendment is applicable from 1 January 2023. The Group concludes that there is no material impact in the financial statements. |
| 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 has conducted an analysis and concluded it has no material impact in the interim condensed consolidated financial statements as of June 30, 2023. |
| Amendment to IAS 7 and IFRS 7 | Reverse factoring. This amendment is applicable from 1 January 2023 by anticipation but is not yet adopted by the EU. The Group concludes that there is no material impact in the financial statements. |
| Amendment to IFRS 16 | Lease liabilities in a sale and lease-back transaction. This amendment is applicable from 1 January 2023 by anticipation but is not yet adopted by the EU. The Group concludes that there is no material impact in the financial statements. |

(ii) Standards and interpretations issued for the financial period beginning on or after 1 January 2024 and not applied in the Group financial statement on or after 1 January 2023 (because the analysis is in progress or because the analysis already concludes on no application by the Group):

| New standards and interpretations | Description and conclusion |
|-----------------------------------|---|
| Amendment to IAS 12 | International fiscal reform ("Pillar II"). This amendment is published but not yet applicable. The Group is currently analysing the possible impacts. |
| Amendments to IAS 1 | Non-current and current liabilities classification. Non-current liabilities subject to restrictive clauses (covenants) These amendments are published but not yet applicable. The Group is currently analysing the possible impacts. |

2.3 SEASONALITY OF OPERATIONS

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, due mainly to the summer holiday season when activity in the leisure segment surges. The impact of seasonality varies depending on the country in which the Group operates. Accordingly, the interim results for the six months ended June 30, 2023, may not reflect the results that are expected for full-year 2023.

2.4 USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to make estimates and assumptions that affect the carrying amounts of certain assets and liabilities, income and expenses, as well as the information disclosed in certain notes to the financial statements. Actual values recognized in future periods may differ from these estimates due to changes in conditions that affect the underlying assumptions.

For the preparation of these interim condensed consolidated financial statements, the judgments exercised by management in applying the Group's accounting policies and the main estimates were identical to those used to prepare the consolidated financial statements for the year ended December 31, 2022, with the following exceptions:

- the estimate used to recognize the interim tax expense: for interim financial information, the current and deferred tax expense are determined based on the income tax rate expected to apply to full-year taxable income, i.e., by applying the expected average effective tax rate for 2023 to pre-tax income and share of profit of companies accounted for by the equity method for the interim period;
- the French business contribution on added value (CVAE), for which a provision has been made for 50% of the estimated annual expense.

Otherwise the estimates, judgments and assumptions used by the Group mainly concern:

- fair value measurement of assets and liabilities during the investment allocation process as part of the business combination;
- derivative financial instruments recorded at fair value in the Group's statement of financial position (see Note 9.3.2);
- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Note 6.3);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 4.4).

With respect to the vehicle rental business, estimates specifically cover:

- the residual value of "at risk" vehicles;
- the value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen;
- the evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

Estimates also cover provisions for disputes and litigation and the measurement of contingent liabilities.

NOTE 3 – CHANGE IN SCOPE OF CONSOLIDATION

There was no significant change in the Group's scope of consolidation during the first half of 2023.

NOTE 4 – MAIN INCOME STATEMENT ITEMS**4.1 AMORTIZATION, DEPRECIATION AND IMPAIRMENT EXPENSES**

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|--|---------------------------|---------------------------|
| Amortization of intangible assets | (24,201) | (25,845) |
| Depreciation of property, plant and equipment | (57,252) | (56,801) |
| Total amortization, depreciation and impairment expense | (81,453) | (82,646) |

4.2 OTHER NON-RECURRING INCOME AND EXPENSES

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|---|---------------------------|---------------------------|
| Reorganisation, transformation and restructuring costs ⁽¹⁾ | (6,722) | (36,938) |
| Professional fees ⁽²⁾ | (11,265) | - |
| Other fees ⁽³⁾ | (7,094) | (3,797) |
| Total other non-recurring income and expenses | (25,081) | (40,735) |

(1) In 2022, includes € 20.4 million of fees incurred as part of the public tender offer which led to a change in ownership (see the consolidated financial statements for the year ended December 31, 2022).

(2) In 2023, includes € 6.3 million of external consultancy fees.

(3) Mainly includes fees related to disputes (see Note 10) and some exceptional expenses.

4.3 NET FINANCING COSTS

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|--|---------------------------|---------------------------|
| Net fleet financing expenses | (49,802) | (56,394) |
| Net other financing expenses | (24,519) | (20,831) |
| Gross financing costs | (74,322) | (77,225) |
| Profit or loss on derivative financial instruments ⁽¹⁾ | (12,837) | 15,740 |
| Amortization of transaction costs | (5,893) | (4,754) |
| Foreign exchange gain and losses | 318 | (797) |
| Adjustments to the discounting rates applied to provisions and employee benefits | (1,608) | (574) |
| Non-utilisation fees | (5,260) | (4,492) |
| Other | (4,369) | (5,972) |
| Other financial expenses | (29,649) | (849) |
| Net financing costs | (103,971) | (78,074) |

(1) In 2022, mainly included the impact of the fair value measurement of derivative instruments whose characteristics were not considered as hedge accounting. As a result, a net profit impact was booked at 2022 half-year.

In 2023, mainly includes the impact of the early settlement of a hedging instrument (note 1.3) which resulted in a €(9.8) million impact.

4.4 INCOME TAX

For the interim accounts, the income tax expense (current and deferred) is calculated by applying the average annual tax rate estimated for the current year to the profit before tax for the period, entity by entity. The income tax expense amounts circa €22 million as of June 30, 2023. The effective tax rate for the first half of 2023 is not representative due to the low earnings for the period and the country mix (positive and negative contributions at different tax rates).

NOTE 5 – RENTAL FLEET**5.1 RENTAL FLEET RECORDED ON THE BALANCE SHEET**

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

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|---|---------------------|-------------------------|
| Right of use of leased vehicles | 373,630 | 220,289 |
| Net book value of vehicles financed through buyback agreements ⁽¹⁾ | 1,170,410 | 1,093,152 |
| Total “buy-back” fleet and right to use the leased vehicles | 1,544,039 | 1,313,441 |
| Europcar-owned vehicles held without buyback clause (“at-risk” vehicles) | 2,066,792 | 1,707,817 |
| Total fleet of vehicles on the balance sheet | 3,610,831 | 3,021,257 |

(1) The net book value includes the vehicle buy-back agreement receivable and the deferred depreciation expense on vehicles.

5.2 FLEET HOLDING COSTS

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|----------------------------------|---------------------|---------------------|
| Net fleet depreciation | (313,162) | (257,556) |
| Other fleet holding costs | (61,701) | (56,612) |
| Total fleet holding costs | (374,863) | (314,168) |

5.3 FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|--|---------------------|---------------------|
| Fleet operating costs | (155,064) | (162,276) |
| Revenue-related commissions and fees | (182,337) | (186,195) |
| <i>Of which, trade receivables allowances and write-offs</i> | <i>(8,687)</i> | <i>(10,264)</i> |
| Rental related costs | (119,668) | (103,811) |
| Total fleet operating, rental and revenue related costs | (457,068) | (452,282) |

5.4 RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|---|---------------------|-------------------------|
| Fleet-related receivables | 442,170 | 492,272 |
| VAT receivables ⁽¹⁾ | 167,284 | 117,570 |
| Rental fleet and related receivables | 609,453 | 609,841 |

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|--|---------------------|-------------------------|
| Fleet-related payables | 498,918 | 386,277 |
| VAT payables ⁽¹⁾ | 49,828 | 46,639 |
| Rental fleet and related payables | 548,746 | 432,916 |

(1) VAT receivables and payables mainly concern acquisitions and sales of vehicles.

The change in the rental fleet's working capital requirements is detailed below :

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|---|------------------------|------------------------|
| Receivables related to fleet disposal | 50,352 | 132,372 |
| VAT receivables | (49,424) | (90,554) |
| Payables related to fleet acquisition | 106,493 | 66,767 |
| VAT payables | 2,719 | 123,926 |
| Change in working capital related to the fleet | 110,140 | 232,511 |

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

6.1 GOODWILL

The goodwill amounts to €1,004 million as of June 30, 2023 compared to €1,005 million as of December 31, 2022. The variance is explained by the foreign exchange impact.

6.2 INTANGIBLE ASSETS

The net book value of intangible assets amounts to €961 million and € 955 million respectively as of June 30, 2023 and December 31, 2022 and includes:

- Trademarks with a net book value of €807 million as of June 30, 2023 compared to €808 million as of December 31, 2022. It includes Europcar (€674 million), Goldcar (€90 million), Buchbinder (€9 million) and Fox Rent a Car (€34 million) indefinite life trademarks. The variance is explained by the foreign exchange impact.
- Customer relationships for a net book value of €9 million as of June 30, 2023 compared to €10 million as of December 31, 2022. The variance is explained by the amortisation over the useful life of the depreciable relationships.
- Software capitalized, development costs and other intangible fixed assets for a total net book value of €145 million (including a total net book value of €42 million of work in progress capitalized but not yet amortized) compared to €137 million as of December 31, 2022.

6.3 IMPAIRMENT ON GOODWILL AND INTANGIBLE ASSETS

Goodwill and intangible assets are subject to annual impairment tests in accordance with the Group's budget timetable. For its interim consolidated financial statements as of June 30, 2023, the Group has not identified any significant events leading it to re-examine the recoverable amount of its CGUs and its intangible assets.

NOTE 7 – OFF-BALANCE SHEET COMMITMENT

The Group's minimum lease payments for non-cancellable operating leases that are outside the scope of IFRS 16 as of June 30, 2023 are detailed below:

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|------------------------------|------------------------|-------------------------------|
| Payable : | | |
| Less than one year | 32,546 | 29,178 |
| Between one and five years | 30,495 | 29,308 |
| More than five years | 2,144 | 550 |
| Total | 65,185 | 59,036 |

NOTE 8 – CAPITAL AND RESERVES

| Date | Operation | Share capital (in €) | Legal reserve (in €) | Share premium (in €) | Number of shares | Nominal value (in €) |
|----------------------|-----------|-------------------------|----------------------------|----------------------------|----------------------|----------------------------|
| December 2022 | | 50,156,401 | 16,388,428 | 2,018,823,423 | 5,015,640,081 | 0.01 |
| June 2023 | | 50,156,401 | 16,388,428 | 2,018,823,423 | 5,015,640,081 | 0.01 |

As of June 30, 2023, the breakdown of shareholders in the share capital was as follows:

| Shareholders | Total number of ordinary shares and voting rights | Percentage of ordinary shares and voting rights | Percentage of share capital |
|----------------------------------|--|--|--------------------------------|
| <i>Green Mobility Holding SA</i> | 5,006,993,062 | 100.00% | 99.83% |
| <i>Treasury shares</i> | 8,552,323 | - | 0.17% |
| <i>Other</i> | 94,696 | - | 0.00% |
| TOTAL | 5,015,640,081 | 100.00% | 100.00% |

NOTE 9 – FINANCING AND FINANCIAL RISK MANAGEMENT**9.1 FINANCIAL ASSETS**

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|---|------------------------|----------------------------|
| Non-current financial assets | | |
| Financial instruments assets at fair value ⁽¹⁾ | 118,656 | 131,484 |
| Financial assets recognized at amortized costs ⁽²⁾ | 27,244 | 34,194 |
| Deposits and advance payments | 26,993 | 28,897 |
| Other non-current financial assets | 1,224 | 2,869 |
| Total non-current financial assets | 174,116 | 197,444 |
| Current financial assets | | |
| Financial assets carried at amortised cost ⁽²⁾ | 25,399 | 24,834 |
| Total current financial assets | 25,399 | 24,834 |

(1) The €12.8 million negative variance is mainly explained by the effect of the early termination of the €350 million interest rate SWAP contract (see note 1.3), as well as the other changes in fair value of the financial instruments during the period.

(2) Including €46 million to cover liabilities arising from our captive insurance structure compared to €48 million as of December 31, 2022. 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 as of June 30, 2023.

9.2 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|--|------------------------|-------------------------------|
| Cash-in-hand and at bank | 223,196 | 268,315 |
| Accrued interest | (73) | (59) |
| Cash and cash equivalents | 223,123 | 268,256 |
| Restricted cash | 134,192 | 128,504 |
| Cash and cash equivalents and restricted cash | 357,315 | 396,760 |

“Cash and cash equivalents” in the ad hoc structures are reported as “Restricted cash”.

The following table reconciles cash and cash equivalents in the balance sheet with cash and cash equivalents in the cash flow statement:

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|--|------------------------|-------------------------------|
| Cash and cash equivalents | 223,123 | 268,256 |
| Restricted cash | 134,192 | 128,504 |
| Bank overdrafts | (120) | (487) |
| Cash and cash equivalents reported in the cash flow statement | 357,195 | 396,273 |

9.3 FINANCIAL LIABILITIES

| <i>In thousands of euros</i> | At 31 December, 2022 | Variation with cash impact | Foreign exchange impact | Other | At June 30, 2023 |
|---|----------------------------|----------------------------------|-------------------------------|---------------|---------------------|
| Bonds issued | 500,000 | - | - | - | 500,000 |
| Term Loan | 500,000 | - | - | - | 500,000 |
| Other bank loans dedicated to fleet financing | 31,612 | 4,908 | (2,550) | (184) | 33,785 |
| Financial liabilities linked to government measures | 298,376 | (42,369) | - | - | 256,007 |
| Rental debt and associated interest | 218,583 | - | (562) | 25,940 | 243,961 |
| Transaction costs/Premiums/Discounts | (21,828) | - | (86) | 5,810 | (16,368) |
| Non-current liabilities | 1,526,478 | (37,461) | (3,197) | 31,565 | 1,517,385 |
| Senior Revolving Credit Facility | - | 110,000 | - | - | 110,000 |
| Senior Credit Facility | 1,296,510 | 122,146 | 5,684 | - | 1,424,340 |
| Financial liabilities related to government measures | 33,961 | 5,141 | - | - | 39,102 |
| Other loans to finance the vehicle fleet | 407,299 | (20,522) | (7,286) | - | 379,491 |
| Bank overdrafts | 487 | - | - | (367) | 120 |
| Current bank loans and other loans dedicated to fleet financing | 152,373 | 92,264 | (2,052) | - | 242,586 |
| Rental debt and associated interest | 262,963 | 95,502 | (388) | 17,852 | 375,929 |
| Accrued interest | 10,795 | - | (84) | (310) | (7,068) |
| Transaction costs/Premiums/Discounts | (6,674) | - | (33) | (841) | 9,921 |
| Current liabilities | 2,157,716 | 404,531 | (4,159) | 16,334 | 2,574,423 |
| Total borrowings | 3,684,194 | 367,071 | (7,356) | 47,900 | 4,091,808 |

9.3.1 Net financial debt

| <i>In thousands of euros</i> | As of June 30, 2023 | As of December 31, 2022 |
|---|------------------------|-------------------------------|
| Non-current loans and financial debts | 1,273,424 | 1,307,895 |
| Current loans and financial debts | 2,198,493 | 1,894,752 |
| Held-to-maturity financial assets | (27,244) | (34,194) |
| Other current financial assets | (20,987) | (16,937) |
| Cash, cash equivalents and restricted cash | (357,315) | (396,760) |
| Total net debt recorded on the balance sheet | 3,066,372 | 2,754,756 |
| Rental debts | 619,890 | 481,546 |
| Total net debt | 3,686,261 | 3,236,760 |

9.3.2 Other disclosures relating to financial assets and liabilities

The fair values of financial assets and liabilities, together with their carrying values, are as follows:

| <i>In thousands of euros</i> | | Carrying value | Fair value | <i>Fair value through the profit or loss</i> | <i>Fair value through equity</i> | <i>Fair value at amortized cost</i> |
|---|--------------|-----------------------|-------------------|--|----------------------------------|-------------------------------------|
| Fair value as of June 30, 2023 | | | | | | |
| | <i>Notes</i> | | | | | |
| Lease receivables and other trade receivables | | 356,944 | 356,944 | - | - | 356,944 |
| Receivables related to the vehicle fleet | | 442,170 | 442,170 | - | - | 442,170 |
| Deposits, other receivables and loans | | 32,265 | 32,265 | - | - | 32,265 |
| Total loans and receivables | | 831,378 | 831,378 | - | - | 831,378 |
| Financial assets carried at amortised cost and other non-current financial assets | 9.1 | 27,244 | 27,244 | - | - | 27,244 |
| Deposits and advance payments | 9.1 | 26,993 | 26,993 | - | - | 26,993 |
| Restricted cash | 9.2 | 134,192 | 134,192 | 134,192 | - | - |
| Cash and cash equivalents | 9.2 | 223,123 | 223,123 | 223,123 | - | - |
| Derivative financial instruments - assets | 9.1 | 118,656 | 118,656 | - | 118 656 | - |
| Total financial assets | | 530,208 | 530,208 | 357 315 | 118 656 | 54,237 |
| Financial liabilities and non-current lease liabilities | 9.3 | 1,517,385 | 1,484,986 | - | - | 1,484,986 |
| Trade and other payables | | 723,455 | 723,455 | - | - | 723,455 |
| Liabilities related to the vehicle fleet | | 498,918 | 498,918 | - | - | 498,918 |
| Other non-current liabilities | | 12,187 | 12,187 | - | - | 12,187 |
| Financial liabilities and current lease liabilities | 9.3 | 2,574,423 | 2,574,423 | - | - | 2,574,423 |
| Total financial liabilities | | 5,326,368 | 5,293,969 | - | - | 5,293,969 |

NOTE 10 – PERSONNEL COSTS

| <i>In thousands of euros</i> | As of June 30, 2023 | As of June 30, 2022 |
|-------------------------------|----------------------------|----------------------------|
| Wages and salaries | (203,184) | (192,012) |
| Social security contributions | (43,850) | (40,180) |
| Post-employment benefits | (3,518) | (3,291) |
| Other items | (1,186) | 71 |
| Total personnel costs | (251,738) | (235,412) |

NOTE 11 – PROVISIONS, RISKS AND LITIGATIONS**11.1 PROVISIONS**

| <i>In thousands of euros</i> | Insurance claim provisions | Reconditioning provisions | Other provisions | Total |
|-------------------------------------|-----------------------------------|----------------------------------|-------------------------|----------------|
| 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) |
| Transfer | - | 2,316 | (716) | 1,600 |
| Impact of translation differences | (1,387) | (783) | (2,631) | (4,801) |
| Balance at December 31, 2022 | 134,856 | 58,869 | 98,431 | 292,156 |
| <i>Not current</i> | - | - | 3,311 | 3,311 |
| <i>Current</i> | 134,856 | 58,869 | 95,120 | 288,845 |
| Balance at December 31, 2022 | 134,856 | 58,869 | 98,432 | 292,156 |
| Balance at January 1, 2023 | 134,856 | 58,869 | 98,432 | 292,156 |
| Increases | 41,578 | 68,954 | 6,206 | 116,738 |
| Uses | (33,909) | (74,213) | (2,566) | (110,689) |
| Takeovers | - | - | (7,945) | (7,945) |
| Transfer | - | (2,254) | (1,483) | (3,737) |
| Impact of translation differences | 979 | 327 | 1,640 | 2,946 |
| Balance at June 30, 2023 | 143,503 | 51,684 | 94,282 | 289,470 |
| <i>Non-current</i> | - | - | 3,149 | 3,149 |
| <i>Current</i> | 143,503 | 51,684 | 91,134 | 286,321 |
| Balance at June 30, 2023 | 143,503 | 51,684 | 94,282 | 289,470 |

11.2 DESCRIPTION

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 currently in progress or that have evolved during the period are as follows:

Leicester City Council Trading Standards Services investigation

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 30 June 2023.

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 appeal has been lodged. The first hearing occurred on July 19, 2023 and at this stage no trigger event indicates a change in provision to be accounted for.

Fire in parking in Paris criminal and insurance procedure

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 at 30 June 2023.

Litigation against GEFION relating to Charterline 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.

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.

The Danish insurance regulator Finanstilsynet (Danish Financial Supervisory Authority - DFSA) has informed BaFin that the Danish Maritime and Commercial High Court opened insolvency proceedings against Gefion on 7 June 2021. Already on June 24, 2020, the DFSA had withdrawn Gefion's license to conduct business. Effective July 13, 2020, the company was in liquidation.

NOTE 12 – RELATED PARTIES

EMG contracted in November 2022 a Term Loan from the Volkswagen Group for € 500 million (see Note 9.3). The Group periodically enters into fleet transaction agreements with Volkswagen Group and PON which are transacted on an arm's length basis. During the 2023 half-year, the Group did not carry out any significant transaction with its shareholder Green Mobility Holding.

NOTE 13 – SUBSEQUENT EVENTS

No material events subsequent to the closing were identified.