Europcar Mobility Group

Statutory auditors' report on the Consolidated Financial Statements

(For the year ended December 31, 2023)

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

MAZARS
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, 2023)

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, 2023*.*

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, 2023 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, 2023 to the date of our report.

Justification of Assessments

In accordance with the requirements of Articles L.821-53 and R.821-180 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, 2023 for a net book value of 1,035,220 thousands euros and 797,529 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.821-55 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 Paris La Défense, April 26, 2024

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
Romain Dumont	Guillaume Devaux

Europcar Mobility Group

Consolidated financial statements for the year ended December 31, 2023

Consolidated financial statements for the year ended December 31, 2023

Consolidated income statement

(in thousands of euros)	Notes	**2023**	2022
Income from ordinary activities	**3.1**	**3,098,111**	**3,083,768**
Fleet holding costs	4.2	(891,981)	(711,597)
Costs related to the operation, rental and revenue of the fleet	4.3	(980,734)	(993,780)
Personnel costs	9.1	(504,528)	(493,155)
Headquarters and network overheads	3.2	(252,489)	(230,860)
Non-fleet depreciation and amortisation	3.3	(172,592)	(178,209)
Other income and expenses	3.4	6,525	5,258
Current operating result		**302,311**	**481,425**
Impairment of non-current assets	3.5	(40,994)	(97,058)
Other non-recurring income and expenses	3.5	(97,744)	(70,881)
Operating result		**163,573**	**313,485**
Fleet net financial cost		(116,058)	(113,502)
Non-fleet net financial cost		(51,322)	(44,197)
Other net financial expenses		(59,771)	(27,584)
Net finance cost	**3.6**	**(227,151)**	**(185,283)**
Profit/loss before tax		**(63,578)**	**128,203**
Income tax	3.7	(75,480)	(72,868)
Net profit/loss for the period		**(139,058)**	**55,335**
Share attributable to:			
Shareholders of the parent company		(139,120)	55,456
Non-controlling interests		63	(121)

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

	2023			2022		
(in thousands of euros)	**Before tax**	**Tax income (expense)**	**After tax**	Before tax	Tax income (expense)	After tax
Net profit /loss for the period	**(63,578)**	**(75,480)**	**(139,058)**	**128,203**	**(72,868)**	**55,335**
Items that will not be reclassified to profit or loss	**(8,164)**	**2,233**	**(5,932)**	**44,055**	**(12,135)**	**31,919**
Actuarial gains/(losses) on defined benefit pension plans (*)	(8,164)	2,233	(5,932)	44,055	(12,135)	31,919
Items that may be reclassified to profit or loss in the future	**(50,100)**	**24,477**	**(25,623)**	**111,841**	**(37,074)**	**74,767**
Currency translation reserve	(3,531)	-	(3,531)	(7,290)	-	(7,290)
Change in fair value of hedging instruments(**)	(46,569)	24,477	(22,092)	119,131	(37,074)	82,057
Other comprehensive income for the year	**(58,264)**	**26,709**	**(31,555)**	**155,896**	**(49,210)**	**106,686**
Total comprehensive income for the year	**(121,842)**	**(48,771)**	**(170,613)**	**284,099**	**(122,078)**	**162,021**
Share attributable to:						
Shareholders of the parent company			(170,676)			162,142
Non-controlling interests			63			(121)

(*) Related to the revaluation of pension commitments mainly due to the change in the discount rate as at December 31, 2022 (see note 9.2).
(**) Related to the revaluation of hedging instruments as at December 31, 2023 (see note 8.5).

The above statement should be read in conjunction with the accompanying notes.

Consolidated balance sheet

(in thousands of euros)	Notes	As at December 31, 2023	As at December 31, 2022
ASSETS			
Goodwill	5.1	1,035,220	1,004,965
Intangible assets	5.2	961,569	954,706
Property, plant and equipment	5.3	361,211	408,402
Derivative financial instruments	8.1	51,650	131,484
Other non-current financial assets	8.1	62,990	65,960
Employee benefit assets	9.2	11,765	12,110
Deferred tax assets	3.7	50,864	48,491
Total non-current assets		**2,535,270**	**2,626,118**
Inventories	6.1	34,055	21,428
Fleet recorded in the balance sheet	4.1	3,645,839	3,021,257
Fleet receivables and similar	4.4	714,030	609,841
Trade and other receivables	6.2	476,853	441,329
Current financial assets	8.1	26,779	24,834
Derivative financial instruments	8.1	6,950	-
Current tax assets		24,542	23,658
Restricted cash	8.2	131,052	128,504
Cash and cash equivalents	8.2	314,564	268,256
Total current assets		**5,374,665**	**4,539,109**
TOTAL ASSETS		**7,909,935**	**7,165,228**

(in thousands of euros)	Notes	As at December 31, 2023	As at December 31, 2022
EQUITY			
Share capital		50,156	50,156
Share premium		2,035,212	2,032,836
Reserves		(103,433)	(77,810)
Retained earnings		(379,187)	(232,362)
Shareholders' equity		**1,602,745**	**1,772,818**
Non-controlling interests		6,634	858
Total equity	7	**1,609,377**	**1,773,675**
LIABILITIES			
Financial and lease liabilities	8.3	1,623,096	1,526,478
Provisions for employee benefits	9.2	112,583	105,066
Other non-current provisions	10	5,414	3,311
Deferred tax liabilities	3.7	145,058	152,389
Other non-current liabilities		12,105	12,106
Total non-current liabilities		**1,898,256**	**1,799,349**
Financial and lease liabilities	8.3	2,697,739	2,157,716
Provisions for employee benefits	9.2	4,111	4,211
Other current provisions	10	289,539	288,846
Tax liabilities		32,273	44,778
Fleet liabilities and similar	4.4	746,332	432,916
Trade and other payables	6.3	632,307	663,736
Total current liabilities		**4,402,302**	**3,592,203**
Total liabilities		**6,300,558**	**5,492,279**
TOTAL EQUITY AND LIABILITIES		**7,909,935**	**7,165,228**

The above statement should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

(in thousands of euros)	Share attributable to the Group								
	Share capital	Share premium	Hedging reserve	Currency translation reserve	Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 2023	**50,156**	**2,032,836**	**61,071**	**(65,584)**	**(73,297)**	**(232,362)**	**1,772,818**	**858**	**1,773,675**
Result for the year	**-**	**-**	**-**	**-**	**-**	**(139,120)**	**(139,120)**	**63**	**(139,058)**
Other comprehensive income / (loss)	**-**	**-**	**(22,092)**	**(3,531)**	**-**	**(5,932)**	**(31,555)**	**-**	**(31,555)**
Change in consolidation scope [(a)]	-	-	-	-	-	-	-	5,713	**5,713**
Other movements [(b)]	-	2,376	-	-	-	(1,774)	602	-	**602**
Balance at December 31, 2023	**50,156**	**2,035,212**	**38,979**	**(69,115)**	**(73,297)**	**(379,187)**	**1,602,745**	**6 635**	**1,609,377**

(a) €5.7 million non-controlling interests resulting from the acquisition of 51% of €11.7 million Euromobil net assets as of October 30, 2023 (note 2.2.1).

(b) Other movements are mainly made of a reclassification from retained earnings to share premium since H1 2023 and some immaterial other movements.

(in thousands of euros)	Share attributable to the Group								
	Share capital	Share premium	Hedging reserve	Currency translation reserve	Treasury shares	Retained earnings	Shareholders' equity	Non-controlling interests	Total equity
Balance at January 1, 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)**	**55,335**
Other comprehensive income / (loss)	**-**	**-**	**82,057**	**(7,290)**	**-**	**31,919**	**106,686**	**-**	**106,686**
Other movements	-	-	-	-	-	(211)	(211)	38	(173)
Balance at December 31, 2022	**50,156**	**2,032,836**	**61,071**	**(65,584)**	**(73,297)**	**(232,362)**	**1,772,818**	**858**	**1,773,675**

The above statement should be read in conjunction with the accompanying notes.

Consolidated cash flow statement

(in thousands of euros)	Notes	2023	2022
Profit/loss before tax		**(63,578)**	**128,203**
Reversal of the following items:			
Depreciation and impairment of property, plant and equipment	3.3	121,444	118,065
Amortisation and impairment of intangible assets	3.3	51,149	60,145
Impairment of non-current assets	3.5	40,994	97,058
Changes in provisions and employee benefits	9 & 10	6,339	33,186
Gains and losses on disposals		-	1,831
Other non-monetary items [a]		35,693	(33,067)
Net financial cost		175,343	175,368
Profit/loss before tax and adjustments		**367,384**	**580,788**
Net acquisition of fleet recorded on the balance sheet [b]		(565,301)	(194,008)
Changes in working capital related to the fleet	4.4	132,248	95,849
Changes in working capital excluding fleet	6.4	(24,526)	90,157
Net cash flow from operating activities before tax and interest		**(90,195)**	**572,776**
Tax collected/paid		(83,129)	(26,730)
Net interest paid		(138,501)	(145,854)
Net cash flow from operating activities		**(311,825)**	**400,192**
Acquisitions of tangible and intangible assets	5.2 & 5.3	(97,390)	(73,214)
Proceeds from the disposal of tangible and intangible assets		632	5,267
Proceeds from the disposal of subsidiaries		-	(1,098)
Acquisition of Euromobil	2.2.1	(14,170)	-
Change in consolidation scope	2.2.1	14,500	-
Other investing activities [c]		1,705	(37,408)
Net cash flows from investing activities		**(94,722)**	**(106,453)**
Net change in other borrowings	8.3	362,412	(197,506)
Change in fleet rental liabilities	8.3	193,687	1,102
Change in non-fleet rental liabilities	8.3	(100,228)	(109,489)
Payment of transactions costs	8.3	(765)	(20,612)
Net cash flows from financing activities		**455,106**	**(327,468)**
Opening cash and cash equivalents		**396,273**	**426,198**
Net increase/(decrease) in cash and cash equivalents after currency translation effects		48,559	(33,729)
Impact of currency translation differences		(3,633)	3,804
Cash and cash equivalents at end of year	8.2	**441,199**	**396,273**

(a) In 2023 and in 2022, includes mainly the impact of remeasuring derivate financial instruments at fair value.
(b) 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.
(c) In 2023 and 2022, includes mainly impact of diversified bond investments held by the Euroguard Cell.

The above statement should be read in conjunction with the accompanying notes.

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® and Fox Rent-A-Car®. The Group is present worldwide through a network of around 130 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. As of today, and since June 29, 2022, EMG is 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 Rating agencies

- **S&P**

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

- **Moody's**

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

1.2.2 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 and for which the contractual maturity date was December 20, 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 amortised has been fully recycled to 2023 financial income (loss), with an offsetting entry in other comprehensive income, in the amount of €7.5 million.

1.2.3 Acquisition of 51% of Euromobil shares

On September 15, 2023, Europcar Mobility Group announced its intention to acquire a 51% majority stake in Euromobil GmbH, subject to the approval of the competition authorities.

On October 30, 2023, after obtaining the agreement of the competition authorities, Europcar Mobility Group acquired 51% of the capital of Euromobil GmbH from EURO-Leasing, a subsidiary of the Volkswagen Group, which still holds a 49% minority stake in the entity.

Euromobil GmbH has been fully consolidated since November 1, 2023.

1.2.4 US Securitisation program

The Group increased the securitisation program for Fox Rent-a-Car in the USA from USD 225 million to USD 300 million. This facility will progressively refinance the existing local lines.

1.2.5 Conflict between Ukraine and Russia

Since 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.

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 derivative 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, 2023 were approved by the Management Board on April 11, 2024.

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.

(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 January 1, 2023. The Group has conducted an analysis and concluded that it's 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 January 1, 2023. The Group has decided to apply the amendment.
Amendment to IAS 8	Accounting estimate definition. This amendment is applicable from January 1, 2023. The Group has concluded 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 January 1, 2023. The Group has conducted an analysis and concluded it has no material impact in the opening balance sheet, resulting in no restatement of the comparable period. The Group has booked for the first time some deferred tax on IFRS 16 assets and liabilities in 2023. There is no material impact in the financial statements. DTA and DTL related to IFRS 16 and before compensation are disclosed in note 3.7.
Amendment to IAS 7 and IFRS 7	Reverse factoring. This amendment is applicable from January 1, 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 January 1, 2023.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 January 1, 2024 and not applied in the Group financial statement on or after January 1, 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"). The Group has already analysed the possible impacts. The Group has reviewed the scope of companies and jurisdictions affected by this tax reform and organised internal processes to comply with this new obligation (especially to the 15% effective minimum tax rate per country). At this stage, the Group does not expect any material impact on its tax expense and tax paid from January 2024.
Amendments to IAS 1	Classification of liabilities as current or non-current (issued on January 23, 2020 and deferral of effective date issued on July 2020) and classification of non-current liabilities with covenants (issued on October 31, 2022). These amendments are published but not yet applicable. The Group is currently analysing the possible impacts. At this stage, the Group does not expect any change on its classification of liabilities starting January 2024.

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:

- the measuring of the fair value of assets and liabilities during the investment allocation process in a business combination (note 2.2.1);
- the amount of deferred tax assets that can be recognised in the balance sheet (note 3.7);
- an estimate of future cash flows in the context of impairment testing of goodwill and other non-current assets (notes 5.1 and 5.2);
- the determination of lease term for some lease contracts in which the Group is a lessee, including whether the Company is reasonably certain to exercise lessee options and the determination of the incremental borrowing rate used to measure lease liabilities (note 5.4);
- the impairment methodology of receivables recognised in the balance sheet (note 6.2);
- the value of derivative financial instruments recognised at fair value in the Group's balance sheet (note 8.5);
- the valuation of post-employment and other employee benefits (note 9.2);
- provisions for litigation and the valuation of contingent liabilities, including insurance provision which represents the main amount accounted for provisions (note 10).

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 currency translation differences

Currency 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. Currency 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 currency translation differences are recognised in other comprehensive income within equity.

(iv) *Conversion rate*

The main conversion rates used for the years ending December 31, 2023 and 2022 are:

	December 31, 2023		December 31, 2022	
	Average rate	**Closing rate**	Average rate	Closing rate
Pound Sterling (GBP)	1.150	1.151	1.173	1.127
Australian Dollar (AUD)	0.614	0.615	0.659	0.637
American Dollar (USD)	0.925	0.905	0.950	0.938

Source: Banque de France.

Note 2 Consolidation scope

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 December 31, 2023.

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.

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 consolidation scope

2.2.1 Euromobil acquisition

On October 30, 2023, Europcar Mobility Group acquired 51% of the shares of Euromobil GmbH.

Euromobil contains a collection of businesses going to market under various brands including Euromobil and Volkswagen Financial Services Rent-A-Car. This strategic transaction, gives Europcar control of Volkswagen's rent-a-car interests and opens up potential benefits from the enlargement of the Group's activities in Germany and closer links with businesses within the wider Volkswagen eco-system.

The Group's purchase price of €42.5 million for the 51% equity stake consists of:

- a cash payment of nearly €14.2 million, representing one third of the acquisition price. Payment was made at the end of October 2023;
- earn-out consideration of up €28.3 million representing two-thirds of the acquisition price and that will be paid over the next 6 years. The earn-out has been discounted as at December 31, 2023 and has resulted in a €3.7 million decrease of both goodwill (note 5.1) and earn-out (note 8.3).

Europcar Mobility Group has a call option on the minority shares (49%) still held by EURO-Leasing GmbH at the balance sheet date. This option is exercisable for a period of 6 months from the second anniversary of the closing of the acquisition. If the option is exercised, the parties have agreed that the purchase price of the minority stake will be at fair market value on the date the option is exercised. As a consequence, the call option fair-value is zero as of December 31, 2023.

Euromobil's net assets acquired amount to €11.7 million, among which €5.9 million acquired by the Group and €5.7 million that are reflected as non-controlling interests in the consolidated statement of changes in equity. Euromobil net assets were assessed at their fair-value as of October 30, 2023. The preliminary goodwill, which is the partial goodwill of the business combination, has been booked for €32.9 million after the discount of the earn-out (note 5.1):

Euromobil in €K	Acquirees' carrying amount before combination	Fair-value adjustments	Fair-value
Intangible assets	1,012	-	1,012
PPE	58,141	-	58,141
Net rental fleet	27,075	-	27,075
Other assets	44,117	-	44,117
Cash	14,500	-	14,500
Lease liabilities	(59,757)	-	(59,757)
Other liabilities	(73,429)	-	(73,429)
Net assets acquired	**11,660**	**-**	**11,660**
51% of net assets acquired			**5,947**
Consideration paid	14,171		14,171
Earnout	28,342	(3,670)	24,673
Purchase price	**42,513**	**(3,670)**	**38,843**
Preliminary goodwill			**32,896**

Euromobil is consolidated in the Group accounts from November 1, 2023. As a consequence, Euromobil contributes only for 2-months in the consolidated income statement of the Group.

Euromobil's income from ordinary activities and net result since the acquisition date amount to €26.9 million euros and €0.1 million respectively.

Group income from ordinary activities and net result would amount to €3,265 million euros and €(122.1) million respectively if Euromobil was consolidated from January 1, 2023.

The purchase price allocation is in the process of being completed and will be effective before October 30, 2024. The preliminary goodwill will be allocated between the identified assets acquired and liabilities assumed. As of December 31, 2023, the preliminary goodwill represents the value the management was expecting from benefiting from synergies and the identification of intangible assets resulting from the purchase price allocation exercise.

Management's analysis of the definition of the Group's cash-generating units (CGUs) has led it to consider that the goodwill relating to the acquisition of Euromobil should be allocated to a single new CGU (note 5.1). Although Euromobil operates in Germany, which is an existing CGU, Euromobil is subject to management decisions, resource allocation and cash flow generation that are independent from the German CGU.

2.2.2 Other changes in the year 2023

Some liquidation and merge processes were finalised in 2023 with no material impact on the Group's financial statements.

Note 3 Main elements of the income statement

a) Income from ordinary activities

Income from ordinary activities is split between three main revenues: rental revenue, franchisee revenue, and other revenue.

Rental revenue includes revenue streams recognised in relation to the hire activity which covers:

1. time and mileage (vehicle hire);
2. additional charges (including excess mileage fees, drop fees, no show and cancellation fees, airport fees, upgrade fees, equipment fees, additional driver fees, after hour fees, insurance fees, personal accident insurance fees, etc.).
3. less discounts and volume rebates.

Revenue from franchising includes royalties received by Europcar and several other fees such as entry fees, reservation fees, collection fees, IT fees, etc.

Other revenue is mainly made of fuel income and car-sharing revenue.

Revenue is booked net of discounts and rebates and excluding intra-group sales, value added and sales taxes.

Revenue is recognised when a contract with enforceable rights and obligations exists and control of goods has been transferred to the customer or the service has been rendered. Revenue is measured at the fair value of the consideration received or receivable. It is the amount receivable for goods and services provided in the course of ordinary operating activities. Revenue from services is recognised on a straight-line basis over the service period.

Revenue 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 of the fleet" in the income statement (see note 4.3).

The Group doesn’t apply IFRIC 13 as royalty programs are immaterial.

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

b) Other non-recurring income and expenses

Other non-recurring income and expenses include:

- reorganisation expenses including 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, etc.
- acquisition-related expenses include charges incurred in connection with new acquired entities or businesses, or link to any other change in the Group legal structure (external growth, selling entities, etc.).
- professional, legal and consultancy fees as well as costs and provisions related to litigation incurred by the Group such as tax audit and litigation relating to prior years.

These unusual, abnormal and infrequent items are presented separately in note 3.5 to facilitate the understanding of the Group's performance.

c) Net finance cost

The net finance cost includes interest payable on borrowings calculated using the effective interest method, financing costs, foreign exchange gains and losses, gains and losses on derivative financial instruments that are recognised in the income statement and the ineffective portions of the gain or loss on cash flow hedging instruments, amortisation of transaction costs, non-utilisation fees, 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 used by EMG and 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.

Net debt: refers to financial debts (including leases) after deduction of cash, cash equivalents, restricted cash and short-term investments.

3.1 Income from ordinary activities

(in thousands of euros)	**2023**	2022
Rental revenue	2,970,103	2,957,562
Franchising revenue	61,395	57,684
Other revenue	66,613	68,522
TOTAL INCOME FROM ORDINARY ACTIVITIES	**3,098,111**	**3,083,768**

3.2 Headquarters and network overheads

(in thousands of euros)	**2023**	2022
Network overheads	(63,737)	(53,985)
Headquarters and other overheads	(188,752)	(176,875)
TOTAL HEADQUARTERS AND NETWORK OVERHEADS	**(252,489)**	**(230,860)**

3.3 Non-fleet depreciation and amortisation charges

(in thousands of euros)	**2023**	2022
Amortisation of intangible assets	(51,149)	(60,145)
Depreciation of property, plant and equipment	(121,444)	(118,065)
TOTAL NON-FLEET DEPRECIATION AND AMORTISATION	**(172,592)**	**(178,209)**

3.4 Other income and expenses

(in thousands of euros)	**2023**	2022
Reversal of surplus provisions	8,000	1,777
Currency translation differences from operating activities	230	344
Other items, net	(1,705)	3,137
TOTAL OTHER INCOME AND EXPENSES	**6,525**	**5,258**

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

(in thousands of euros)	**2023**	2022
Reorganisation and transformation costs (1)	(59,807)	(27,633)
Professional fees (2)	(21,242)	-
Expenses related to the change in ownership (3)	-	(26,801)
Litigation	(8,009)	(15,870)
Financial restructuring charges	-	(3,206)
M&A and integration costs	(700)	2,629
Other non-recurring income and expenses	(7,986)	-
Total other non-recurring income and expenses	**(97,744)**	**(70,881)**
Impairment of non-current assets (4)	(40,994)	(97,058)
TOTAL IMPAIRMENT OF NON-CURRENT ASSETS AND OTHER NON-RECURRING INCOME AND EXPENSES	**(138,738)**	**(167,939)**

(1) In 2022 and 2023, 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. The increase in 2023 is mainly driven from material reorganization measure undertaken in Germany targeting amongst others station optimization but also enhancing the organizational and operational structure.

(2) Mainly include non-recurring external consultancy fees.

(3) Mainly include costs related to the change in ownership that occurred in 2022.

(4) In 2022, charges mainly relate to the impairment loss recognised on certain trademarks and customer relationships recognised as intangible assets (note 5.2). In 2023, charges mainly relate to the impairment loss recognised on Buchbinder trademark for €9 million and some land and building impairment for €32 million.

3.6 Net finance cost

(in thousands of euros)	**2023**	2022
Fleet net financial cost	(116,058)	(113,502)
Non-fleet financial cost	(51,322)	(44,197)
Total net financial expenses	**(167,080)**	**(157,699)**
Expenses related to derivative financial instruments (1)	(31,074)	22,891
Amortisation of transaction costs	(11,943)	(13,743)
Exchange rate differences	(1,619)	(5,156)
Other (2)	(15,135)	(31,577)
Other financial charges	**(59,771)**	**(27,584)**
NET FINANCE COST	**(227,151)**	**(185,283)**

(1) Mainly includes the impact of fair valuing and unwinding of the €350 million SWAP whose characteristics don't qualify for hedge accounting (note 1.2.2). Impacts on the "expenses related to derivative financial instruments" for 2023 and 2022 are respectively (€22.5) million and €26.5 million.

(2) Other financial expenses mainly include administration fees, structuring costs and non-utilisation fees.

3.7 Tax

(in thousands of euros)	**2023**	2022
Current tax	(57,494)	(37,183)
Deferred tax	(17,986)	(35,685)
TOTAL TAX	**(75,480)**	**(72,868)**

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)	**2023**	2022
Profit/loss before tax	**(63,578)**	**128,203**
Statutory tax rate	25.83%	25.83%
Theoretical tax	**16,422**	**(33,115)**
Impact of tax rate differences (1)	19,954	6,555
Permanent differences	(20,268)	(9,161)
Capitalisation of losses and temporary differences not recognised in the past	32,412	4,950
Unrecognised deferred tax assets(2)	(120,135)	(25,106)
Impact of CVAE in France, IRAP in Italy and Trade tax in Germany	(5,129)	(6,076)
Other	1,262	(10,914)
INCOME TAX	**(75,480)**	**(72,868)**
Effective tax rate	118.72%	56.84%

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.

Unrecognised deferred tax assets (2) are explained by the losses of the year with €(60) million for France and €(45) million for Germany.

Deferred tax assets and liabilities per nature:

(in thousands of euros)	**As at December 31, 2022**	**Impact of variation Income Tax rate N-1 / N**	**Recognized in income statement**	**Fair value adjustment in OCI**	**Translation reserve and reclassification**	**As at December 31, 2023**
Goodwill	(7,746)	29	(1,051)	-	33	(8,735)
Intangible asset	(226,233)	(4)	3,783	-	(10)	(222,465)
Tangible asset	(73,742)	38	(40,659)	-	3,296	(111,068)
Fleet	543	-	1,382	-	(82)	1,843
Employee benefits	(4,932)	28	(3,368)	2,141	361	(5,769)
Depreciation and impairment	66,269	490	2,217	-	1,933	70,908
Financial instruments	(20,674)	-	(1,306)	24,477	(32)	2,465
Other temporary differences	3,351	(143)	20,361	-	(2,711)	20,858
Deferred tax net on carry-forward losses	159,267	5,790	(4,314)	145	(3,120)	157,768
Deferred tax assets/(liabilities)	**(103,897)**	**6,228**	**(22,956)**	**26,763**	**(333)**	**(94,194)**

Other timing differences of €21 million are mainly due to the limitation on the deductibility of interest expenses for €19 million.

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 December 31, 2022 a presentation whereby assets and liabilities are offset in the balance sheet when they are under the same tax authority.

(in thousands of euros)	As at December 31, 2023	As at December 31, 2022
Deferred tax assets	50,864	48,491
Deferred tax liabilities	(145,058)	(152,389)
TOTAL NET DEFERRED TAX ASSETS AND LIABILITIES	**(94,194)**	**(103,897)**

Deferred tax assets, carried forward included, 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 carry forwards and the specific situation of each tax group.

For the recognition of its deferred tax assets at December 31, 2023, the Group has assumed a four-year horizon for the projection of future taxable profits in the relevant jurisdictions.

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.

In the context of the application of IAS 12 amendment (note 1.3), the Group has booked for the first time some deferred tax on right of uses and lease liabilities in 2023. The net balance sheet and income statement deferred tax impacts are immaterial. Deferred tax assets and liabilities related to IFRS 16 amount to €149 million and €(148) million respectively, before compensation.

Note 4 The fleet

a) The 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 "Fleet recorded in the balance sheet".

(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.

Right of use assets are initially measured at the amount of the lease liability adjusted for any payments made at the beginning of the lease, initial direct costs and any lease incentives received. The right of use asset is depreciated on a straight-line basis over the useful life of the asset or the term of the lease.

The lease liability is initially measured at the amount of the future lease payments, discounted with the interest rate implicit in the lease or, if not readily determinable, the lessee's incremental borrowing rate. The measurement of the lease liability includes fixed payments less any lease incentives receivable, variable payments that depend on an index or a rate, amounts expected to be paid under a residual value guarantee, the exercise price of a purchase option that the Group is reasonably certain to exercise, lease payments for extension periods, if the group is reasonably certain to exercise the extension option or the lessor is entitled to the extension option, as well as agreed compensation for the termination of a lease, unless the Group is reasonably certain that the lease will not be terminated early. When the lease liability is remeasured, a corresponding adjustment is made to the right of use asset.

Right-of use assets are disclosed according to their nature (fleet or non-fleet) respectively in the "Fleet recorded in the balance sheet" and "Property, Plant and Equipment" (note 5.3) of the consolidated balance sheet. Lease liabilities are disclosed within the financial liabilities in the consolidated balance sheet and disclosed separately in the different notes included in note 8.

The Group reviews the carrying amounts of property and equipment and intangible assets including right of use assets at each balance sheet date, to determine whether there are any indications of an impairment of these assets. If any such indications are identified, the recoverable amount of the asset is estimated to determine the extent of a possible impairment loss.

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 in the financial result.

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.

(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.

b) Fleet holding costs

Fleet holding costs include:

- vehicle costs such as those related to fleet contracts with car manufacturers or lessors through the recognition of vehicle depreciation expense;
- taxes relating to the 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 3.3).

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;
- 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 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 fleet.

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

4.1 The fleet recorded in the balance sheet

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

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Rights of use	498,388	220,289
Buy-back agreement[1]	965,274	1,093,152
Total right of use and buy-back vehicles	**1,463,662**	**1,313,441**
"At risk"	2,182,177	1,707,817
TOTAL FLEET RECORDED IN THE BALANCE SHEET	**3,645,839**	**3,021,257**

(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 impairment for €11.3 million (compared to €12.1 million in 2022) 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 €2,182 million at December 31, 2023 each 1% change in value equates to circa €22 million.

As per its Sustainability-Linked Issuance Framework dated September 22, 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 12.1% of the vehicle mix at December 31, 2023.

At-risk vehicles movements recorded in the balance sheet are broken down as follows:

(in thousands of euros)	**2023**	2022
Gross values		
Balance as at the beginning of the period	**2,078,379**	**1,597,207**
Change in consolidation scope	27,075	-
Acquisitions	1,106,956	1,267,344
Disposals	(505,053)	(771,547)
Transfers and various	(706)	(287)
Effect of exchange rate fluctuations	(17,843)	(14,339)
Balance as at the end of the period	**2,688,808**	**2,078,378**
Depreciation and impairments		
Balance as at the beginning of the period	**(370,563)**	**(330,592)**
Depreciations and impairments	(429,721)	(339,932)
Disposals	291,273	286,925
Transfers and various	179	12,025
Effect of exchange rate fluctuations	2,201	1,013
Balance as at the end of the period	**(506,631)**	**(370,561)**
Net book values		
As at the beginning of the period	**1,707,817**	**1,266,615**
AS AT THE END OF THE PERIOD	**2,182,177**	**1,707,817**

4.2 Fleet holding costs

(in thousands of euros)	**2023**	2022
Net depreciation of vehicles and rights of use [1]	(755,692)	(591,609)
Other fleet holding costs [2]	(136,289)	(119,988)
TOTAL FLEET HOLDING COSTS	**(891,981)**	**(711,597)**

(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 fleet

(in thousands of euros)	**2023**	2022
Operating costs of the fleet [1]	(330,437)	(350,157)
Commissions and fees on ordinary activities [2]	(403,436)	(413,846)
Of which: allowance for doubtful debts and debts recognised as losses	*(27,562)*	*(24,189)*
Rental-related costs [3]	(246,861)	(229,776)
TOTAL COSTS RELATED TO THE OPERATION, RENTAL AND REVENUE OF THE FLEET	**(980,734)**	**(993,780)**

(1) The operating costs of the 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 December 31, 2023**	As at December 31, 2022
Fleet receivables	591,408	492,272
VAT receivables (1)	122,621	117,570
TOTAL FLEET RECEIVABLES AND SIMILAR	**714,030**	**609,841**

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Fleet payables	683,588	386,277
VAT liabilities (1)	62,744	46,639
TOTAL FLEET PAYABLES AND SIMILAR	**746,332**	**432,916**

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

The change in working capital (cash impact) related to the fleet is detailed below:

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Fleet receivables	102,965	4,349
VAT receivables	303	(40,488)
Fleet payables	(225,792)	(85,897)
VAT liabilities	(9,724)	26,186
CHANGE IN WORKING CAPITAL RELATED TO THE FLEET	**(132,248)**	**(95,849)**

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, except for Euromobil (note 5.1).

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

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, Goldcar 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.
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 3.5).

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 3.5).

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. 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.

Amortisation

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.

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.

Depreciation

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	Impairment	Book value
Balance at January 1, 2023	**1,328,724**	**(323,758)**	**1,004,965**
Change in consolidation scope	32,896	-	32,896
Effect of exchange rate fluctuations	(2,733)	92	(2,641)
Balance at December 31, 2023	**1,358,885**	**(323,666)**	**1,035,220**
Balance at January 1, 2022	**1,333,385**	**(325,863)**	**1,007,522**
Impairment loss	-	(2,812)	(2,812)
Change in consolidation scope	(4,473)	3,330	(1,143)
Effect of exchange rate fluctuations	(188)	1,587	1,398
Balance at December 31, 2022	**1,328,724**	**(323,758)**	**1,004,965**

Euromobil acquisition in 2023 (note 2.2.1) resulted in a preliminary goodwill booked for €32.9 million after discount of the earn-out. This goodwill is booked following the “partial goodwill” methodology option described by IFRS 3. Euromobil goodwill is allocated to a single new cash generating unit.

5.1.1 Goodwills held by the Group, analysed by cash generating unit

The Group considers that each country corresponds to a cash generating unit, except for Euromobil which is not merged into the German cash generating unit, considering its performance is analysed at a smaller cash generating unit level.

The table below shows the allocation of the most significant goodwill amounts to the Cash Generating Units (CGUs) and reflects the organisation at December 31, 2023.

(in thousands of euros)	Germany	United Kingdom	France	Spain	Portugal	United States	Australia	Other [(1)]	**Total Group**
Balance at January 1, 2023	**239,316**	**68,817**	**54,199**	**303,504**	**65,330**	**79,900**	**27,375**	**166,524**	**1,004,965**
Change in consolidation scope	-	-	-	-	-	-	-	32,896	**32,896**
Effect of exchange rate fluctuations	-	1,128	-	-	-	(2,777)	(959)	(033)	**(2,641)**
Balance at December 31, 2023	**239,316**	**69,945**	**54,199**	**303,504**	**65,330**	**77,123**	**26,416**	**199,387**	**1,035,220**

[(1)] *Euromobil goodwill is allocated to a single new cash generating unit.*

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 December 31, 2023. No impairment was recorded as a result of this test.

At December 31, 2023, 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:

- 2024 budget, approved by the management at the end of December 2023;
- 5-years business plan (2024-2028), approved by the management;
- Assumptions made in terms of turnover and Adjusted EBITDA that are reflecting management's best estimate;
- Climate risk taken into account by considering for instance our fleet mix (BEV, PHEV, hydrogen, etc.) to meet our commitments, the Group's CO2 footprint roadmap, etc. Climate change long-term effects are anticipated as far as possible by the Group and no material impact on the business is anticipated.
- Tests are run before and after implementation of the Strategic Initiative approved by the management for the next years in order to consider both prudent and rational approaches;
- The terminal value is based on normalised cash flows discounted over an indefinite period assuming a long-term growth rate of 1%, stable with last year;
- 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 2023:

	France	Germany & Euromobil	Italy	Spain	United Kingdom	Belgium	Portugal	Australia	Ireland	Denmark	United States	Finland	Norway
Weighted average cost of capital	**8.77 %**	**8.05 %**	**9.82 %**	**9.16 %**	**9.72 %**	**8.88 %**	**9.15 %**	**9.83 %**	**9.10 %**	**8.62 %**	**9.99 %**	**8.99 %**	**9.51 %**

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 "net debt / equity" ratio used to calculate the weighted average cost of capital is based on the 2019-2023 average annual peer group leverage.

5.1.3 Sensitivity analysis

Goodwill has been tested for impairment by the company as described in note 5.1.2.

At December 31, 2023, 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 CEBITDA 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 January 1, 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 December 31, 2022	**939,231**	**503,816**	**45,291**	**1,488,388**
Balance at January 1, 2023	**939,231**	**503,816**	**45,291**	**1,488,388**
Change in consolidation scope	-	985	-	985
Acquisitions	-	67,262	-	67,262
Disposals	(38,551)	(1,312)	-	(39,863)
Transfers and various	-	827	(383)	444
Effect of exchange rate fluctuations	(127)	(561)	-	(688)
Balance at December 31, 2023	**900,552**	**571,067**	**44,908**	**1,516,528**
Amortisation and impairment				
Balance at January 1, 2022	**(58,848)**	**(362,020)**	**(17,631)**	**(438,500)**
Amortisations	-	(52,238)	(4,491)	(56,729)
Impairments	(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 December 31, 2022	**(131,417)**	**(367,120)**	**(35,095)**	**(533,632)**
Balance at January 1, 2023	**(131,417)**	**(367,120)**	**(35,095)**	**(533,632)**
Amortisations	-	(49,347)	(1,711)	(51,058)
Impairments	(9,099)	-	-	(9,099)
Disposals	38,551	1,313	-	39,864
Transfers and various	-	(283)	(112)	(395)
Effect of exchange rate fluctuations	(1,058)	421	-	(637)
Balance at December 31, 2023	**(103,023)**	**(415,016)**	**(36,918)**	**(554,957)**
Net book values				
As at December 31, 2022	**807,814**	**136,696**	**10,196**	**954,706**
As at December 31, 2023	**797,529**	**156,051**	**7,990**	**961,569**

5.2.1 Trademarks

The trademarks recorded in the consolidated financial statements as of December 31, 2023 amount in net value to €798 million and relate mainly to the Europcar (€674 million), Goldcar (€90 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. 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 2023 is estimated at 9.37% (compared to 8.47% in 2022).

Annual impairment tests didn't lead to the recognition of any impairment loss.

In 2023, EMG Group decided to fully integrate Buchbinder in Europcar trademark. Whilst still offering the product Buchbinder, EMG Group will not actively use the Buchbinder trademark in its external communication anymore. This decision has resulted in €9 million impairment of Buchbinder trademark and the full write-off of the impaired asset for €38.6 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 management used different assumptions for long-term growth rates and weighted average cost of capital for its sensitivity analysis. The test results didn't lead to change the initial conclusions of a lack of trigger event of impairment loss.

Headroom of Europcar trademark as at 31 December 2023 depending on the WACC and/or long-term growth rate sensitivity:

	Long-term growth rate		
(in millions of euros)	0.5 %	1.0 %	1.5 %
WACC			
9,10 %	332,0	346,4	362,7
10,10 %	211,6	221,2	231,9
11,10 %	115,3	121,8	129,0

5.2.2 Customer Relationships

As customer relationship are amortised over 10 years, a €1.7 million amortisation has been recorded in 2023. In 2023, the management didn't identify any trigger event of impairment loss that would resulted in the need to realise an impairment test.

5.2.3 Software and operating systems

These intangible assets are mainly made of the capitalisation of IT costs. The gross value of capitalised IT costs as at December 31, 2023 is €344 million among which €33 million are work in progress not yet activated and near €53 million of activation that occurred in 2023. After amortisation for €198 million, the net book value of capitalised IT costs for the year 2023 is near €146 million.

5.3 Property, plant and equipment

(in thousands of euros)	Land and buildings	Technical facilities	Non-fleet right of use	**Total**
Gross values				
Balance at January 1, 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 December 31, 2022	**102,200**	**242,882**	**539,489**	**884,571**
Balance at January 1, 2023	**102,200**	**242,882**	**539,489**	**884,571**
Change in consolidation scope	-	716	-	716
Acquisitions	5,420	24,157	71,892	101,468
Disposals	(607)	(15,941)	(31,180)	(47,728)
Transfers and various	(14)	2,114	-	2,100
Effect of exchange rate fluctuations	(248)	(796)	(3,739)	(4,783)
Balance at December 31, 2023	**106,750**	**253,132**	**576,462**	**936,345**
Depreciation and impairment				
Balance at January 1, 2022	**(35,417)**	**(266,111)**	**(190,620)**	**(492,099)**
Depreciations	(2,284)	(17,060)	(96,049)	(115,394)
Impairments	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 December 31, 2022	**(29,422)**	**(184,793)**	**(261,953)**	**(476,168)**
Balance at January 1, 2023	**(29,422)**	**(184,793)**	**(261,953)**	**(476,168)**
Depreciations	(2,063)	(16,852)	(98,334)	(117,249)
Impairments	(32,454)	-	-	(32,454)
Disposals	1,036	15,801	32,464	49,301
Transfers and various	17	(1,403)	-	(1,386)
Effect of exchange rate fluctuations	172	720	1,931	2,823
Balance at December 31, 2023	**(62,713)**	**(186,527)**	**(325,893)**	**(575,133)**
Book values				
As at December 31, 2022	**72,779**	**58,089**	**277,534**	**408,402**
As at December 31, 2023	**44,037**	**66,606**	**250,568**	**361,211**

In 2023, some lands and buildings were impaired for €32 million (note 3.5). There is not any trigger event of impairment loss for other tangible assets. In accordance with IAS 36, an impairment test of property, plant and equipment was performed.

5.4 Right of use

(in thousands of euros)	Fleet	Non-fleet	Total
Gross values			
Balance at January 1, 2022	**280,933**	**453,531**	**734,464**
Acquisitions	217,029	147,697	364,726
Disposals	(153,216)	(58,333)	(211,549)
Various	(574)	(619)	(1,193)
Effect of exchange rate fluctuations	(1,818)	(2,787)	(4,605)
Balance at December 31, 2022	**342,353**	**539,489**	**881,842**
Balance at January 1, 2023	**342,353**	**539,489**	**881,842**
Change in consolidation scope	57,426	-	57,426
Acquisitions	484,495	71,892	556,386
Disposals	(157,247)	(31,180)	(188,427)
Effect of exchange rate fluctuations	235	(3,739)	(3,504)
Balance at December 31, 2023	**727,262**	**576,462**	**1,303,724**
Depreciation and impairment			
Balance at January 1, 2022	**(121,544)**	**(190,620)**	**(312,164)**
Depreciations	(140,403)	(96,049)	(236,453)
Disposals	138,394,	23,023	161,417
Divers	277	617	894
Effect of exchange rate fluctuations	1,213	1,076	2,289
Balance at December 31, 2022	**(122,063)**	**(261,953)**	**(384,018)**
Balance at January 1, 2023	**(122,063)**	**(261,953)**	**(384,018)**
Depreciations	(222,816)	(98,334)	(321,150)
Disposals	113,848	32,464	146,311
Effect of exchange rate fluctuations	2,158	1,931	4,089
Balance at December 31, 2023	**(228,873)**	**(325,893)**	**(554,768)**
Book values			
As at December 31, 2022	**220,289**	**277,534**	**497,825**
As at December 31, 2023	**498,388**	**250,568**	**748,957**

The amount of net rights of use is almost €749 million at December 31, 2023 and the associated rental debt amounts to €729 million, of which EUR 265 million is non-fleet (mainly real estate) and €463 million is fleet related. The management reviewed the recoverable amount of the rights of use related to the leases of its real estate and vehicles and did not identify trigger event that would result in an impairment loss.

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 inventories listed below:

(in thousands of euros)	As at December 31, 2023	As at December 31, 2022
Consumables	3,405	1,042
Fuel	18,779	19,684
Vehicles	11,368	139
Spare parts	503	490
Other elements	0	73
TOTAL INVENTORY	**34,055**	**21,428**

Inventories are stated net of provisions of €6.7 million (compared to €341 thousand in 2022). 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 December 31, 2023	As at December 31, 2022
Rental receivables	298,398	260,244
Other receivables	74,437	88,115
Other tax receivables	5,844	1,730
Insurance claims	32,273	30,950
Advance payments	38,575	26,231
Other receivables and deposits	27,326	34,060
TOTAL TRADE AND OTHER RECEIVABLES	**476,853**	**441,329**

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

	As at December 31, 2023				
(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	599,413	462,499	57,046	23,792	56,078
Impairment	(122,559)	(69,798)	(7,303)	(5,488)	(39,970)
Trade and other receivables - net value	**476,853**	**392,701**	**49,742**	**18,304**	**16,107**

	As at December 31, 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	(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**

The impairment methodology is described in note 8 and resulted in the below movements:

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Opening balance	**(106,463)**	**(100,281)**
Impairment	(27,849)	(11,177)
Receivables recognised as losses in the year/period	11,651	5,533
Currency translation differences	101	63
CLOSING BALANCE	**(122,559)**	**(106,463)**

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 December 31, 2023**	As at December 31, 2022
Trade payables	456,781	471,243
Other tax payables	23,089	24,398
Deposits	55,942	73,224
Payroll liabilities	96,496	94,869
TOTAL TRADE AND OTHER PAYABLES	**632,307**	**663,736**

6.4 Change in working capital requirement excluding fleet

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Trade receivables	8,010	(28,830)
Other receivables	(17,918)	(75,945)
Tax receivables	(4,109)	(1,110)
Inventories	(10,148)	(2,105)
Payables	(9,959)	90,384
Other payables	10,767	98,845
Tax liabilities	(1,169)	8,907
CHANGE IN WORKING CAPITAL REQUIREMENT EXCLUDING FLEET	**(24,526)**	**90,157**

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 December 31, 2023**	As at December 31, 2022
Maturity:		
Within one year	30,502	29,178
Between one and five years	27,799	29,308
More than five years	2,455	550
TOTAL LEASES	**60,756**	**59,036**

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 December 31, 2023, the Group entered into contracts for the purchase of vehicles for €1,853 million (compared to €1,407 million in 2022).

6.5.3 Commitments to purchase fixed assets

During the year ended December 31, 2023, the Group entered into contracts to purchase property, plant and equipment and intangible assets. As at December 31, 2023, the outstanding commitments are not material as at December 31, 2022.

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 given to the frontier of the self-insurance piece of the motor third party liability insurance program.
- As at December 31, 2023 the company has closed its guarantees (“letters of credit”) to suppliers (December 2022: €41.4 million). Contingent assets amount to €2.1 million (December 2022: €3.9 million).
- Securitifleet 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., 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, 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., 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., Europcar IB S.A.U. or Goldcar Spain S.L.U. shall be returned to Europcar France S.A.S., 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., Securitifleet S.L. or Goldfleet Spain S.L.U.
- Securitifleet SAS, Securitifleet GmbH, Securitifleet SL and Securitifleet S.P.A. 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 or Securitifleet S.P.A.
- Securitifleet SAS will be the owner 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 Securitifleet SAS.
- As security for the Senior Revolving Credit Facility (RCF) and Term Loan, joint and several guarantee of the obligations of borrowers and debtors have been put in place by the Company.

- 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 October 7, 2021, joint and several guarantee of the Obligations of EC Finance PLC have been put in place by the Group.
- In respect of the obligations of Europcar Group UK Limited, 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 million Notes dated February 14, 2022 that increased to $300 million in 2023, 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.

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.

Europcar Mobility Group S.A. has pledged its shares in Europcar International S.A.S.U. and Europcar Participations S.A.S. on a pari-passu basis to the lenders of the Senior Revolving Credit Facility (RCF) and the Term Loan. Fleet assets located in the various jurisdictions, including the UK and Australia and New Zealand, 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, 2023, 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. GMH acquired in 2023 the 94 696 other shares disclosed as at December 31, 2022.

At December 31, 2023, 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%
TOTAL	**5 015 640 081**	**100%**	**100%**

At December 31, 2022, 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
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%**

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. As at December 31, 2023, there is no impact on the change in equity related to treasury shares, whose number remains at 8 552 323 shares.

Note 8 Financing and financial risk management

Financial assets are classified into three categories: assets at fair value through other comprehensive income, 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 OTHER COMPREHENSIVE INCOME

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 currency 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. Financial assets at fair value through other comprehensive income mainly include derivative financial instruments (see note 8.4.1).

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 derivative financial instruments (see note 8.4.1).

FINANCIAL ASSETS AT AMORTISED COST

These assets are measured at amortised cost subsequently using the effective interest method. Financial assets at amortised cost mainly include other financial assets such as loans, receivables, deposits and advance payments and marketable securities (diversified bond investments with several financial institutions) held by Euroguard Cell (see note 8.4.1). 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. Given the short maturity of the marketable securities, management has concluded that the fair value of these investments approximates their carrying value.

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.

b) Derivative financial instruments

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. Europcar group policy do not allow to trade financial derivative instruments for optimisation purposes.

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.

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 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 (see note 3.6).

c) 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 impairment method applied depends on whether there has been a significant increase in credit risks (ageing, status of on-going payments, customer in collection, etc.) and depending on the nature of the receivables. 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. Amounts of impairment of receivables are provided in note 6.2. The impairment loss is disclosed in note 4.3.

d) Cash and cash equivalents and restricted cash

An asset is recognized as cash and cash equivalent if it meets the two following criteria:

- Readily convertible to a known amount of cash throughout its term;
- Subject to an insignificant risk of change in value assessed against the amount at inception.

An asset is recognized as restricted cash in the three below cases:

- Used to cover the future settlement of insurance claims only (making it not available for immediate or general business use). That is the case for the two Euroguard Cell held by the Group and for the American insurance program.
- Used for “Liquidity Enhancement Cash Reserve Required” purposes within the securitisation structures (FCT Sinople, Securitifleet Holding, Europcar Securitifleet UK Issuer PLC, EMGFX Vehicle Financing LLC) and not available for immediate or general business use.
- Pledged to an external third-party and not available for immediate or general business use.

Cash and cash equivalents are restricted cash are measured at amortised cost. Their carrying value is a reasonable approximation of their fair value due to their short-term maturity.

e) Financial liabilities at amortised cost

These financial liabilities are disclosed in note 8.5. The amortised cost of trade and other payables generally approximates their fair value due to their short term nature.

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.

8.1 Financial assets

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Financial assets carried at amortised cost (1)	31,510	34,194
Derivative financial instruments assets at fair value (2)	51,650	131,484
Deposits and advance payments	25,091	28,897
Other non-current financial assets	6,389	2,869
TOTAL NON-CURRENT FINANCIAL ASSETS	**114,640**	**197,444**
Derivative financial instruments assets at fair value (2)	6,950	-
Financial assets carried at amortised cost (1)	26,779	24,834
TOTAL CURRENT FINANCIAL ASSETS	**33,729**	**24,834**

(1) €56.2 million covering liabilities related to our captive insurance entities (€48.3 million as at December 31, 2022), mainly consisting of bonds carried at amortised cost.
(2) Financial instruments assets are described in note (8.4.1). The variance is mainly explained by the unwinding of a €350 million SWAP in February 2023 (note 1.2.2) and the update of instruments fair value as at December 31, 2023 in comparison to their fair value as of December 31, 2022. This fair value update is reflected in the “Other Comprehensive Income” (page 3).

8.2 Cash, cash equivalents and restricted cash

(in thousands of euros)	**As at December 31, 2023**	**As at December 31, 2022**
Availability	314,623	268,315
Accrued interest	(59)	(59)
Cash and cash equivalents	**314,564**	**268,256**
Restricted cash	131,052	128,504
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**445,616**	**396,760**

Cash and cash equivalents of *special purpose* vehicles are considered as restricted cash. The cash and cash equivalents in the cash flow statement is reconciled by adding bank overdrafts to the above sub-total:

(in thousands of euros)	**As at December 31, 2023**	**As at December 31, 2022**
Bank overdrafts	(4,417)	(487)
CASH AND CASH EQUIVALENTS PRESENTED IN THE CASH FLOW STATEMENT	**441,199**	**396,273**

8.3 Financial liabilities

(in thousands of euros)	As at December 31, 2022	Change in consolidation scope	Change with cash impact	Exchange rate impacts	Other	As at December 31, 2023
Bond	500,000	-	-	-	-	500 000
Term Loan	500,000	-	-	-	-	500 000
Other loans dedicated to fleet financing	31,612	-	12,729	-	(912)	43,429
State guarantee loans[1]	298,376	-	(39,353)	-	(15,019)	244,004
Earn-out[2]	-	24,673	-	-	-	24,673
Rental debts and associated interests[3]	218,583	29,749	421,237	(1,157)	(350,469)	317,943
Transaction costs/Premium/Discount[4]	(21,828)	-	-	(53)	14,928	(6,953)
Non-current financial liabilities	**1,526,478**	**54,422**	**394,613**	**(1,210)**	**(351,472)**	**1,623,096**
Senior Asset Revolving Facility (SARF)	1,296,510	-	109,250	(2,738)	-	1,403,021
Senior Revolving Credit Facility (RCF)	-	-	155,000	-	-	155,000
State guarantee loans[1]	33,961	-	(12,464)	-	15,019	36,516
Other loans dedicated to fleet financing	559,672	-	138,076	(16,772)	5,017	685,993
Bank overdrafts	487	-	3,930	(1)	-	4,416
Transaction costs/Premium/Discount[4]	(6,674)	-	765	(52)	(4,777)	(10,738)
Rental debts and associated interests[3]	262,963	30,008	(344,696)	(713)	453,230	410,792
Accrued interests	10,795	-	632	(83)	1,393	12,737
Current financial liabilities	**2,157,716**	**30,008**	**50,493**	**(20,359)**	**479,882**	**2,697,739**
TOTAL FINANCIAL LIABILITIES	**3,684,194**	**84,430**	**455,106**	**(21,569)**	**143,082**	**4,320,836**

(1) Other column shows the reclassification of state guarantee loans from non-current to current liabilities (no cash impact).
(2) The earn-out is a variable debt not yet paid coming from Euromobil's acquisition (no cash impact).
(3) Other column mainly shows the reclassification of rental debt from non-current to current liabilities (no cash impact).
(4) Other column shows both reclassification of transaction costs from non-current to current liabilities and amortisation of transaction costs (no cash impact).

(in thousands of euros)	As at December 31, 2021	Change with cash impact	Exchange rate impacts	Other	As at December 31, 2022
Bond	500,000	-	-	-	500,000
Term Loan B	500,000	(500,000)	-	-	-
Term Loan	-	500,000	-	-	500,000
Other loans dedicated to fleet financing	47,552	(23,190)	7,257	(9)	31,612
State guarantee loans	306,433	(2,758)	-	(5,299)	298,376
Rental debts and associated interests	209,509	-	(1,645)	10,719	218,583
Transaction costs/Premium/Discount	(17,967)	(13,684)	201	9,358	(21,828)
Non-current financial liabilities	**1,545,527**	**(39,632)**	**5,814**	**14,769**	**1,526,478**
Senior revolving credit facility (RCF)	60,000	(60,000)	-	-	-
Senior Asset Revolving Facility (SARF)	1,028,677	280,537	(12,673)	(30)	1 296,510
State guarantee loans	43,265	(14,701)	402	4,995	33,961
Other loans dedicated to fleet financing	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 debts and associated interests	220,349	(109,350)	(629)	152,593	262,963
Accrued interests	9,367	-	(43)	1,471	10,795
Current financial liabilities	**2,353,396**	**(287,834)**	**(17,119)**	**109,273**	**2,157,716**
TOTAL FINANCIAL LIABILITIES	**3,898,923**	**(327,466)**	**(11,305)**	**124,042**	**3,684,194**

8.3.1 Reconciliation of total net debt

(in thousands of euros)	Notes	As at December 31, 2023	As at December 31, 2022
Non-current financial liabilities excluding leases	8.4	1,305,153	1,307,895
Current financial liabilities excluding leases	8.4	2,286,947	1,894,752
Held-to-maturity financial assets	8.1	(56,876)	(34,194)
Other current financial assets part of the net debt	8.1	(3,523)	(16,937)
Cash, cash equivalents and restricted cash and overdrafts	8.2	(445,616)	(396,760)
TOTAL NET DEBT EXCLUDING LEASES		**3,086,085**	**2,754,756**
Rental debts and associated interests	8.3	728,735	481,546
TOTAL NET DEBT		**3,814,821**	**3,236,760**

8.3.2 Financial liabilities by maturity date

(in thousands of euros)	**As at December 31, 2023**	**< 1 year**	**Between 1 and 5 years**	**> 5 years**
Bond [1]	500,000	-	500,000	-
Term Loan [2]	500,000	-	500,000	-
Other loans dedicated to fleet financing	43,429	-	43,429	-
State guarantee loans [3]	244,004	-	244,004	-
Earn-out [4]	24,673	-	24,673	-
Rental debts and associated interests	317,943	-	317,943	-
Transaction costs/Premium/Discount	(6,953)	-	(6,953)	-
NON-CURRENT FINANCIAL LIABILITIES	**1,623,096**	-	**1,623,096**	-
Senior Asset Revolving Facility (SARF)	1,403,022	1,403,022	-	-
State guarantee loans	36,516	36,516	-	-
Senior Revolving Credit Facility (RCF)	155,000	155,000	-	-
Bank overdrafts	4,417	4,417	-	-
Other loans dedicated to fleet financing	685,997	685,997	-	-
Rental debts and associated interests	410,792	410,792	-	-
Transaction costs/Premium/Discount	(10,737)	(10,737)	-	-
Accrued interests	12,733	12,733	-	-
CURRENT FINANCIAL LIABILITIES	**2,697,739**	**2,697,739**	-	-

(1) Bond maturity is October 2026.
(2) Term Loan maturity is November 2027.
(3) State guarantee loans maturities are September 2025 for Italy, April 2026 for Spain and May 2026 for France.
(4) The earn-out related to Euromobil acquisition is a variable debt that will be paid to EURO-Leasing during the next six years depending on the amount of dividends received from Euromobil at each fiscal year. The Group's best estimate is to pay the earn-out between 2025 and 2029.

(in thousands of euros)	As at December 31, 2022	< 1 year	Between 1 and 5 years	> 5 years
Bond	500,000	-	500,000	-
Term Loan	500,000	-	500,000	-
Other loans dedicated to fleet financing	31,612	-	31,612	-
State guarantee loans	298,376	-	298,376	-
Rental debts and associated interests	218,583	-	218,583	-
Transaction costs/Premium/Discount	(21,828)	-	(21,828)	-
NON-CURRENT FINANCIAL LIABILITIES	**1,526,473**	-	**1,526,473**	-
Senior Asset Revolving Facility (SARF)	1,296,510	1,296,510	-	-
State guarantee loans	33,961	33,961	-	-
Other loans dedicated to fleet financing	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 interests	262,963	262,963	-	-
Transaction costs/Premium/Discount	(6,674)	(6,674)	-	-
Accrued interests	10,795	10,795	-	-
CURRENT FINANCIAL LIABILITIES	**2,157,716,**	**2,157 176**	-	-

8.3.3 Financial liabilities by subscription currency

(in thousands of euros)	**As at December 31, 2023**	**EURO**	**GBP**	**USD**	**AUD**	**DKK**
Bond	500,000	500,000	-	-	-	-
Term Loan	500,000	500,000	-	-	-	-
Transaction costs/Premium/Discount	(17,690)	(12,523)	(4,855)	(312)	-	-
State guarantee loans	280,520	280,520	-	-	-	-
Earn-out	24,673	24,673	-	-	-	-
Accrued interests	12,733	10,068	-	2,664	-	-
Senior Revolving Credit Facility (RCF)	155,000	155,000	-	-	-	-
Senior Asset Revolving Facility (SARF)	1,403,022	868,468	267,395	267,158	-	-
Other bank loans dedicated to the financing of the fleet	43,429	43,429	-	-	-	-
Bank overdrafts	4,417	3,935	-	-	-	482
Current bank loans and other loans dedicated to fleet financing	685,997	(46,651)	68,063	393,135	215,308	56,142
Rental debts and associated interests	728,735	594,506	54,401	36,576	35,573	7,680
TOTAL FINANCIAL LIABILITIES	**4,320,836**	**2,921,426**	**385,004**	**699,221**	**250,881**	**64,303**

(in thousands of euros)	As at December 31, 2022	EURO	GBP	USD	AUD	DKK
Bond	500,000	500,000	-	-	-	-
Term Loan	500,000	500,000	-	-	-	-
Transaction costs/Premium/Discount	(28,765)	(22,855)	(3,627)	(2,283)	-	-
State guarantee loans	332,337	332,337	-	5,318	-	-
Accrued interests	10,795	9,628	-	1,167	-	-
Senior Asset Revolving Facility (SARF)	1,296,510	866,423	262,449	167,638		
Other loans dedicated to fleet financing	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 interests	481,546	361,768	38,819	35,429	34,307	11,223
Other bank loans	31,612	31,612	-	-	-	-
TOTAL FINANCIAL LIABILITIES	**3,684,194**	**2,606,831**	**437,758**	**342,496**	**221,494**	**75,614**

8.3.4 Financial clauses

At December 31, 2023, the Group was in compliance with all of the financial covenants set out below:

(i) *For the Senior Revolving Credit Facility (RCF)*

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.

(ii) *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.

(iii) *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.

The risks related to non-compliance with covenants are described in the note 4.4.5 of the Management Report of the Group. Non-compliance with a covenant could result in the immediate repayment of the underlying debt according to the contracts.

8.3.5 Asset-Based Lending Facilities

(i) *European SARF*

The SARF ("Senior Asset Revolving Facility") was concluded on July 30, 2010 and has been amended several times. These amendments resulted in changes in the amount of the line (reaching €1.7 billion since 2018), the negotiated margin and the maturity. The most recent amendment took place on October 15, 2021 together with the refinancing of the EC Finance PLC bond. France, Italy, Spain and Germany are part of the European SARF program.

(ii) *UK SARF*

The Group's UK entities finance their fleet through a £450 million securitisation and finance lease facility ("Club Facility") for a total of £150 million, both of which were signed in June 2022. In addition, UK has operating leases with certain financial institutions of car manufacturers.

(iii) *US SARF*

As of December 31, 2023, Fox Rent-A-Car has bilateral lines of credit for the financing of its fleet granted by local financial institutions. Fox Rent-A-Car also benefits since February 2022 from a securitisation of which the senior portion increased from USD 225 million to USD 300 million as at December 31, 2023.

(iv) *Asset financed 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. 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.

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 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, the Australian dollar and the US dollar. The foreign exchange risk arises from the currency 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 December 31, 2023, the Group has no investments in foreign operations other than in the United Kingdom, Australia and New Zealand, Denmark, 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 currency translation of balances into the functional currency is presented below:

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2023
Trade and other receivables (including fleet)	110,246	38,211	26,451	14,376	189,284
Other financial assets	14,908	2,871	42	950	18,771
Non-current financial assets	2,126	1,129	-	-	3,256
Current financial assets	124	-	-	-	124
Cash and cash equivalents	28,098	103,545	15,179	5,004	151,825
Total financial assets	**155,503**	**145,754**	**41,672**	**20,330**	**363,259**
Trade and other payables (including fleet)	209,572	45,458	81,470	14,279	350,778
Borrowings and financial debts	330,604	662,642	215,308	56,623	1,265,177
Total financial liabilities	**540,176**	**708,100**	**296,778**	**70,902**	**1,615,955**
NET EXPOSURE TO CURRENCY TRANSLATION RISK OF NON-EURO COMPANIES	**(384,673)**	**(562,346)**	**(255,106)**	**(50,572)**	**(1,252,696)**

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2022
Trade and other receivables (including 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 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 CURRENCY TRANSLATION RISK OF NON-EURO COMPANIES	**(370,622)**	**(378,476)**	**(185,281)**	**(59,431)**	**(993,810)**

Due to its cash management policy which aims to centralize cash, the Group is also punctually exposed to foreign exchange risk arising from current accounts denominated in a foreign currency. To mitigate the risk, the Group trades foreign exchange derivative instruments designated as fair-value hedge from an accounting standpoint. As at December 31, 2023, the fair-value of the foreign exchange derivative instruments is non-significant. As at December 31, 2023, the foreign exchange gain/loss recorded in the P&L amount €(1.6) million.

Moreover, the sensitivity analysis made by the Group, taking a 1% increase or decrease of the currency translation rates, doesn't result in material differences with the above reported figures.

(ii) *Interest rate risk*

Apart from the investments in bonds of the Euroguard insurance program (see note 8.4.6), 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. 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*. *Swaps* have the effect of converting floating rate debt into fixed rate debt. *Caps* offer protection against increases in EURIBOR or other indices. The Group is protected against the risk of rising interest rates through a portfolio of hedging instruments including *swaps* and *caps* as at December 31, 2023:

(in thousands of euros)	Nominal in thousands of local currency	Index	Qualification	**Fair value at 31/12/2023**	Changes in fair values	Impact on financial result	Equity impact
Interest rate *swaps* maturing in 2024 - 1.10%	EUR 250,000	EUR 6 months	*Swap* CFH	5,820	(4,907)	42	(4,949)
Interest rate *caps* maturing in 2025 0.50%	EUR 1,700,000	EUR 1 month	*Cap* CFH	49,523	(40,385)	(298)	(40,087)
Interest rate *caps* maturing in 2024 - 1.75% (1)	USD 225,000	TERM SORF 3 months	*Cap* CFH	1,130	(5,932)	(1,702)	(4,230)
Interest rate *caps* maturing 2026 - 5.0%(2)	GBP 450,000	SONIA CAPI	*Cap* CFH	2,126	(6,495)	(1,675)	(4,819)
Interest rate *swaps* maturing in 2024 - 1.1%(3)	EUR 350,000	EUR 6 months	*Swap* Trading	-	(15,019)	(22,535)	7,516
TOTAL				**58,600 (4)**	**(72,738)**	**(26,169)**	**(46,569)**

(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) See note 1.2.2
(4) A 1% increase of rates would result in a €25.3 million increase of the fair value at 31/12/2023 and a 1% decrease of rates would result in a €(21.4) million decrease.

(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 2024 0.50	EUR 1,700,000	EUR 1 month	*Cap* CFH	89,908	81,236	(355)	81,591
Interest 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 *swaps* maturing in 2024 - 1.1%.(3)	EUR 350,000	EUR 6 months	*Swap* Trading	15,019	27,098	27,098	-
TOTAL				**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.

As at December 31, 2023, all the instruments held by Europcar qualify for hedge accounting and are treated as such in the Group's financial statements. The fair value of the instruments decreased by a total net amount of €73 million during the year, which was recognised in other comprehensive income for €46 million and in profit and loss for €28 million. Efficiency tests carried out as of December 31 revealed a €1.4 million inefficiency booked as a financial cost within the consolidated income statement. 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 December 31, 2023**	As at December 31, 2022
Non-current liabilities		
Fixed-rate borrowing	999,535	989,622
Borrowing at variable rates	305,618	318,274
Whose variable interest rate is hedged	*237,516*	*286,604*
Whose variable interest rate is not hedged	*68,102*	*31,670*
TOTAL NON-CURRENT LIABILITIES	**1,305,153**	**1,307,895**
Current liabilities		
Fixed-rate borrowing	19,112	7,886
Borrowing at variable rates	2,267,835	1,886,866
Whose variable interest rate is hedged	*1,591,502*	*1,327,057*
Whose variable interest rate is not hedged	*676,333*	*559,810*
TOTAL CURRENT LIABILITIES	**2,286,947**	**1,894,752**

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 December 31, 2023**	As at December 31, 2022
Neither matured nor impaired	764,847	640,807
Due but not impaired	199,479	199,206
Impaired	74,385	66,455
TOTAL	**1,038,710**	**906,468**

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.

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**
Fleet receivables	465,668	105,273	15,940	4,528	591,408
Rental receivables	248,103	36,718	12,810	766	298,398
Customers	13,056	5,320	3,060	11,268	32,703
Other receivables	38,020	3,478	176	142	41,816
Total at December 31, 2023	**764,847**	**150,789**	**31,986**	**16,704**	**964,326**

(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**
Fleet receivables	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 December 31, 2022	**640,807**	**154,857**	**21,067**	**23,282**	**840,013**

8.4.3 Price risk

The Group is not exposed to equity risk due to the insignificant amounts of financial investments it holds. 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".

The following table analyses the Group's financial liabilities, 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 Main	Less than a year away Interests	Between 1 and 5 years Main	Between 1 and 5 years Interests	Over 5 years Main	Over 5 years Interests	Total Main	Total Interests
December 31, 2023									
Bond	498,946	-	15,000	500,000	27,500	-	-	500,000	42,500
Senior Asset Revolving Facility (SARF)	1,397,432	1,403,022	105,311	-	-	-	-	1,403,022	105,311
Other liabilities	1,506,908	761,445	80,296	746,510	145,466	-	-	1,507,955	225,762
Suppliers and debts related to the fleet	632,307	632,307	-	-	-	-	-	632,307	-
TOTAL FINANCIAL LIABILITIES	**4,035,593**	**2,796,774**	**200,607**	**1,246,510**	**172,966**	**-**	**-**	**4,043,284**	**373,573**

(in thousands of euros)	Book value	Less than a year away Main	Less than a year away Interests	Between 1 and 5 years Main	Between 1 and 5 years Interests	Over 5 years Main	Over 5 years Interests	Total Main	Total Interests
December 31, 2022									
Bond	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 Revolving Facility (SARF)	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 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**

Senior Asset Revolving Facility (SARF) 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 December 31, 2023 Credit limit	As at December 31, 2023 Retrieved from	As at December 31, 2022 Credit limit	As at December 31, 2022 Retrieved from
Letter of credit	-	-	250,000	41,430
Senior Asset Revolving Facility (SARF)	2,489,300	1,403,022	2,368,764	1,296,510
Other financial liabilities	1,842,500	1,226,524	1,826,425	1,372,295

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.

8.4.6 Insurance risk

Europcar Mobility Group ensures that all its operating subsidiaries adhere to local legal requirements and insurance limits for third party motor liability. The Group employs local underwriting practices and supplements them with a reinsurance unit through a protected Cell Captive managed by Euroguard in Gibraltar, with all funds consolidated. The expense of liability risks linked to Europcar's fleet relies on the frequency and severity of claims.

In 2023, the markets where Europcar operates witnessed an inflationary trend in the unit cost of personal injury and property damage. This trend is influenced by various economic, legal, and social factors.

Throughout 2023, Europcar Mobility Group maintained its key assumptions and methodology for insurance contracts. Additionally, the Group accounted for the impacts of inflation on property and casualty costs in its risk management strategies.

8.5 Fair-value measurement methodology

According to IFRS 13, fair value measurements must be classified using a fair value hierarchy with the following levels:

- level 1: quoted prices in active markets for identical assets or liabilities (without modification or repackaging);
- level 2: quoted prices in active markets for similar assets and liabilities, or valuation techniques in which all important inputs are derived from observable market data;
- level 3: valuation techniques in which not all important inputs are derived from observable market data.

The fair value of financial assets and liabilities traded in an active market 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. This is the case for the bond maturing in 2026 has been determined using quoted prices as at December 31, 2023 on the Euro MTF market.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The fair value of interest rate *swaps* and *caps* is determined using the discounted cash flow method: level 2 in the fair value hierarchy. Except the bond, all the financial assets and liabilities of the Group are level 2.

The fair value of current assets and liabilities approximates their carrying amount due to their short-term maturity. The carrying amount less the provision for impairment of receivables and payables is assumed to approximate the fair value of these items.

Fair value at December 31, 2023 *(in thousands of euros)*	Notes	**Book value**	**Fair value**	**Fair value through profit or loss**	**Fair value through other comprehensive income**	**Financial instruments at amortised cost**
Trade and other receivables	6.2	476,853	476,853	-	-	476,853
Fleet receivables	4.4	591,408	591,408	-	-	591,408
Trade and other payables	6.3	632,307	632,307	-	-	632,307
Fleet payables	4.4	683,588	683,588	-	-	683,588
Other non-current liabilities		12,105	12,105	-	-	12,105
TOTAL ASSETS AND LIABILITIES		**2,396,262**	**2,396,262**	**-**	**-**	**2,396,262**
Financial assets carried at amortised cost and other non-current financial assets	8.1	64,678	64,678	-	-	64,678
Deposits and advance payments	8.1	25,091	25,091	-	-	25,091
Restricted cash	8.2	131,052	131,052	131,052	-	-
Cash and cash equivalents	8.2	314,564	314,564	314,564	-	-
Derivative financial instruments	8.5	58,600	58,600	(11,297)	69,897	-
TOTAL FINANCIAL ASSETS		**593,985**	**593,985**	**434,319**	**69,897**	**89,769**
Non-current financial and lease liabilities	8.3.2	1,623,096	1,605,947	-	-	1,605,947
Current financial and lease liabilities	8.3.2	2,697,739	2,697,739	-	-	2,697,739
TOTAL FINANCIAL LIABILITIES		**4,320,835**	**4,303,686**	**-**	**-**	**4,303,686**

Fair value at December 31, 2022 *(in thousands of euros)*	Notes	Book value	Fair value	Fair value through profit or loss	Fair value through other comprehensive income	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
Fleet receivables	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	8.5	131,484	131,484	15,018	116,466	-
TOTAL FINANCIAL ASSETS		**1,493,765**	**1,493,765**	**411,778**	**114,466**	**966,070**
Non-current financial liabilities and non-current lease liabilities	8.3.2	1,526,478	1,481,149	-	-	1,481,149
Trade and other payables	6.3	663,736	663,736	-	-	663,736
Fleet payables	4.4	386,277	386,277	-	-	386,277
Other non-current liabilities		12,106	12,106	-	-	12,106
Current financial liabilities and current lease liabilities	8.3.2	2,157,716	2,157,716	-	-	2,157,716
TOTAL FINANCIAL LIABILITIES		**4,746,312**	**4,700,984**	**-**	**-**	**4,700,984**

Note 9 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 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 IAS 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).

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.

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).

9.1 Personnel costs

9.1.1 Personnel costs

(in thousands of euros)	**2023**	2022
Wages and salaries	(416,173)	(411,338)
Social security charges	(89,828)	(79,151)
Post-employment benefits	(7,015)	(6,603)
Capitalised personnel costs	26,820	20,920
Other costs (dismissal, recruitment, etc.)	(18,331)	(16,983)
TOTAL PERSONNEL COSTS	**(504,528)**	**(493,155)**

9.1.2 Workforce

(in average number of full-time equivalents)	**As at December 31, 2023**	As at December 31, 2022
TOTAL NUMBER OF EMPLOYEES	**8,134**	8,198

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 €103.1 million and other employee benefits of €1.8 million as of December 31, 2023, representing a total commitment of €104.9 million. The below table is netting employee benefits assets and liabilities of the consolidated balance sheet:

	As at December 31, 2023			As at December 31, 2022		
(in thousands of euros)	**Defined benefit pension plans**	**Other employee benefits**	**Total**	Defined benefit pension plans	Other employee benefits	Total
Not current	(99,052)	(1,766)	(100,818)	(91,189)	(1,767)	(92,956)
Current	(4,111)	-	(4,111)	(4,211)	-	(4,211)
TOTAL	**(103,163)**	**(1,766)**	**(104,929)**	**(95,400)**	**(1,767)**	**(97,167)**

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 December 31, 2023**	As at December 31, 2022
Present value of funded or partially funded liabilities	*(A)*	(53,707)	(56,003)
Fair value of their plan assets	*(B)*	61,055	64,169
Net value of funded liabilities		**7,348**	**8,167**
Net value of unfunded liabilities	***(C)***	**(110,511)**	**(103,567)**
Net liabilities at the end of the period	*(D)*	**(103,163)**	**(95,400)**
Of which:			
Liability recorded in the balance sheet in the amount of		(114,928)	(107,511)
Asset recorded in the balance sheet in the amount of		11,765	12,110

Countries where the net value of funded liabilities is positive are reclassified as asset recorded in the balance sheet. In 2023 and 2022, the net value of the UK funded liabilities are recorded as an asset for respectively €11.8 million and €12.1 million.

9.2.2 Change in net liabilities recorded in the balance sheet

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Net liabilities at the beginning of the period	(95,400)	(142,713)
Regulations	23	955
Contributions paid	783	2,110
Benefits paid	3,891	3,745
Service cost, interest cost and expected return on plan assets	(7,782)	(4,583)
Actuarial gains and losses recognised in equity (1)	(8,164)	44,055
Expected return	2,759	1,385
Currency translation and other changes	726	(353)
NET LIABILITIES AT THE END OF THE PERIOD (D)	**(103,163)**	**(95,400)**

(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.

9.2.3 Change in liabilities

(in thousands of euros)		**As at December 31, 2023**	As at December 31, 2022
Commitments at the beginning of the period		(159,569)	(223,514)
Regulations		23	955
Benefits paid		6,764	6,404
Cost of services		(2,125)	(2,015)
Financial cost		(5,657)	(2,568)
Actuarial gains and losses recognised in equity		(8,250)	61,747
Currency translation and other changes		4,595	(578)
COMMITMENTS AT THE END OF THE PERIOD	***(A)+(C)***	**(164,219)**	**(159,569)**

9.2.4 Changes in assets

(in thousands of euros)		**As at December 31, 2023**	As at December 31, 2022
Fair value of plan assets at the beginning of the period		64,169	81,280
Contributions paid		783	2,110
Benefits paid		(2,873)	(2,659)
Expected return on plan assets		2,759	1,385
Actuarial gains and losses recognised in equity		85	(17,692)
Currency translation and other changes		(3,869)	(254)
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**(B)**	**61,055**	**64,169**

9.2.5 Defined benefit expense recognised in the income statement

(in thousands of euros)	**2023**	2022
Cost of services rendered	(2,125)	(2,015)
Financial cost	(5,657)	(2,568)
Expected return on plan assets	2,759	1,385
Discounts/settlements	522	1,194
DEFINED BENEFIT EXPENSE RECOGNISED IN THE INCOME STATEMENT	**(4,500)**	**(2,004)**

In the three main countries (France, Germany and the United Kingdom), the estimated expense recognised in the income statement for the year 2024, based on assumptions as at December 31, 2023, would amount to €5.7 million.

9.2.6 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:

	2023			2022		
	Eurozone Except Germany[(1)]	**Germany**	**United Kingdom**	Eurozone Except Germany[(1)]	Germany	United Kingdom
Discount rate	3.25%	3.25%	4.56%	3.75%	3.75%	4.85%
Inflation rate	From 2.00% to 3.10%.	2.30%	3.22%	From 2.00% to 5.90%.	2.30%	3.22%
Anticipated rate of wage growth	From 3.10% to 4.00%	4.00%	-	From 2.50% to 5.93%.	4.00%	-
Anticipated rate of pension growth	From 0.00% to 1.75%.	2.30%	2.95%	From 0.00% to 1.75%.	2.30%	3.00%
Expected return on plan assets	3.25%	NA	4.56%	3.75%	NA	4.85%

(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 €4.7 million while a 0.25% decrease in the discount rate would result in an increase in the obligation of €5.0 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.

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

(in thousands of euros)	**As at December 31, 2023**	As at December 31, 2022
Cumulative amount at opening	(25,975)	(57,894)
Gain/(loss) recognised during the period	(5,932)	31,919
CUMULATIVE CLOSING AMOUNT	**(31,907)**	**(25,975)**

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 January 1, 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 consolidation scope	-	-	-	-

Transfers	-	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**
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**
Balance at January 1, 2023	**134,856**	**58,869**	**98,432**	**292,156**
Increases	81,344	126,109	31,683	239,136
Uses	(72,619)	(139,164)	(13,619)	(225,402)
Takeovers	-	-	(8,783)	(8,783)
Changes in the consolidation scope	-	-	-	-
Transfer	-	(2,360)	(1,495)	(3,854)
Impact of translation differences	467	197	1,036	1,699
Balance at December 31, 2023	**144,047**	**43,651**	**107,254**	**294,953**
Not current	-	-	*5,414*	*5,414*
Current	*144,047*	*43,651*	*101,841*	*289,539*
TOTAL PROVISIONS	**144,047**	**43,651**	**107,254**	**294,953**

(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 wrecks and badly damaged vehicles financed through operating leases;
- restructuring costs (personnel costs and costs related to the relocation of the head office); restructuring costs include only direct expenditures outside the ongoing activities of the entity (remuneration to employees engaged in dismantling and/or relocation; costs of making employee redundant; costs when leases are terminated prematurely; contractual constraints; etc.);
- litigation costs, which include disputes with franchisees, labour disputes and claims, fiscal risks.

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 June 23, 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 December 31, 2017, the Group recorded a provision of £38 million as a non-recurring expense. This amount continues to represent the Group's best estimate and the Group continues to hold the provision of £38 million at December 31, 2023.

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

On May 30, 2019, the ICA conducted a site visit as part of an investigation into various consumer complaints of unlawful practices. The hearing took place on August 1, 2019 and on November 4, 2019, the ICA entered a condemnation procedure and imposed a fine of €3.4 million which was paid for non-compliance with its previous decision. Goldcar appealed this decision on December 27, 2019 before the Administrative Court of Lazio. The appeal has been lodged. On October 31, 2023 the court issued a judgement upholding Goldcar's appeal. As a result of the above, Goldcar is now entitled to obtain a refund of the amount paid as sanction (€3.4 million, plus interests). An application to request the reimbursement of this amount has been filed.

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

On November 12, 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 3,902,743.47 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 2023 financial year.

10.2.4 Litigation against GEFION regarding Charterline's vehicle insurance coverage

Charterline Fuhrpark Service GmbH concluded insurance cover for its 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 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 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 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 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. 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 the related party's companies are carried out under normal market conditions.

11.1 Transactions with companies having a significant influence on the Group

Volkswagen Group exercises a significant influence over Green Mobility Holding, the sole shareholder of Europcar Mobility Group who has control on the Group. As a consequence, Volkswagen Group is considered as a related party according to IAS 24.

Since 2022, EMG has a loan from the Volkswagen Group for €500 million whose maturity date is November 30, 2027.

The Group periodically enters into fleet acquisition agreements with Volkswagen Group and PON (a joint-controller of Green Mobility Group) which are transacted on an arm's length basis.

In 2023, EMG acquired 51% of Euromobil shares. Before the acquisition, Euromobil benefited from the carve-out of the rental car business of EURO-Leasing, an entity consolidated within Volkswagen Group. EURO-Leasing owns the 49% remaining shares in Euromobil.

11.2 Transactions with companies having control on the Group

In the financial year 2023, the Group did not carry out any significant transaction with Green Mobility Holding.

11.3 Transactions with companies over which the Group exercises significant influence

As at December 31, 2023, the Group had not carried out any significant transactions with companies over which Europcar Mobility Group exercises significant influence.

11.4 Compensation of key executives

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

(in thousands of euros)	**2023**	2022
Employee salaries and short-term benefits	3,512	4,495
Termination indemnities	1,050	1,984
TOTAL	**4,562**	**6,479**

In fiscal year 2023, compensations of the directors of the Supervisory Board and the Board of Directors amount to €1.021,6 thousand.

Note 12 List of consolidated entities

Company name	Head office (city)	Country	Consolidation method [1]	% of interest	% of control
Parent company					
Europcar Mobility Group SA	Paris	France	FC	100,0 %	100,0 %
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 SPRL	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 *(sub-level consolidation)*	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 Netherlands BV	Amsterdam	Netherlands	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 %
GoldCar Spain S.L.U.	Alicante	Spain	FC	100,0 %	100,0 %
Goldfleet Spain SLU	Alicante	Spain	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 %
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 %
Europcar Group UK Limited	Leicester	United Kingdom	FC	100,0 %	100,0 %
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100,0 %	100,0 %
Securitifleet UK Limited	London	United Kingdom	FC	0,0 %	0,0 %
Europcar Securitifleet UK Issuer PLC	London	United Kingdom	FC	0,0 %	0,0 %
Securitifleet UK Holdings Limited	London	United Kingdom	FC	0,0 %	0,0 %
G1 Holdings Australia Pty Ltd	Melbourne	Australia	FC	100,0 %	100,0 %
Europcar Australia Pty Ltd *(sub-level consolidation)*	Victoria	Australia	FC	100,0 %	100,0 %
Goldcar Rental New Zealand Ltd	Christchurch	New Zealand	FC	100,0 %	100,0 %
EC New Zealand Ltd *(sub-level consolidation)*	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 Cell	Gibraltar	Gibraltar	FC	100,0 %	100,0 %
Europcar Services SA	Lisbon	Portugal	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 %
Euromobil GmbH	Sittensen	Germany	FC	51,0 %	51,0 %

(1) FC: fully consolidated.

The fully consolidated affiliated German companies (note 12) with the legal form of a corporation and partnership met the requirements of section 264 (3) and section 264b HGB, respectively, and have as far as possible exercised the option not to publish annual financial statements.

Consolidated *Special Purpose* entities

In the context of the European securitisation program relating to part of the fleet financing in Germany, United Kingdom, France, Italy and Spain, *special purpose* entities called Securitifleet and Goldfleet have been created in some 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, as well as the Securitifleet *holding* companies, which were created with specific objectives defined by Europcar Group.

FCT Sinople (securitisation mutual fund) and EC Finance PLC (held by a trustee) are also consolidated in the context of the European securitisation program.

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.

Not-consolidated entities

Company name	Head office (city)	Country	% of interest	% of control
A Klees Slovakia SRO	Bratislava	Slovakia	100,0 %	100,0 %
Megadrive Autovermieting GmbH	Wien	Austria	100,0 %	100,0 %
Irish Car Rentals Ltd	Dublin	Ireland	100,0 %	100,0 %
Vehitel 2000 France	Boulogne-Billancourt	France	100,0 %	100,0 %
Vehitel 2000 SNC	Boulogne-Billancourt	France	100,0 %	100,0 %
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	100,0 %	100,0 %

Not-consolidated entities are below legal consolidation requirements and thus are not 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)	PwC 2023	Mazars 2023	Total 2023	PwC 2022	Mazars 2022	Total 2022
Audit of statutory and consolidated accounts	1,524	1,233	**2,757**	1,440	1,168	**2,608**
Non-audit services [(1)]	184	28	**212**	291	201	**492**
TOTAL	**1,708**	**1,261**	**2,969**	**1,731**	**1,369**	**3,100**

(1) In 2023, non-audit services mainly relate to tax diligences, while it 2022 it was mainly related to the Group's financing operations and the redesign of the digital service for the network.

Note 14 Subsequent events

- **Senior Revolving Credit Facility (RCF)**

The Group renegotiated the RCF amount available:

(in millions of euros)	**As at March 31, 2024**	As at December 31, 2023
Outstanding	253.0	155.0
Amount available	342.5	280.0

- **US securitisation**

On February 2024, the Group renegotiated the securitisation program for Fox Rent-A-Car. This program consists of a $300 million revolving facility to finance Fox's fleet, maturing in February 2027. An associated cap hedging instrument has been put in place.

- **European securitisation**

On April 2024, the Group renegotiated the securitisation program for its European countries. This program consists of a €1,700 million revolving facility to finance the European fleet, maturing in April 2027. An associated cap hedging instrument has been put in place.