LOXAM

INVESTOR REPORT December 31, 2021

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DEFINITIONS

In this document:

- "Company" means LOXAM SAS, and "we", "us", "our" and "our group" refer to LOXAM SAS and its consolidated subsidiaries, unless the context requires otherwise;
- "Profit from ordinary operations" means operating profit plus certain items disclosed separately under "other operating income and expense", including a limited number of items, unusual, abnormal, and uncommon, with significant amounts. These items are disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance;
- "EBITDA" means profit from ordinary operations plus depreciation and amortization of fixed assets;
- "Free cash flow" means EBITDA (before capital gains on fleet disposals) plus the proceeds from disposals of fixed assets less the following: (i) gross capital expenditures, (ii) other operating income and expense (excluding non-cash expense or income), (iii) finance income and expense (excluding non-cash expense or income), (iv) income taxes (excluding deferred taxes), (v) increases in working capital requirement and (vi) miscellaneous items;
- "Gross book value" means the total acquisition cost of the fleet equipment;
- "Gross debt" means loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt excluding derivative instruments on the balance sheet;
- "Net debt" means gross debt less cash and cash equivalents (cash plus marketable investment securities);
- "At constant perimeter" means changes for the period indicated compared to the prior comparable period, after neutralization of changes in the scope of consolidation (see "Comparability of the financial statements");
- "Published" means financial information released for the period indicated;
- "Restated" means financial information for the period indicated amended with new information according to the application of International Financial Reporting Standards (IFRS) for comparative purposes.

NOTICE

All financial information in this report relating to the financial year has been prepared in accordance with IFRS and is presented in millions of euros. This financial information has been subject to an audit by our statutory auditors. All financial information in this report relating to the quarters has been prepared in accordance with IFRS and has not been subject to an audit by our statutory auditors.

In this document, we use certain non-IFRS measures, such as EBITDA, free cash flow or net debt, as we believe they and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. These non-IFRS measures may not be comparable to other similarly titled measures of other companies and may have limitations as analytical tools. Non-IFRS measures such as EBITDA, free cash flow and net debt are not measurements of our performance or liquidity under IFRS and should not be considered to be alternatives to operating profit or any other performance measures derived in accordance with IFRS. They should not be considered to be alternatives to cash flows from operating, investing or financing activities as a measure of our liquidity as derived in accordance with IFRS.

Rounding adjustments have been made in calculating some of the financial and other information included in this document. As a result, figures shown as totals in some tables may not be exact arithmetic aggregations of the figures that precede them.

Change in accounting policy

IAS 38 Intangible Assets: In March 2021, the IFRS Interpretations Committee published a decision to clarify how to analyze cloud computing arrangements and determine whether the customer receives a software asset or a service over the contract term.

Under the guidance in IAS 38, an intangible asset is an identifiable non-monetary asset without physical substance controlled by the entity. Control is determined as the power to obtain future economic benefits flowing from the intangible asset and to restrict other's access to those benefits.

In cloud computing arrangements, when the customer obtains control of the software asset, the customer recognizes an intangible asset and capitalizes the directly attributable implementation costs of preparing the software for its intended use (i.e. testing, data migration, training, customization or configuration). When the customer does not obtain the control of the software, the cloud computing arrangement is a service received over the contract term and implementation costs need to be expensed as incurred.

The Group reviewed the significant projects and their related contracts with software vendors. An adjustment was recorded for SaaS contracts when the software did not constitute a resource controlled by the entity as per IAS 38. The impact on consolidation reserves as at January 1st, 2021 was €-1.7 million, and the impact on the net result as at December 31, 2021 was €-0.2 million.

IAS 19 Employee Benefits: The IFRS Interpretations Committee published a decision that was endorsed by the IASB in June 2021, relating to the attribution of benefits to periods of service by beneficiaries of post-employment benefit plans. This decision impacted the valuation method of French post-employment benefit plans. The application of this change in accounting policy led to a decrease of €3.1 million in the €57.1 million provision as at January 1st, 2021 (by increasing the consolidation reserves) and an additional charge of €41 thousand for the year ended December 31, 2021. The Group did not proceed to a retrospective application of this change for the comparative 2020 period.

Comparability of the financial statements

Changes in the size of our rental network as a result of acquisitions and of opening or acquiring new branches and closing existing ones can have a significant impact on our revenue from one period to the next. This change in scale affects the comparability of our results during those periods by increasing both revenue and expenses.

On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S, a general equipment rental player in Jutland. In addition, on June 10, 2021, Ramirent Sweden acquired Maskinslussen AB, a leading general equipment rental player in the Västra Götaland county (western part of Sweden). Both entities have been consolidated into our consolidated financial statements since June 1, 2021 and as a result our consolidated financial statements for the year ended December 31, 2021 include seven months of activity for these entities.

The purchase price allocation (“PPA”) and valuation of intangible assets and goodwill of these entities are final in the 2021 financial statements.

Since January 1, 2021, our results have been presented under a new geographical breakdown composed of three divisions: France (comprising both our generalist and specialist rental operations in France), Nordic Countries (comprising of our businesses in Denmark, Norway, Sweden and Finland) and Rest of the World (including all other countries where we operate).

This document contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and the securities laws of other jurisdictions. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the words "believes", "estimates", "aims", "targets", "anticipates", "expects", "intends", "plans", "continues", "ongoing", "potential", "product", "projects", "guidance", "seeks", "may", "will", "could", "would", "should" or, in each case, their negative, or other variations or comparable terminology or by discussions of strategies, plans, objectives, targets, goals, future events or intentions. These forward-looking statements include matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding our intentions, beliefs or current expectations concerning, among other things, our results of operations, financial condition, liquidity, prospects, competition in areas of our business, outlook and growth prospects, strategies and the industry in which we operate. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward-looking statements are not guarantees of future performance and that our actual results of operations, financial condition and liquidity and the development of the industry in which we operate may differ materially from those made in or suggested by the forward-looking statements contained in this document. In addition, even if our results of operations, financial condition and liquidity, and the development of the industry in which we operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods.

Any forward-looking statements in this document are based on plans, estimates and projections as they are currently available to our management. We undertake no obligation, and do not expect, to publicly update or publicly revise any forward-looking statement, whether as a result of new information, future events or otherwise and any opinion expressed in this document is subject to change without notice. Although we believe that the expectations reflected in such forward-looking statements are reasonable, we can give no assurance that such expectations will prove to be correct. The Company, as well as its affiliates, directors, advisors, employees and representatives, expressly disclaim any liability whatsoever for such forward-looking statements. All subsequent written and oral forward-looking statements attributable to us or to persons acting on our behalf are expressly qualified in their entirety by the cautionary statements referred to above and contained elsewhere in this document.

This document does not constitute, or form part of, an offer or invitation to sell or purchase, or any solicitation of any offer to purchase or subscribe for, any securities of the Company in any jurisdiction whatsoever. This document shall not form the basis of, or be relied upon in connection with, any contract or commitment whatsoever.

CONSOLIDATED FINANCIAL STATEMENTS SUMMARY

Consolidated Income Statement according to IFRS	Year ended December 31,	
(in millions of euros)	**2020**	**2021**
Revenue	**1,988.9**	**2,185.1**
Other income	70.7	49.9
Purchases consumed	(185.1)	(222.9)
Personnel expenses	(513.9)	(576.5)
Other current expenses	(612.9)	(641.1)
Taxes and duties	(19.8)	(17.3)
Depreciation and amortization	(553.4)	(523.3)
Profit from ordinary operations	**174.5**	**253.8**
Other operating income and expense	(12.0)	(2.1)
Operating profit	**162.5**	**251.7**
Financial income and expense	(158.6)	(159.0)
Profit before tax	**3.8**	**92.7**
Share of profit of associates	1.1	1.3
Income tax expense	(0.7)	(18.8)
Net profit	**4.3**	**75.2**
Non-controlling interests	(0.5)	1.0
Net profit, group share	**4.8**	**74.3**

Consolidated balance sheet under IFRS	**As of**	
(in millions of euros)	**December 31, 2020**	**December 31, 2021**
Intangible assets and goodwill	2,307.5	2,297.2
Property, plant and equipment	2,126.5	2,227.4
Investments in associates	7.5	9.5
Financial assets	20.5	18.8
Financial derivatives	0.8	1.2
Deferred tax assets	17.8	14.1
Non-current assets	**4,480.6**	**4,568.1**
Inventories	45.5	54.1
Trade and other receivables	414.1	455.1
Other current assets	60.2	67.6
Cash and cash equivalents	627.9	470.9
Current assets	**1,147.7**	**1,047.7**
TOTAL ASSETS	**5,628.3**	**5,615.8**
Shareholders' equity	**640.8**	**705.6**
Provisions for employees benefits	57.1	53.3
Deferred tax liabilities	195.4	200.2
Borrowings and financial debt – long term portion	3,632.9	3,404.0
Financial derivatives	5.1	2.9
Non-current liabilities	**3,890.4**	**3,660.5**
Provisions	15.1	10.2
Borrowings and financial debt – current portion	680.2	735.2
Supplier and other payables	209.4	309.1
Other current liabilities	192.5	195.2
Current liabilities	**1,097.1**	**1,249.7**
TOTAL EQUITY AND LIABILITIES	**5,628.3**	**5,615.8**

(in millions of euros)	Year Ended December 31, 2020	2021
Cash flow from operations	597.1	606.5
Cash flow from investing activities	(229.0)	(533.7)
Cash flow from financing activities	34.7	(233.1)
Change in cash and cash equivalents	**402.8**	**(160.3)**
Cash and cash equivalents at the end of the period [(1)]	**627.8**	**468.4**

(1) Cash and cash equivalents at the end of period is defined net of bank overdrafts.

RISK FACTORS

Risks Related to Our Industry

Demand for our equipment fluctuates due to the cyclical nature of the industries in which we operate and according to general economic conditions.

Our equipment is principally used in connection with construction and civil engineering activities, in addition to industrial activities. These sectors in the markets where we operate are cyclical industries with activity levels that tend to increase during periods of economic growth and decline during economic downturns. The demand for our products is strongly correlated to conditions in the general economy and in the construction, engineering and industrial sectors. Consequently, a downturn in construction, civil engineering or industrial activities, or the economy as a whole, generally leads to decreased demand for our equipment. Downturns also intensify price competition as equipment rental providers seek to increase utilization of idle equipment.

Construction and civil engineering activities, which account for a majority of our revenue, may be impacted, either temporarily or over the long-term, by changes in:

- government infrastructure spending;
- construction spending levels by either public or private customers;
- the credit markets affecting our customers' ability to undertake new construction projects;
- the cost of construction materials; or
- weather conditions affecting a particular region.

Changes in these or other factors caused by deterioration in the construction and civil engineering sectors could have a material adverse effect on our financial position, results of operations and cash flows in the future. For example, during the strictest lockdown periods in spring 2020 in certain geographies, particularly in France, we experienced a sudden drop in demand for our products and services. Additionally, we are exposed to the Middle East market, which is more volatile than the markets in which we have traditionally operated. If in any of our markets the economic conditions deteriorate or a return to economic growth is further delayed, our business, financial position, results of operations and cash flows could be adversely affected.

The equipment rental industry is highly competitive, which puts downward pressure on prices.

The equipment rental industry is highly competitive. Many of the markets in which we operate are served by numerous competitors, ranging from national and multi-regional equipment rental companies to small, independent businesses with a limited number of locations. We may encounter increased competition from existing competitors or new market entrants in the future.

In France, we face competition principally from national rental companies as well as from regional and local entities. In our international markets, we similarly face competition from well-established local and national competitors. Some of our competitors outside of France may have greater financial, marketing and other resources than we do. Our competitors may be more specialized or may have greater name recognition in some markets. We also face competition from smaller competitors operating at regional or local levels, many of whom benefit from a strong market presence and local relationships. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the sectors in which we operate. Additionally, our customers might choose to use the services of our competitors rather than ours. Given that our top 10 clients at the Group level represented approximately 11% of our revenue for the year ended December 31, 2021, our results might be negatively affected if we lose any of our top

10 clients to our competitors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue and a decline in profitability.

From time to time, we or our competitors may attempt to compete aggressively by lowering rental rates or prices. To the extent we lower rental rates or increase our fleet in order to retain or increase market share, our operating margins would be adversely affected. In addition, we may not be able to match a competitors' price reductions or fleet investment, which could cause our customers to reduce their level of business with us. Termination of contractual arrangements by our customers may result in decreased market share and revenue.

The cost of equipment purchases for use in our rental fleet may increase.

The cost of new equipment that we purchase for our rental fleet may increase as a result of a number of factors, including increased raw material costs, such as increases in the cost of steel, which is a primary material used in most of our equipment, scarcity of component parts necessary to manufacture our equipment or inflation generally. These increases could materially affect our financial condition or results of operations in future periods if we are not able to pass such cost increases through to our customers. In addition, changes in customer demand due to changed technology, safety or environmental concerns, regulations, or other factors could cause certain of our existing equipment to become obsolete and require us to purchase new equipment, which would increase our costs.

A regional or global health pandemic, including the ongoing COVID-19 pandemic, may adversely affect our business and exacerbate other risks discussed within this section.

Public health crises, epidemics or pandemics could materially and adversely affect our business. For example, in December 2019, a novel strain of coronavirus causing a respiratory disease known as COVID-19 surfaced in Wuhan, China. The outbreak of COVID-19 was declared by the World Health Organization to be a pandemic in March 2020. To combat the COVID-19 pandemic, governments around the world, including in most countries where we operate our activities, imposed restrictive measures, including travel restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. Such measures have had a material adverse impact on the global economy. The economic effects of the COVID-19 pandemic will likely continue to be felt in the coming years. In addition, political repercussions of responses to the COVID-19 outbreak by European Union institutions as well as by other countries in the European Union could have complex and hard-to-predict consequences for the future, including a destabilization of the European Union or its institutions or a slow-down or reversal of European integration, already impacted by the exit of the United Kingdom from the European Union effective January 1, 2021. It is unclear whether measures taken by European Union institutions, the French government and other governments of the countries in which we operate to contain the COVID-19 pandemic are adequate and effective to achieve containment.

Although our operations are currently running without significant disruption related to COVID-19, the situation remains uncertain and could change quickly. The COVID-19 pandemic caused a downturn in construction, company events, civil engineering and industrial activities and had a significant impact on our revenue during the year ended December 31, 2020. To a limited extent, the lingering impacts of the pandemic, as well as other macroeconomic factors, have continued to have an impact on our level of activity in certain regions, including in the Nordic countries and the United Kingdom. The worsening of the ongoing pandemic or another economic downturn caused by this or any other public health crisis could materially and adversely affect our business, results of operations or financial condition.

While we continue to monitor our operations in the context of all government recommendations and have adopted several operational measures in respect thereto, and we may take further actions as required by government authorities or that we determine are in the best interests of our employees, customers, partners and suppliers, there is no certainty that all such measures will be sufficient to mitigate the risks related to the continuing spread of the disease and that we will not be subject to third-party claims arising from actual or alleged failures to implement any such measures adequately, or at all, thus resulting in a potential increase in legal, advisory and other costs in relation thereto.

To the extent the COVID-19 pandemic adversely affects our business, results of operation, financial condition, cash flows and prospects, as well as our ability to perform our obligations under the Notes, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section. For further information on the impact of COVID-19 on our business and operations, see "Management's Discussion and Analysis of Financial Condition and Results of Operations."

Unfavorable conditions or disruptions in the capital and credit markets may adversely affect business conditions and the availability of credit.

Disruptions in the global capital and credit markets as a result of an economic downturn, economic uncertainty, regulatory changes, financial institution failures, pandemics or other factors could adversely affect our ability to access liquidity to invest in our equipment fleet. Unfavorable market conditions may depress construction markets by making it difficult for our customers to obtain financing for their projects and credit on reasonable terms, which may cause more of our customers to be unable to meet their payment obligations to us, increasing losses on bad debt. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. See "—Risks Related to our Business—If we are unable to collect amounts due from customers, our operating results would be adversely affected." Moreover, our suppliers may be adversely impacted by unfavorable capital and credit markets, causing disruption or delay of product availability. These events could negatively impact our business, financial position, results of operations and cash flows.

In addition, if the financial institutions that have extended credit commitments to us are adversely affected by the conditions of the capital and credit markets, they may be unable to fund borrowings under those credit commitments, which could have an adverse impact on our financial condition and our ability to borrow funds, if needed, for capital expenditures, working capital, acquisitions, and other corporate purposes.

Risks Related to Our Business

Our business could be hurt if we are unable to obtain additional capital as required.

We use cash generated from our operations, together with borrowings under our credit facilities and bond issuances, to fund our capital requirements. This cash may be insufficient and we may require additional financing to obtain capital for, among other purposes, purchasing equipment, completing acquisitions, establishing new locations and refinancing existing indebtedness. In the past we mainly relied on borrowings under our bilateral credit facilities to fund our capital expenditures. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Capital Expenditures*." In the future we may need to rely on different sources of financing for our capital expenditures. Our level of capital expenditures significantly affects the age and size of our equipment fleet, and if we are required to reduce these expenditures for any reason, the reduced availability of equipment or the age of our rental fleet may cause us competitive harm and increase our maintenance costs. Any additional indebtedness that we incur will make us more vulnerable to economic downturns and limit our ability to withstand competitive pressures. If we are unable to obtain sufficient financing in the future, our business could be adversely affected.

Our revenue and operating results fluctuate.

Our revenue and operating results have historically varied from period to period. A decline in general economic conditions and/or activity in the industries in which we operate could result in an overall decline in cash flows and profitability and make it more difficult for us to make payments on our indebtedness and grow our business. We expect our results to continue to fluctuate in the future due to a number of factors, including:

- general economic conditions in the markets where we operate;
- the cyclical nature of our customers' business, particularly our construction customers;
- seasonal sales and rental patterns of our construction customers, with sales and rental activity decreasing in the winter months;
- severe weather temporarily affecting the regions where we operate;
- changes in private sector demand for plants and facilities or changes in government spending for infrastructure projects;
- our relatively high level of fixed costs, which causes revenue declines to significantly affect cash flow and profitability;
- the effectiveness of integrating acquired businesses and new start-up locations; and
- timing of acquisitions and new location openings and related costs.

In addition, we may lose sales and incur various costs when integrating newly acquired businesses or opening new start-up locations, and the profitability of a new location is lower in the initial months of operation.

We may be unable to forecast trends accurately.

Our decisions about investments in new equipment are based in significant part on our views of future demand. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the construction and civil engineering sectors, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand) and decrease investment just before the top of the cycle (before we expect demand to contract). However, economic volatility or uncertainty makes it difficult for us to forecast trends and set appropriate investment levels, which may have an adverse impact on our business and financial condition. If anticipated growth does not occur, we may not earn the level of returns that we hope to achieve on investments made during the bottom of the cycle. More generally, uncertainty regarding future product demand in the markets in which we operate could cause us to maintain excess equipment inventory and increase our capital expenditures beyond what is efficient. Alternatively, this forecasting difficulty could cause a shortage of equipment for rental that could result in an inability to satisfy demand for our products and a loss of market share.

We may not be able to execute our growth strategy by identifying or completing transactions with attractive acquisition candidates, and future acquisitions may result in significant transaction expenses and integration risks.

We have historically expanded our business through organic and external growth. While we have generally focused on small to mid-sized acquisition targets, we have also undertaken more significant, strategic and transformational combinations, such as the Lavendon Acquisition and the Ramirent Acquisition. Similar larger transactions may produce pronounced transactional expenses and integration risks. The management of our operations has become increasingly complex over the past three years as we have undertaken a significant number of acquisitions and have expanded our business into geographic markets in which we have not previously operated.

We cannot assure you that we will be able to identify attractive acquisition candidates or complete the acquisition of any identified candidates at favorable prices and upon advantageous terms. We expect to face competition for acquisition candidates, which may limit the number of acquisition opportunities and lead to higher acquisition costs. We may not have the financial resources necessary to consummate any acquisitions or the ability to obtain the necessary funds on satisfactory terms. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we successfully acquire new businesses.

Risks associated with our acquisition strategy, which could materially adversely affect our business, results of operations and financial condition, include the following:

- we may lose sales and incur substantial costs, delays or other operational or financial problems in integrating acquired businesses and integration may be more costly and take longer than expected;
- we may not achieve financial and operational synergies on a timely basis or without significant costs, if at all;
- acquisitions may divert management's attention from the operation of the existing business;
- the assumptions underlying the business plans supporting the valuations of the acquisitions and expected synergies may prove inaccurate, in particular with respect to the future performance of the acquired businesses;
- we may be forced to divest or reduce the scope of certain businesses so as to obtain the necessary regulatory authorizations, in particular with respect to anti-trust authorizations;
- we may need to write down goodwill and certain other intangible assets from our balance sheet if our initial estimates of the value of an acquired business are higher than actual results;
- we may be further exposed to risks of fluctuations in currency exchange rates;
- we may not be able to retain key personnel or customer contracts of acquired businesses;
- we may operate an acquired company as a joint venture with partners with whom we lack a longstanding relationship; and
- we may encounter unanticipated events, circumstances or liabilities related to the acquired businesses, their integration and the growth of our business, particularly in geographic areas in which we have not previously operated.

In the short-term, the disruptive effects of an acquisition can result in, among other things, lower employee productivity and increased advantages for our competitors, which may cause a decline in revenue from the acquired businesses. We have historically integrated acquired businesses into the Group gradually to preserve client relationships, and this integration period tends to be longer for larger acquisitions with many branches. As we have recently undertaken a more significant combination with the completion of the Ramirent Acquisition, the integration risks related to this combination could result in more significant combination expenses than for previous acquisitions. In the longer term, there can be no assurance that, following integration into our Group, an acquired business will be able to maintain its customer base consistent with expectations or generate the expected margins or cash flows. Although we typically thoroughly analyze each acquisition target, our assessments are subject to a number of assumptions concerning profitability, growth, interest rates and company valuations. In addition, we may have difficulties in implementing our business model within an acquired company due to various factors, including corporate culture. There can be no assurance that our assessments of and assumptions regarding acquisition targets will prove to be correct and actual developments may differ significantly from our expectations.

Furthermore, acquisitions of companies expose us to the risk of unforeseen obligations with respect to employees, customers, suppliers and subcontractors of acquired businesses, public authorities and other parties. Although we typically engage in diligence while analyzing an acquisition opportunity, we cannot ensure that there will not be unexpected risks, liabilities or obligations that could have a material adverse effect on our business, results of operations or financial condition.

In addition to the risks described above, the integration of acquired businesses in our International division may be more difficult and take more time due to logistical, regulatory, linguistic, cultural and other factors such as our relative lack of familiarity with a given market and its economic, political and social dynamics. Such risks include significant exposure of local economies and government spending (and thus of demand and pricing for equipment rentals) to the level of oil prices, as well as economic instability, political volatility, civil war, violent conflict, social unrest or action by terrorist groups. Any of these risks in could negatively affect our operations, revenue and profits in the affected country and for the Group generally, and competitors may take advantage of these difficulties to weaken our customer base.

Our ability to manage our growth and integrate operations, technologies, services and personnel depends on our administrative, financial and operational controls and our ability to create the infrastructure necessary to exploit market opportunities, as well as our financial resources. In order to compete effectively and to grow our business profitably, we will need, on a timely basis, to maintain and improve our financial and management controls, reporting systems and procedures, implement new systems as necessary, attract and retain adequate management personnel, and hire, retain and train a highly qualified workforce. Furthermore, we expect that as we continue to introduce new product offerings and enter new markets, we will be required to manage an increasing number of relationships with various customers and other third parties. The failure or delay of our management in responding to these challenges could have a material adverse effect on our business, financial condition and result of operations.

We may not be able to execute our growth strategy by identifying and opening attractive new branch locations.

An element of our growth strategy is to selectively identify and implement new branches, both in France and in our international markets. We cannot assure you that we will be able to identify attractive new branch locations. Opening new branches may require significant investments and may involve risks associated with entering new markets, including markets where we face significant competition. We may not have sufficient management, financial and other resources to successfully operate the new branches. Any significant diversion of management's attention or any major difficulties encountered in the locations that we open in the future could have a material adverse effect on our business, financial condition or results of operations, which could decrease our profitability and make it more difficult for us to grow our business. Furthermore, general economic conditions or unfavorable global capital and credit markets could affect the timing and extent to which we open new branches, which could adversely affect our revenue and profitability.

We are dependent on our executives, managers and employees.

Our success depends, to a large degree, upon the continued service and skills of our existing management team, particularly our chairman and chief executive officer, Mr. Gérard Déprez, our managing director, Mr. Stéphane Hénon and other executive managers. Our management team has significant industry experience. If we lose the services of any key member of our senior management team and are unable to find a suitable replacement in a timely manner, it may be a challenge for us to effectively manage our business and execute our strategy.

Our success also depends on the experience and skills of our regional managers and branch managers, who have extensive knowledge and industry experience. Competition for managers within our industry is generally significant, and, if any of our senior or regional managers joins a competitor or forms a competing company, we may lose customers, know-how and other personnel.

In addition, we depend upon the quality of our staff personnel, including sales and customer service personnel who routinely interact with and fulfill the needs of our customers. There is no assurance we can continue to attract, hire, train and retain qualified personnel. A significant increase in personnel turnover could negatively affect our results of operations and financial performance.

If we are unable to collect amounts due from customers, our operating results would be adversely affected.

One of the reasons some of our customers find it more attractive to rent equipment than own that equipment is the need to deploy their capital elsewhere. However, some of our customers may have liquidity problems and ultimately may not be able to fulfill the terms of their rental agreements with us. Delinquencies and credit losses generally can be expected to increase during economic slowdowns or recessions. If we are unable to manage credit risk adequately, or if a large number of customers faces financial difficulties at the same time, or if we are unable to collect amounts due by customers, our credit losses could increase above historical levels and our operating results would be adversely affected.

We depend on equipment manufacturers to obtain adequate rental equipment for our fleet on a timely basis.

We purchase most of our rental equipment from well-known original equipment manufacturers. As we do not manufacture any of the products that we rent to our customers, we rely on third-party suppliers for the provision of the equipment, tools, spare parts and consumables that are essential to our business. However, our suppliers may not be able to fulfill the terms of their agreements with us on a timely basis or at all for logistical or strategic reasons, including issues affecting the global supply chain generally as a result of economic disruption in the wake of the COVID-19 crisis. Further, suppliers may be unwilling to extend contracts that provide favorable terms to us, or they may seek to renegotiate existing contracts with us. As a result, we could face increased costs for our equipment or longer delivery times. Delays in the delivery of new equipment may impair our ability to respond to increases in demand and may cause us to miss opportunities in our markets. We may not be able to find alternative sources of supply for the equipment we purchase in each of our core product categories, and the termination or delay of equipment orders by a major supplier could have a material adverse effect on our business, financial condition or results of operations.

The maintenance and repair costs associated with our rental fleet may increase.

As the equipment in our rental fleet ages, the cost of maintaining such equipment, if not replaced within a certain period of time, generally increases. Determining the optimal average age for disposal of our rental fleet is subjective and requires considerable estimates by management. Our future operating results could be adversely affected because our maintenance and repair costs may be higher than estimated.

Our rental fleet is subject to residual value risk upon disposition.

Our approach to fleet management is to replace equipment only at the end of its useful rental life, at which time it is used for parts, sold for scrap or sold at auction. Usually a piece of equipment is fully amortized down to its residual value by the time it is removed from the fleet. Nonetheless, the market value of any given piece of rental equipment could be less than its depreciated value or residual value at the time it is sold. The market value of used rental equipment depends on several factors, including:

- general economic conditions;
- worldwide and domestic demands for used equipment;
- the supply of used equipment on the market;

- the market price for new equipment of the same kind; and
- wear and tear on the equipment relative to its age.

We include in the line "other operating income" in our income statement the difference between the sales price and the depreciated value of an item of equipment sold. Any significant decline in the selling prices for used equipment could have an adverse effect on our results of operations or cash flows.

Disruptions in our information technology system could limit our capacity to effectively monitor and control our operations.

We rely on information technology systems to track and bill our services, manage our fleet and gather information upon which our management makes decisions regarding our business. Our information technology systems also facilitate our ability to adjust to changing market conditions and customer needs. The administration of our business is increasingly dependent on the use of these systems. The risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, has risen as the number, intensity and sophistication of attempted attacks and intrusions around the world have increased. We can provide no assurance that our information technology systems are fully protected against such third-party intrusions or against viruses, ransom ware, or similar threats. Disruptions resulting from these threats, system crashes or other causes could have a material adverse effect on our business. In particular, we use several ERP systems across our network and any disruption to our ERP systems, or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results. We back-up most of our data daily and have a disaster recovery plan in place for most of our systems, including our ERP system. However, our disaster recovery plan does not cover all of our systems. Our back-up systems may fail and any recovery of our data may be incomplete or subject to delay.

In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities. In certain of the regions in which we operate, the processing of personal data is subject to governmental regulation and legislation. Any failure to comply with such regulations or legislation could lead to governmental sanctions, including fines or the initiation of criminal or civil proceedings. In the European Union, we must comply with strict data protection and privacy laws that restrict our ability to collect and use personal information relating to customers and potential customers, including the marketing use of that information. In particular, Regulation (EU) 2016/679 of April 27, 2016 (known as the "General Data Protection Regulation" or "GDPR"), which became applicable on May 25, 2018, increased both the number of and the restrictive nature of the obligations binding on us for the collection and processing of personal data. Although we collect and store a limited amount of personal data, failure to comply with the provisions of GDPR could adversely affect our business, results of operations or financial condition.

We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage.

We are a party to lawsuits in the normal course of our business. Litigation in general can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits brought against us, or legal actions that we may initiate, can often be expensive and time-consuming and can divert management's attention. Unfavorable outcomes from claims or lawsuits could adversely affect our business, results of operations or financial condition. We could suffer reputational harm, incur substantial monetary liability and be required to change our business practices.

Our business exposes us to claims for personal injury, death or property damage resulting from the use of the equipment we rent, for injuries caused in motor vehicle accidents in which our delivery and service personnel are involved and for other employee-related matters. Additionally, we could be subject to potential litigation associated with compliance with various laws and governmental regulations, such as those relating to employment, health, safety, security and other regulations under which we operate.

We may not always be able to carry comprehensive insurance, subject to deductibles, at levels we believe are sufficient to cover existing and future claims. Moreover, we may be exposed to multiple claims that do not exceed our deductibles, and, as a result, we could incur significant out-of-pocket costs that could adversely affect our financial condition and results of operations. In addition, the cost of such insurance policies may increase upon renewal of those policies as a result of general rate increases for the type of insurance we carry as well as our historical experience and experience in our industry. Our existing or future claims may exceed the coverage level of our insurance, and such insurance may not continue to be available on economically reasonable terms, or at all. If we are required to pay significantly higher premiums for insurance, are not able to maintain insurance coverage at affordable rates or if we must pay amounts in excess of claims covered by our insurance, we could experience higher costs that could adversely affect our financial condition and results of operations.

Labor disputes could disrupt our operations or lead to higher labor costs.

We are subject to the risk of labor disputes, which may disrupt our operations. Labor laws applicable to our business in certain countries, particularly France, are relatively rigorous. In numerous cases, labor laws provide for the strong protection of employees' interests. In addition, some of our employees are members of unions or, based on applicable regulations, represented by work councils or other bodies. In many cases, we must inform, consult with and request the consent or opinion of union representatives or work councils in managing, developing or restructuring certain aspects of our business. These labor laws and consultative procedures could limit our flexibility with respect to employment policy or economic reorganization and could limit our ability to respond to market changes efficiently. Even where consultative procedures are not mandatory, important strategic business decisions could be negatively received by some employees and employees' representative bodies, which could lead to labor actions that could disrupt our business.

We may not be able to maintain good relations with our employees and our operations may be materially affected by strikes, work-stoppages, work-slowdowns or other labor-related developments in the future, which could disrupt our operations and adversely affect our business, financial condition and results of operations. Our employees in certain countries benefit from collective bargaining agreements, and we may not be able to periodically renegotiate collective agreements on acceptable terms. Settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements may adversely affect our labor costs, productivity and flexibility.

Many of our suppliers and customers have unionized work forces. Strikes, work-stoppages or work-slowdowns experienced by these suppliers or customers could materially and adversely affect our business, financial condition and results of operations. See "*Business—Legal Proceedings*."

Our international operations, particularly in emerging markets, expose us to risks inherent to international business, any of which could affect our results of operations.

We are present in 30 countries worldwide. As a result, we are subject to numerous, rapidly evolving and complex laws and regulations which govern, among other things, labor matters, immigration, health and safety, financial reporting standards, corporate governance, tax, trade regulations, export controls, and competitive practices in each jurisdiction where we conduct our business. Furthermore, we need to comply with various local standards and practices of different regulatory, tax, judicial and administrative bodies specific to each jurisdiction in which we operate.

There are multiple risks associated with the global nature of our operations, including political instability (such as the threat of war, terrorist attacks or civil unrest), inconsistent regulations across jurisdictions, unanticipated changes in the regulatory environment and import and export restrictions. Furthermore, these risks may be greater in certain areas where we operate, particularly outside Europe. Any of these events may affect our employees, reputation, business or financial results as well as our ability to meet our objectives, including the following specific business risks:

- negative economic developments in economies around the world;
- social and political instability in a number of countries around the world;
- potential terrorist attacks;
- epidemics and pandemics, which may adversely affect our workforce and suppliers;
- adverse changes in governmental policies, especially those affecting trade and investment; and
- inflation, recession, fluctuations in foreign currency exchange and interest rates, burdensome fiscal policies and transfer restrictions.

We are also reliant on local managers to oversee the day-to-day functioning of our branches and to ensure their compliance with local law, and we may be subject to risks based on insufficient oversight. In such cases, or if any of these international business risks were to materialize or exacerbate, we could be fined or otherwise sanctioned by regulators, which could adversely affect our business, financial condition and results of operations.

Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.

We are subject to complex and evolving tax legislation in the countries in which we operate, as well as international tax laws. Changes in tax laws or regulations or in their interpretation could adversely affect our tax position, such as our effective tax rate or tax payments.

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into French tax law of the Organization for Economic Cooperation and Development's (the "OECD") principles related to base erosions and profit shifting ("BEPS") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017, may increase the administrative efforts within our business and impact existing structures.

Furthermore, the European Union continues to harmonize the tax legislation of the member states. In this respect, the Council of the European Union (the "Council of the European Union") adopted a directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on July 12, 2016 (Council Directive 2016/1164) (the "ATAD"). The ATAD was later amended on May 29, 2017, by the Council Directive (EU) 2017/952 (the "ATAD II"), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from January 1, 2020. Among the set of proposed measures, the ATAD provides, in particular, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million, whichever is higher (subject to several exceptions). Such new rules apply since January 1, 2019, following their transposition into French tax law by Article 34 of the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "French Finance Law for 2019") of the general interest limitation rule provided for by the ATAD. The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) (the "French Finance Law for 2020") also introduced under French tax law the provisions of the ATAD II and thus repealed the existing French anti-hybrid rules, as set forth in Article 212-I-b of the French *code général des impôts* (the "French Tax Code"). See "*—Risks Related to the Notes and Our Capital Structure—French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness*" for more details on this rule.

In addition, Article 108 of the French Finance Law for 2019 introduced under French tax law, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, the French tax authorities may ignore an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances.

The European Commission also published a corporate reform package proposal on October 25, 2016, including three new proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("CCCTB"), a single set of rules to compute companies' taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. More recently, in a communication to the European Parliament and the Council of May 18, 2021 and denominated "Business Taxation for the 21st Century", the European Commission announced additional measures in the field of corporate taxation to take into account the evolution of the context of the EU business taxation policy. In particular, the European Commission announced that it will propose a new framework for income taxation for businesses in Europe ("Business in Europe: Framework for Income Taxation" or "BEFIT") that will replace the pending proposals under the CCCTB. BEFIT will be a single corporate tax rulebook for the EU and will consist in consolidating the profits of the EU members of a multinational group into a single tax base, which will then be allocated to member states using a formula and be taxed at national corporate income tax rates. The preparation for this new proposal will be carried out by the European Commission alongside the member states and the European Parliament and will give rise to consultations with the business sector and civil society groups. Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes – the European Commission having made public a proposed directive on December 22, 2021 which once adopted, should be transposed by European member states prior to June 30, 2023 and then entry into force on January 1, 2024, (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("DEBRA").

On October 8, 2021, members of the OECD/G20 Inclusive Framework on BEPS (the Inclusive Framework) agreed to the Statement on the Two-Pillar Solution to Address the Tax Challenges Arising from the Digitalisation of the Economy reflecting the agreement reached by 136 out of the 140 Inclusive Framework members. The Two-Pillar Solution is comprised of Pillar One and Pillar Two.

Pillar One aims at ensuring a distribution of profits and taxing rights among countries with respect to the largest multinational enterprises ("MNEs") through the re-allocation of taxing rights over 25% of the residual profit of the largest and most profitable MNEs to the jurisdictions where the customers and users of those MNEs are located.

Pillar Two puts a floor on tax competition on corporate income tax through the introduction of a global minimum corporate tax at a rate of 15% that countries can use to protect their tax bases (the GloBE rules). On December 20, 2021, the OECD published the pillar two model rules (the "Model

Rules") for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE's effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax.

On December 22, 2021, the European Commission published a legislative proposal for a Directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft Directive aims at consistently implementing among all 27 member states the Model Rules that include an Income Inclusion rule ("IIR") and an Under Taxed Payment Rule ("UTPR"). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft Directive makes use of an option contemplated by the Inclusive Framework whereby the member state of a low-taxed income entity (referred as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities residents in that member State. The proposal will move to the negotiation phase among the Member States with the aim of reaching a final agreement; the European Commission proposes that the member states shall transpose the Directive into their national laws by December 21, 2022 for the rules to come into effect as of January 1, 2023 (with the exception of the UTPR, for which the application will be deferred to January 1, 2024).

The development of model legislation, a Multilateral Convention and a multilateral instrument for the implementation of the Two-Pillar Solution are expected to be finalized on 2022 in order the Two-Pillar Solution to be effective on 2023.

Furthermore, new rules on tax dispute resolution already apply since January 1, 2019, following the transposition of Council Directive 2017/1852 of October 10, 2017 into French tax law as part of the French Finance Law for 2019. These new regulations could impact our tax position in the future.

We often rely on generally available interpretations of tax laws and regulations in the jurisdictions in which we operate. These positions may relate to tax compliance (especially in the current international tax context tending towards enhanced mandatory disclosure obligations), classification of income, treaty relief and withholding tax, franchise, gross receipts, payroll, property and income tax issues, including tax base. We cannot be certain that the relevant tax authorities are in agreement with our interpretation of these laws. If our tax positions are challenged by relevant tax authorities, the imposition of additional taxes could require us to pay taxes that we currently do not collect or pay or increase the costs of our products or services to track and collect such taxes, which could increase our costs of operations and have a negative effect on our business, results of operations and financial condition.

Damage to our reputation and our brand could adversely affect our business.

We believe that we have developed a reputation and brand images associated with a high-quality fleet of rental equipment, customer service, reliability and social and environmental responsibility. We believe our brands reflect such characteristics and qualities. Our brand names, trademarks and logos, as well as their respective reputation are valuable and powerful sales and marketing tools. Adverse publicity, whether justified or not, relating to our operations, rental equipment or employees, as well as involuntary representation of our brand on social media or other media, whether initiated by our employees, former employees, customers, suppliers and/or third parties, could harm our reputation, impair the image of our brands and reduce their value. Furthermore, although our customers are generally responsible for the way in which they handle our rental equipment and despite our efforts to promote training and safety, accidents involving our equipment can and do occur. The occurrence of such accidents can have an impact on the perceived image of our brands.

The availability of information on social media platforms and devices is virtually immediate as is its impact. Social media platforms and devices immediately publish the content their subscribers and participants post, often without filters or checks on accuracy of the content posted. The opportunity for dissemination of information, including inaccurate information, is significant. Information concerning or affecting us may be posted on such platforms and devices at any time, including by our employees, former employees, customers and/or suppliers. Such information posted may be inaccurate and adverse to us, and it may harm our business. The harm may be immediate without affording us an opportunity for redress or correction. Such platforms could be used also for the dissemination of trade secret information or compromise of other valuable company assets, any of which could harm our business. In addition, negative commentary regarding our businesses or operation may negatively impact our reputation, the perception of our brand and the quality and of our service offerings.

We are exposed to the risk of violations of anti-corruption laws, sanctions or other similar regulations applicable in the countries in which we operate or intend to operate.

We must comply with certain anti-corruption laws, sanctions or other similar regulations in each of the jurisdictions in which we operate. For instance, the U.S. Foreign Corrupt Practices Act of 1977, the U.K. Bribery Act 2010, the French law of December 9, 2016 relating to transparency, fighting corruption and modernizing economic life (more widely known as the "Sapin II Law") and other similar worldwide anti-corruption laws generally prohibit companies and their intermediaries from making improper payments to foreign officials for the purposes of obtaining or retaining business. We operate in certain parts of the world that lack a developed legal system or have experienced widespread corruption. Under some circumstances, strict compliance with anti-corruption laws may conflict with local customs and practices. Our internal policies mandate compliance with these laws, but despite our compliance policies and training efforts, we cannot assure you that our internal control policies and procedures will always protect us from acts committed by our employees.

Further, due to the global nature of our operations, we may use local agents or subcontractors to understand unfamiliar environments and differences in cultural, legal, financial and accounting complexities and obligations, or to carry out a portion of the activities called for by a particular contract. There is a risk that such agents or subcontractors may be involved in illegitimate activities in local markets that are unknown to us. If we fail to adequately supervise them or maintain an adequate compliance program, we may be liable for their actions. Similarly, our clients and suppliers may be involved in activities that our onboarding and diligence procedures may be unable to detect and that may put us at risk for non-compliance with anti-corruption and similar laws.

Violations of such laws can result in civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, termination of existing contracts, revocations or restrictions of licenses, criminal fines or imprisonment. In addition, such violations could also negatively impact our reputation and consequently, our ability to win future business. On the other hand, any such violation by our competitors, if undetected, could give them an unfair advantage when bidding for contracts. The consequences that we may suffer due to the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our internal control and compliance processes may fail to prevent regulatory penalties and reputational harm.

We operate a decentralized business through more than one thousand branches across multiple jurisdictions. Our internal control and compliance processes may not prevent all future breaches of law, accounting standards or our internal codes of conduct. We may experience instances of fraudulent behavior and dishonesty by our employees, contractors or other agents. Any failure to comply with applicable laws and other standards could subject us to fines, legal proceedings, loss of operating licenses and reputational harm.

Changes in applicable law, regulations or requirements, or our material failure to comply with any of them, can increase our costs and have other negative impacts on our business.

We operate in 30 countries in Europe, the Middle East and northern Africa and South America, which exposes us to numerous EU, national and local regulations. These laws and requirements address multiple aspects of our operations, such as worker safety, consumer rights, privacy and employee benefits, and can often have different requirements in different jurisdictions. In addition, changes in regulations could impact the ability of rental operators to utilize their equipment in certain types of projects, affecting the competitive landscape in those projects, as well as in other areas in which the non-conforming equipment may be redeployed. Changes in regulatory requirements, or any material failure by our branches to comply with them, can increase our costs, affect our reputation, limit our business, drain management time and attention and adversely affect our business, financial condition and results of operations.

We could be adversely affected by environmental and safety requirements, which could force us to increase capital expenditures and may subject us to unanticipated liabilities.

Our operations generally do not raise significant environmental risks, but we use hazardous materials to clean and maintain equipment, dispose of solid and hazardous waste and waste water from equipment washing, and store and dispense petroleum products from underground and above ground storage tanks located at certain of our locations. As a result, like other companies engaged in similar businesses that require the handling, use, storage and disposal of regulated materials, we are required to follow environmental and occupational health and safety laws and regulations.

Environmental laws also impose obligations and liability for the cleanup of properties affected by hazardous substance spills or releases. These liabilities can be imposed on the parties generating or disposing of such substances or the operator of the affected property, often without regard to whether the owner or operator knew of, or was responsible for, the presence of hazardous substances. Accordingly, we may become liable, either contractually or by operation of law, for remediation costs even if a contaminated property is not presently owned or operated by us, or if the contamination was caused by third parties during or prior to our ownership or operation of the property. There can be no assurance that prior site assessments or investigations have identified all potential instances of soil or groundwater contamination. Future events, such as changes in existing laws or policies or their enforcement, or the discovery of currently unknown contamination, may give rise to additional remediation liabilities, which may be material.

Although expenses related to environmental and safety compliance and/or remediation have not been material to date, we have made and will continue to make capital and other expenditures in order to comply with these laws and regulations. However, the requirements of these laws and regulations are complex, change frequently, and could become more stringent in the future. We may not be in complete compliance with all such requirements at all times, and we may be subject to potentially significant civil or criminal fines or penalties if we fail to comply. New regulatory requirements or interpretations or additional liabilities that arise in the future may have a material adverse effect on our business, financial condition and results of operations.

At group level, we maintain a risk map which provides a comprehensive view of the likelihood, impact and control mechanisms of the main group's risks in order to help the organization improve risk management and governance by prioritizing efforts. The risk map is updated on a regular basis and any time is deemed necessary (e.g. change in the environment, etc.). The risk map is reviewed at the most senior level of the organization and response plans are deployed accordingly. The risk map was updated in 2022.

INDUSTRY

Industry Overview

Equipment rental companies provide customers with lines of equipment, including larger equipment such as aerial work platforms, excavators, earthmoving equipment and forklift trucks, as well as smaller equipment such as power saws, jackhammers, scaffolding and small pumps. Rental companies also provide a large range of services associated with the equipment for rent such as maintenance, in-service inspection, repair, transportation, storage, compliance with health and safety regulations, insurance and training on the proper use of the equipment.

The primary customers for equipment rental companies include construction contractors, craftsmen, industrial companies, utilities, maintenance operators, government entities, events and media companies, and homeowners. We address such customers in 30 countries, the majority of which are in Europe. The dynamics of the customer and geographic end markets we serve vary widely.

Equipment Rental Business Model

The long-term growth prospects for the equipment rental industry continue to be favorable, driven by the structural shift towards equipment rental instead of each customer owning its own fleet. The rental concept has gained attractiveness in a macroeconomic context in which even financially healthy companies find equipment rental to be a prudent investment policy. The equipment rental business is also attractive to customers as it allows them to meet their CSR targets in terms of compliance with regulations, safety and reduction of their carbon footprint. Other companies may also lack the financial resources or credit for large fleet investments and have to rely on the rental channel.

Equipment rental companies' customers increasingly recognize the advantages of equipment rental over ownership, which include but are not limited to:

- Rental of equipment is part of the larger developing circular economy, where an equipment is rented by many customers over its life cycle while the rental company keeps control over its good functioning order through a program of maintenance and regular inspections;

- Equipment rental helps customers to fulfill their duties towards their objectives in terms of quality, safety and the environment;

- Rental of equipment reduces the amount of capital required in comparison to purchasing equipment and allows companies to preserve their capital for other investments;

- Rental of equipment allows customers to exchange fixed costs for variable costs on an as-needed basis so that rental costs are only incurred when there is a predictable source of revenue; in contrast, ownership costs are fixed and include a number of ongoing costs in addition to the cost of initial purchase, such as insurance, maintenance, in-service inspection, repair, transportation and storage and depreciation costs; these costs tend to increase over the life of the machine, and are only marginally related to its actual use;

- Rental of equipment minimizes costs related to idle equipment during project downtimes and provides flexibility to deal with unexpected events such as equipment failure or changes in planning;

- Rental of equipment can be used to supplement owned equipment, thereby increasing the range and number of tasks that can be performed and allowing customers to take advantage of opportunities without undermining the financial strength of their business;

- Rental of equipment transfers the residual value risk and the management of the equipment at the end of its useful life to the rental equipment provider;

- Rental of equipment allows customers to select the most appropriate piece of equipment for the task at hand, which can improve safety, efficiency and quality of work, especially since the safety of the equipment is typically verified by the rental companies prior to any new contract; and

- Rental of equipment from companies with a large network of branches such as Loxam enables customers to optimize their logistics flows to and from their worksites.

Our Principal Customer End Markets

We primarily serve construction, industrial and specialist customers, from small businesses and craftsmen to large international groups as well as public administration. The construction end markets represent the largest portion of our business and accounted for approximately 60% of our revenue for the year ended December 31, 2021. We have also developed a strong offering for the rental services segment through addressing the needs of both construction and non-construction end users (such as local authorities and companies managing events) requiring services such as risk protection, business support, planning, logistics and onsite support, training and merchandise sales in addition to equipment rentals. Although the different industries and customer sectors we address are exposed to cyclical fluctuations, our diversified geographic and end-market exposure allows us to benefit from different growth patterns.

European Construction Market

The equipment rental industry is dependent on the construction market and on general economic conditions. Growth in the equipment rental industry typically anticipates and outpaces growth in the construction market and responds more quickly to positive or negative changes.

The construction market consists of different subsectors: new residential and non-residential, renovation and maintenance and civil engineering, which includes transportation infrastructure and telecommunications as well as energy and water works. While the construction market as a whole is cyclical, individual end markets have different growth patterns and do not follow similar trends simultaneously. For example, the renovation and maintenance end market has less cyclical dynamics as customers tend to reduce new projects in favor of renovation and maintenance work during an economic downturn. In addition, the intensity of construction activity can vary significantly between different regional and local markets providing further balance to demand for rental equipment.

In 2020, a majority of the largest 15 construction markets in Europe surveyed by Euroconstruct contracted as a consequence of the COVID-19 crisis. France, the United Kingdom and Spain were each significantly impacted, with an estimated decrease in market size of 12.7%, 11.9% and 9.3%, respectively. Each of these markets were expected to register a rebound in 2021, with growth rates of 6.7%, 13.4% and 6.5%, respectively. The Nordic construction markets were less affected by the sanitary crisis in 2020, with the Swedish market growing by 2.7%, Norway decreasing by 0.6%, Finland growing by 1.0% and Denmark growing by 10.3%. The rebound should continue in 2022.

The table below presents the estimated total construction output in billions of euros covering the largest 15 construction markets in Europe, together with the historical and forecast growth rates of the total construction output for each of the years in the period from 2018 to 2022, in each case based on information from the 92nd Euroconstruct country report dated November 2021.

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Germany	€396.6	2018: +2.0% 2019: +1.6% 2020: 0.0% 2021: -0.7% 2022: +1.1% 2023: +0.2%
France	€198.8	2018: +3.1% 2019: +2.2% 2020: -12.7% 2021: +6.7% 2022: +3.8% 2023: +1.7%
United Kingdom	€197.7	2018: +0.1% 2019: +2.6% 2020: -11.9% 2021: +13.4% 2022: +5.9% 2023: +3.2%
Italy	€171.4	2018: +1.9% 2019: +3.6% 2020: -4.9% 2021: +15.1% 2022: +5.6% 2023: -0.5%

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Spain	€116.9	2018: +6.4% 2019: +4.6% 2020: -9.3% 2021: +6.5% 2022: +8.0% 2023: +4.5%
The Netherlands	€89.3	2018: +7.4% 2019: +4.9% 2020: -1.7% 2021: +0.8% 2022: +4.9% 2023: +3.6%
Switzerland	€63.3	2018: +0.9% 2019: -0.2% 2020: -0.3% 2021: +1.5% 2022: +0.7% 2023: +0.4%
Poland	€54.9	2018: +14.4% 2019: +4.9% 2020: -2.0% 2021: +3.0% 2022: +4.1% 2023: +3.8%
Sweden	€51.1	2018: +1.5% 2019: -0.2% 2020: +2.7% 2021: +8.3% 2022: -1.1% 2023: -1.3%

Construction Market		
Country	**Market size (€ billions)**	**Market growth**
Belgium	€45.7	2018: +3.1% 2019: +1.1% 2020: -4.9% 2021: +10.3% 2022: +3.6% 2023: +0.3%
Norway	€45.2	2018: -1.8% 2019: +1.7% 2020: -0.6% 2021: +6.2% 2022: +2.5% 2023: -0.5%
Austria	€45.0	2018: +5.6% 2019: +4.0 2020: -3.7% 2021: +5.4% 2022: +2.6% 2023: +1.9%
Denmark	€40.9	2018: +1.5% 2019: +3.8% 2020: +10.3% 2021: +5.1% 2022: +2.1% 2023: +1.7%
Finland	€36.5	2018: +1.7% 2019: -1.8% 2020: +1.0% 2021: +3.5% 2022: +2.0% 2023: -3.5%

Construction Market		
Country	Market size (€ billions)	Market growth
Ireland	€24.0	2018: +10.2% 2019: +5.8% 2020: -4.4% 2021: +2.7% 2022: +8.4% 2023: +9.0%

Our Primary Geographic Markets

We operate equipment rental branches in 30 countries, the majority of which are in Europe. Descriptions of our primary markets, including their size and growth prospects, are provided below.

European Equipment Rental Market Size and Trends

Based on data provided in the ERA Market Report 2021, the total size of the European equipment rental market (defined as total rental turnover, including rental-related revenue, merchandise and sale of used equipment) was estimated at €25.2 billion in 2020 in the European Union, the United Kingdom and the countries of the European Free Trade Association, taken together. The largest equipment rental markets in Europe in 2019, 2020 and 2021 were the United Kingdom (€6.5 billion in 2019, €5.3 billion in 2020 and €5.9 billion in 2021), Germany (€5.2 billion in 2019, €5.3 billion in 2020 and €5.9 billion in 2021) and France (€4.1 billion in 2019, €3.6 billion in 2020 and €4.0 billion in 2021).

The ERA estimates that the top 16 markets in the European rental market contracted by 7.2% in 2020, returned to growth of 6.3% in 2021 and will grow by 5.6% and 5.7% in 2022 and 2023, respectively and in each case at constant exchange rates. Despite the contraction in the market caused by the economic slowdown in response to the COVID-19 pandemic, construction rental penetration is expected to increase further throughout Europe as users recognize the advantages of equipment rental. The rental penetration rate tends to differ widely from country to country, and is influenced by, among other factors, the existence and quality of equipment rental companies in the local market, national economic conditions, attractiveness of financing and tax environments, weather patterns and cultural attitudes towards equipment rental.

The table below presents the estimated turnover and construction rental penetration rate for 2021, as well as estimated and forecast market growth rates for each of the years in the period from 2019 to 2023 for 16 European markets covered by the ERA. Construction rental penetration rate is defined by the share of total rental market divided by the total construction market.

Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
United Kingdom	5,900	2019: +1.5% 2020: -17.4% 2021: +8.5% 2022: +6.0% 2023: +7.4%	1.7%
Germany	5,535	2019: +4.8% 2020: +2.0% 2021: +3.8% 2022: +7.0% 2023: +5.6%	1.4%
France	4,005	2019: +5.7% 2020: -12.4% 2021: +11.6% 2022: +5.2% 2023: +4.2%	1.4%
Sweden	1,885	2019: +3.0% 2020: -0.2% 2021: +2.5% 2022: +2.9% 2023: +3.5%	3.5%
Italy	1,625	2019: +4.7% 2020: -9.7% 2021: +8.7% 2022: +8.3% 2023: +6.0%	0.8%

Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
Spain	1,390	2019: +6.2% 2020: -14.0% 2021: +4.9% 2022: +7.2% 2023: +5.7%	1.0%
The Netherlands	1,225	2019: +6.3% 2020: 0.0% 2021: +2.9% 2022: +2.9% 2023: +3.6%	1.0%
Norway	850	2019: +4.5% 2020: -2.2% 2021: +2.0% 2022: +4.2% 2023: +4.7%	1.4%
Poland	785	2019: +8.5% 2020: -4.0% 2021: +5.3% 2022: +5.1% 2023: +7.2%	0.8%
Belgium	695	2019: +2.8% 2020: -8.8% 2021: +3.7% 2022: +3.6% 2023: +4.9%	0.9%

Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
Finland	680	2019: +3.8% 2020: -2.2% 2021: +2.3% 2022: +3.7% 2023: +6.4%	1.6%
Denmark	620	2019: +2.8% 2020: +0.7% 2021: +4.1% 2022: +4.2% 2023: +3.1%	1.4%
Austria	460	2019: +8.1% 2020: -6.5% 2021: +5.7% 2022: +5.4% 2023: +6.2%	0.8%
Switzerland	400	2019: +4.7% 2020: -4.5% 2021: +2.4% 2022: +3.4% 2023: +1.1%	0.5%
Baltics	315	2019: +1.7% 2020: -1.7% 2021: +8.6% 2022: +6.3% 2023: +7.5%	2.1%

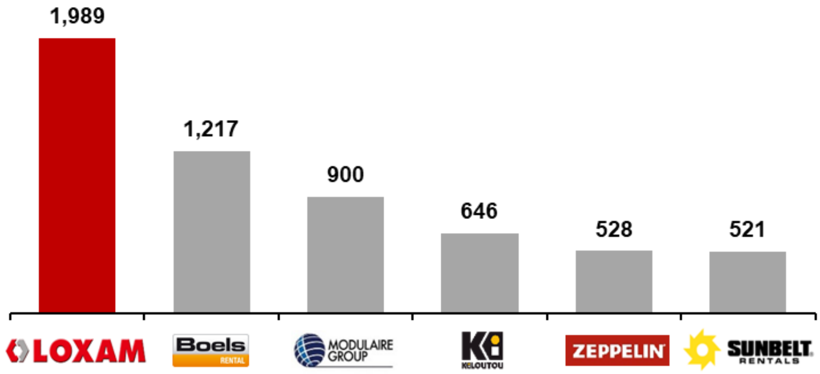
Equipment Rental Market			
Market	**Rental turnover (2021) (€ millions)**	**Market growth**	**Construction rental penetration (2021)**
Czech Republic	205	2019: +7.8% 2020: -6.8% 2021: +3.6% 2022: +5.7% 2023: +10.1%	0.5%

European Competitive Landscape

The European equipment rental industry is very fragmented and consists of a large number of small companies serving discrete local or regional markets and a small number of medium-sized and large companies serving regional, national or international customer bases. Specialty equipment rental companies against which we also compete can have large regional, national or international market shares in their respective specialty ranges of equipment. The industry is continuing to consolidate, and large, well-financed companies such as our Group are in a position to invest as needed to take advantage of the future growth in the rental market and of opportunities for market consolidation.

Although the rental industry is fragmented on a European market level, with Loxam being one of only a few companies with a strong pan-European platform, the industry is characterized by sizeable market shares for incumbent national operators.

The chart below shows our leadership position based on our revenue for the year ended December 31, 2020, among European equipment rental providers, in millions of euros, based on a ranking published in June 2021 by International Rental News.



French Equipment Rental Market

Competition in the equipment rental market tends to be based primarily on geographic proximity and equipment availability, as well as equipment quality, price, quality of sales relationships, delivery times, quality of service and, for our largest clients, possession of relevant health and safety certifications.

The equipment rental market is characterized by substantial capital requirements, a substantial number of competitors, and the advantages from having existing relationships with key suppliers and customers. The geographic coverage, network flexibility, strength of brand, and economies of scale of existing key players further contribute to these challenges for potential market entrants.

Global Competitive Landscape

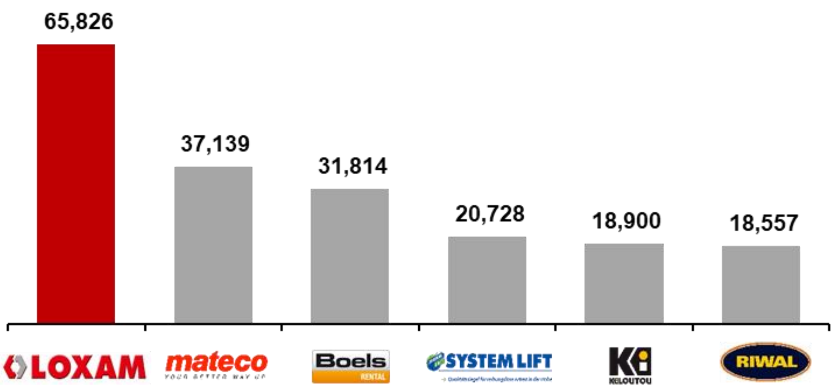
Based on a ranking published by International Rental News in June 2021, we were the fourth-largest equipment rental company in the world in terms of 2020 revenue, behind United Rentals, Ashtead Group and Aktio Corp.

European Powered Access Equipment Rental Market

The powered access equipment or mobile elevating work platforms ("MEWPs") market consists of booms, scissor lifts and vertical masts, including both articulated and straight telescopic booms, and can be self-propelled, pushed around, towed or vehicle-mounted. Powered access equipment accounts for a substantial portion of the equipment rental industry, in particular because most such equipment is more specialized and expensive, therefore making rental rather than ownership more cost-effective for end users. The powered access market tends to be less cyclical than the overall equipment rental market.

Thanks to our acquisitions of Lavendon and Ramirent, we have solidified our market leading position as the largest MEWP rental operator in Europe. Loxam's fleet size of approximately 65,000 pieces of powered access equipment is nearly double the size of the fleet of the next largest European operator, Mateco.

The chart below presents the top 10 European powered access equipment rental operators in 2021 as measured by total units in their respective powered access fleets, based on a ranking published by Access International in its July-August 2021 issue.



French Equipment Rental Market

Based on ERA data, the French equipment rental market is expected to be the third largest market in Europe, behind the United Kingdom and Germany, with an estimated size of €4.0 billion in 2021.

The challenging economic climate in France following the 2008 financial crisis affected the equipment rental industry until 2014, when the industry stabilized. The equipment rental market in France has historically displayed stronger growth than the French construction market since 2010, primarily due to good economic conditions, a strong technical level of local specialists and high degree of market concentration between two players. In 2020, the French market was severely impacted by the COVID-19 pandemic, due in particular to strict lockdown measures limiting construction activity. Although the market is expected to have grown by 11.6% in 2021, this rebound is partly technical, with forecasted growth in 2022 and 2023 of 5.2% and 4.2%, respectively, to be slower than the rates seen in 2019 (5.7%).

Based on our revenue, we believe that we and Kiloutou are the two largest players in the French equipment rental market. Both companies have contributed to the consolidation of the market. Kiloutou has focused more on opening new branches in areas with rental potential, while Loxam has focused on acquisitions to supplement organic growth.

Swedish Equipment Rental Market

The Swedish equipment rental market is the fourth largest market in Europe, with an estimated size of €1.9 billion in 2021 according to the ERA, representing growth of 2.5% over the previous year. The market is forecast to grow by 2.9% and 3.5% in 2022 and 2023, respectively.

Demand in the Swedish market prior to the COVID-19 pandemic had suffered from weakness in the construction sector, with further declines expected in coming years. However, the impact of the COVID-19 pandemic in Sweden, like in the rest of the Nordic countries, was relatively low due to the fact that the country avoided any strict lockdowns. While lingering weakness has continued into 2021, equipment rental sector prospects are positive, driven in particular by strong construction rental penetration, which is the highest in Europe at 3.5%. The Swedish market is characterized by strong demand for complete rental solutions covering equipment rental and related services to construction companies, including traffic on-site, waste management, or safety solutions. We believe that Loxam and Boels are the two largest players in the Swedish equipment rental market.

Norwegian Equipment Rental Market

The Norwegian equipment rental market is the eighth largest market in Europe, with an estimated size of €850 million in 2021 according to the ERA, representing growth of 2.0% over the previous year. The market is forecast to grow by 4.2% and 4.7% in 2022 and 2023, respectively.

Although Norway was able to avoid a significant impact from the COVID-19 pandemic, with only a limited lockdown period and continued construction activity, Norway did experience a slowdown in 2020 due to project cancellations and delays. Growth had already been slowing in part due to lower residential construction and rising interest rates that are expected to hinder refurbishment activity.

The equipment rental market in Norway is well diversified where non-construction related sectors contribute around 40% to sector output, with the oil and gas sector making the biggest contributions. The Norwegian equipment rental market is relatively consolidated with companies of fewer than 50 employees accounting for approximately 25% of the total market.

Finnish Equipment Rental Market

The Finnish equipment rental market is the eleventh largest market in Europe, with an estimated size of €680 million in 2021 according to the ERA, representing growth of 2.3% over the previous year. The market is forecast to grow by 3.7% and 6.4% in 2022 and 2023, respectively.

Following years of strong growth in the Finnish construction market in 2015-2018, market growth slowed in 2019, reflecting an expected downward trend due to a slowdown in new housing starts since mid-2018, a lower number of new projects in civil engineering segments and slowdown in housing renovation activity, Finland’s largest construction sector. The immediate impact of the COVID-19 pandemic was moderate like in other Nordic countries, but the rental market is expected to continue to experience some medium- to long-term slowing due to project cancellations and delays. Nevertheless, recovery is expected in 2021 and beyond due to broader economic and construction output growth. Additionally, it is believed that the equipment rental market will be supported by a broader outsourcing trend in Finland favoring use rather than ownership.

Other European Equipment Rental Markets

Our other primary markets in Europe are the United Kingdom, where we specialize in powered access equipment, as well as the Netherlands, Spain, Denmark, Germany, Italy, Belgium, Switzerland, Poland, the Baltic States, Czech Republic and Slovakia. The United Kingdom is the largest equipment rental market in Europe, with an estimated revenue of €5.9 billion in 2021 according to the ERA, and Germany is the second largest, with an estimated revenue of €5.5 billion in the same year.

BUSINESS

Overview

We are the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2020. We have operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the year ended December, 2021, we generated €2,197.3 million in pro forma revenue and €781.6 million in pro forma EBITDA.

Our activities are conducted in three principal geographies:

- ***France*,** in which we had 489 branches as of December 31, 2021. In France, we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. We generated 42% of our pro forma revenue for the year ended December 31, 2021 from France.
- ***Nordic countries*,** which consist of Denmark, Norway, Sweden and Finland. As of December 31, 2021, our network in the Nordic countries comprised 215 branches. We provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam Access brands. We generated 31% of our pro forma revenue for the year ended December 31, 2021 from the Nordic countries.
- ***Rest of the world*,** which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of December 31, 2021, we had a network of 362 branches in these countries and our business in these countries generated 28% of our pro forma revenue for the year ended December 31, 2021.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 650,000 pieces (excluding accessories) with a gross book value of €4.6 billion as of December 31, 2021. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2021, we provided these services through our various brands such as Loxam Rental, Ramirent, Loxam Hune and Nationwide Platforms. As of December 31, 2021, we had 1,029 European branches, more than any other rental network in Europe.

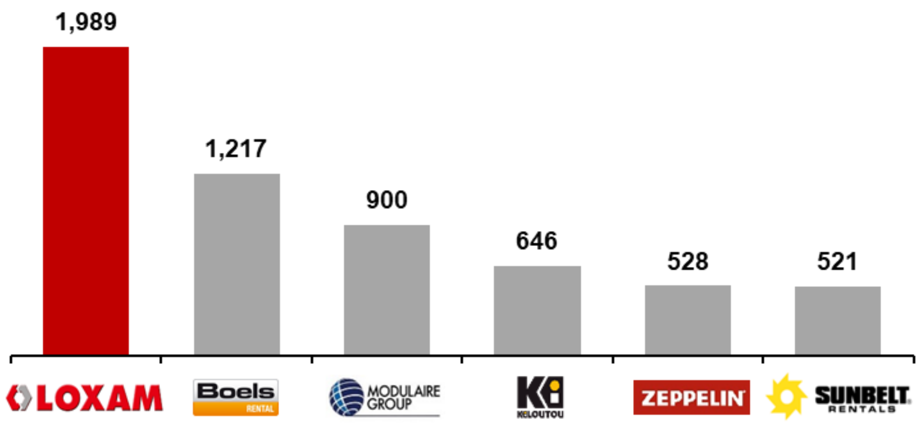
Competitive Strengths

We believe that the following competitive strengths have been instrumental in our success and will drive our future growth:

Undisputed leader in pan-European equipment rental market with positive growth outlook

Following the Ramirent Acquisition in 2019, we became the undisputed leader in the European equipment rental market. We continue to hold this position based on our revenue for the year ended December 31, 2021. We also had an unmatched network of 1,029 branches across 21 European countries as of December 31, 2021. Based on our revenue for the year ended December 31, 2020, we estimate that we had market-leading positions in eight key European markets (France, the United Kingdom (for the powered access market), Spain, Norway, Sweden and Finland), and based our revenue for the year ended December 31, 2019, which was most recent period for which comparative information was available, we estimated that we had market-leading positions in Central Europe and the Baltic States. We also estimate we were the second-largest player in Denmark (based on our revenue for the year ended December 31, 2020), the Netherlands and Belgium (based on our revenue for the year ended December 31, 2019) and Italy (for the powered access market, based on revenue for the year ended December 31, 2020).

The chart below shows our leadership position based on our revenue for the year ended December 31, 2020, among European equipment rental providers, in millions of euros.



We have established our leadership in the European market through developing and expanding our network, both organically and through a series of successful acquisitions. Both Loxam and Ramirent have strong brand recognition epitomizing our high quality of service, dense network and large, high quality fleets. Our fleet totalled approximately 650,000 pieces of equipment, which is the largest in the European market based on its gross book value of €4.6 billion as of December 31, 2021.

Despite the contraction experienced in 2020 due to the COVID-19 pandemic, we believe that we will benefit from strong fundamental market drivers supporting long-term growth prospects for the equipment rental markets, due to a structural shift towards equipment rental in lieu of ownership. The European Rental Association ("ERA") estimates that the European rental market grew by 4.4% in 2018 and 4.1% in 2019. Despite a drop of 7.2% in 2020, the ERA estimates that the market rebounded with growth of 6.3% in 2021 and will grow by 5.6% in 2022 and 5.7% in 2023. In France, our largest market, the rental market had an estimated value of €3.6 billion in 2020 and €4.0 billion 2021 according to the ERA. The French equipment rental market is expected to increase by 5.2% in 2022 and by 4.2% in 2023, according to the ERA. The UK equipment rental market decreased by 17.4% in 2020 but is estimated to have bounced back by 8.5% in 2021 and further grow by 6.0% and

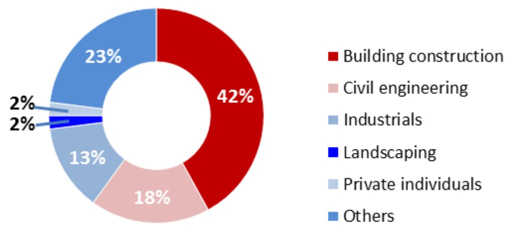
7.4% in 2022 and 2023, respectively, according to the ERA. Further estimates from the ERA indicate that the equipment rental markets in Sweden, Norway, Finland and Denmark are expected to grow by 2.9%, 4.2%, 3.7% and 4.2% in 2022, respectively, and by 3.5%, 4.7%, 6.4% and 3.1% in 2023, respectively.

Our confidence in the fundamental strengths of the equipment rental industry is demonstrated by our resumption of capital expenditures to invest in our rental fleet during the second half of 2020, as well as our recent acquisitions of JM Trykluft in Denmark and Maskinslussen in Sweden. As the market leader in France and the leading European equipment rental company, we believe we are well positioned to capitalize on these positive trends.

Dense commercial footprint serving diversified geographic and customer end markets through an expansive fleet and high-quality customer service

We owned a fleet of approximately 650,000 pieces of equipment as of December 31, 2021 and we served customer accounts in 30 countries. Our portfolio of clients mostly includes construction and industrial customers, from small businesses and craftsmen to large international groups, and our customers operate within different economic and construction cycles. The construction end markets represent the largest portion of our business and accounted for approximately 60% of our revenue for the year ended December, 2021. In recent years, we have diversified the source of our revenue across industries and we now increasingly support the day-to-day activities or occasional needs of customers engaged in the broader services sector, such as events, training and facility management. As a result of these efforts, the portion of our pro forma revenue generated by non-construction end markets reached approximately 40% during the year ended December 31, 2021.

The chart below shows the percentage of our revenue for the year ended December 31, 2021 generated from customers in different sectors.



Our customer diversification efforts continued in the context of the COVID-19 pandemic, as we focused on attracting more small business customers through our branches or through rental corners (of which we had more than 600 across France, Germany, Spain and Belgium as of December 31, 2021). As a result, we are less dependent on the revenue generated from our top 10 customers, which accounted for approximately 11% of our revenue for the year ended December 31, 2021.

We provide our customer base with access to a fleet encompassing a wide range of both generalist and specialist equipment that meets our customers' varied demands while limiting their environmental impact. We believe that we are the only rental group to provide such a range of both generalist and specialist brands on our geographic scale. Our evolving fleet allows us to act as a one-stop shop, meeting a full range of client needs for earth moving, aerial work, handling, compaction, energy, modular and building equipment. Additionally, we aim to obtain standardized equipment from our suppliers to the extent possible and in accordance with our high standards. Greater standardization of our fleet lowers maintenance costs and reduces training time for our staff while also promoting greater fleet utilization by making it easier to share spare parts between branches and transfer equipment from one branch to another.

Client service is a central element of our brand and we seek to go beyond being able to provide the equipment our clients need by providing outstanding service throughout the rental process. This is why we have developed in-house training programs to train our staff from the moment they are hired. The Loxam School near Paris, where most new recruits spend some time for an induction training, offers our employees training on sales skills and the safe use of our equipment so that our employees are able to more effectively advise our clients in their choice and use of rented equipment. We perform quarterly customer satisfaction surveys covering approximately 30,000 customers. Our Net Promoter Score, which we follow to track our customer satisfaction, was 63.7 for the year ended December 31, 2021, an increase from 37 in 2018, 45.7 in 2019 and 60.4 in 2020. In France, in 2021, we were recognized as the client service provider of the year in the rental equipment category by ESCDA (Élection Service Client de l'Année) for the fifth consecutive year. Ramirent has historically had a similarly strong commitment to customer service, which is reinforcing our existing reputation in this area.

Our dedication to client service was particularly evident in our response to the COVID-19 crisis. In each country where we are present, our teams were mobilized to ensure continuity of service despite having to close our branches to the public in order to comply with local laws, while also developing new offerings and participating in initiatives to support our communities. For example, through our newly created subsidiary Loxamed, we developed mobile screening units for COVID-19.

Proven and flexible operating model supported by superior market knowledge as well as strong fleet and network management skills

Our successful, customer-oriented business model centers on the smart management of our rental equipment fleet and our broad network of branches, which is guided by our superior knowledge of the end markets, customers and geographic regions we serve.

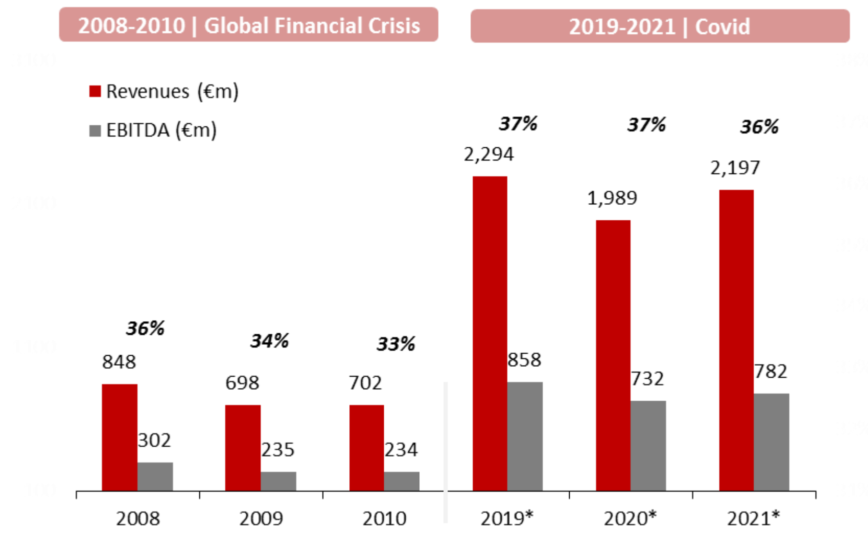
Market knowledge and experience are central to each aspect of our business model. Our branches are deeply embedded in the local markets in which they operate and we emphasize building and maintaining close relationships with clients at the local level in order to learn about, and adapt to, their changing needs as well as those of the overall construction market. We use market indicators such as GDP growth and construction activity in addition to information generated from our local branch network and strong customer relationships to predict short- and medium-term demand for our services. Our responsive business model is informed by the density of our network, particularly within France, the large number of our customers across diverse end markets and our experience of more than 50 years in the equipment rental market.

The quality and appropriate management of our fleet is a core part of meeting our customers' needs and maintaining our profitability and market leadership. We use the needs of our customers and the business cycles affecting our industry as well as our own set of key internal indicators, such as the age and utilization rates of different products in our fleet, to make strategic decisions with respect to the deployment of our fleet across our network and to the level of capital expenditure dedicated for the maintenance or expansion of our fleet. We continuously update and expand our fleet in order to meet the technical demands of our clients' operations and pursue opportunities to target new sectors.

We focus on maintaining the quality and flexibility of our overall network through close quality control of our branches, training of our employees, optimized IT systems and detailed reporting tools that allow for information sharing and internal benchmarking. We monitor the quality of our branches through regular internal and external audits. We promote the quality and dynamism of our network by providing our employees with different types of comprehensive internal training across all levels and divisions to foster the development of multiple skill sets, resulting in a more efficient and motivated workforce. We rely on several integrated enterprise resource planning ("ERP") systems that support numerous aspects of our operations. In particular, these systems provide us with immediate data to inform the deployment of assets within our network to areas where the level of demand is higher, thus maximizing our utilization rates and further reinforcing the flexibility of our business model.

Profitable track record and ability to manage business cycles through nimble cost and capital expenditure control

We believe that our ability to manage our operating costs and our fleet according to market conditions is a competitive advantage that has contributed to our historically high level of profitability. As illustrated by the below chart, we have demonstrated an ability to maintain EBITDA margins above 30% through economic cycles, due in part to our ability to quickly adapt our fixed costs to our level of business activity.

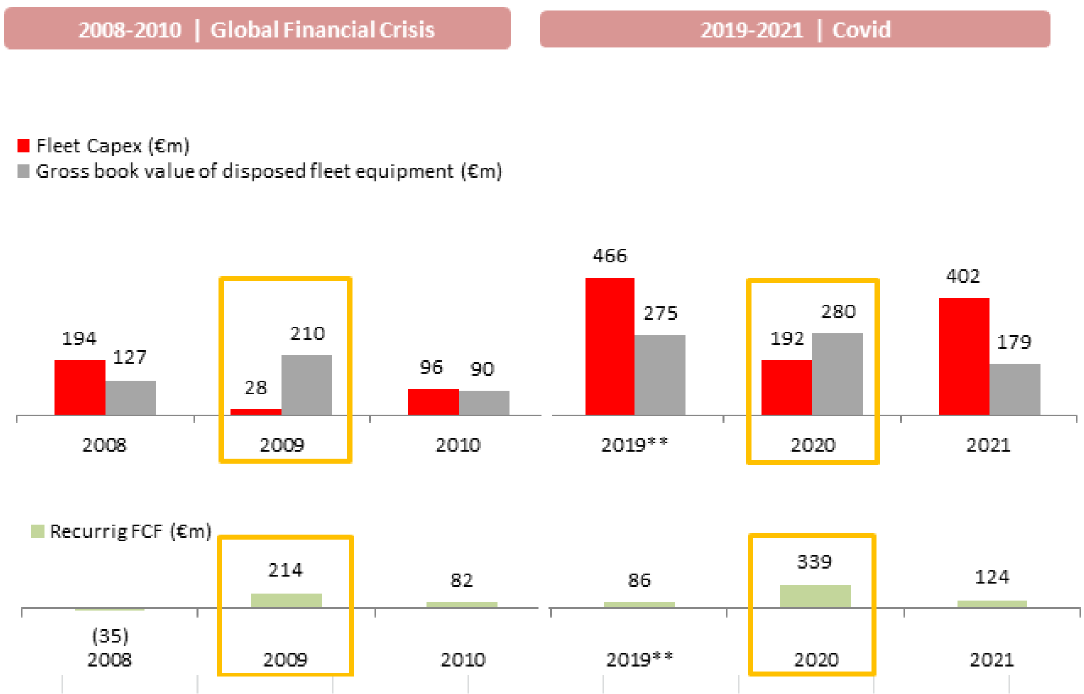


*2019: EBITDA post-IFRS 16, pro forma for the Ramirent Acquisition on a twelve-months basis, including synergies; revenue pro forma for the Ramirent Acquisition
*2020: EBITDA post-IFRS 16, including synergies
* 2021: revenue and EBITDA post-IFRS 16, pro forma for the JM Trykluft and Maskinslussen acquisitions

We believe that our EBITDA margin is among the highest of other European equipment rental providers.

We are able to efficiently manage our capital expenditure based on our market expectations. In a growth cycle, we invest in our rental fleet to enhance our product offering and expand into new products and markets. In a downturn, we can rapidly reduce capital expenditures, streamline our network and pay down debt with our cash flows. We notably were able to quickly adapt our cost base in 2020 in response to the COVID-19 pandemic, taking actions to preserve our liquidity and focusing on maintaining our existing fleet through reduced capital expenditure. Once conditions stabilized and our liquidity was ensured in the second half of 2020 and in the first half of 2021, we resumed capital expenditure. In spite of spare parts shortages, machines deliveries occurred with a strong acceleration in the third quarter of 2021.

The charts below illustrate our ability to calibrate our net capital expenditure while preserving free cash flow generation in difficult macroeconomic conditions, as we did during the global financial crisis between 2008 and 2010 and again during the COVID-19 pandemic.



*** 2019 Fleet capex pro forma for the Ramirent Acquisition on a twelve-months basis*

We have no long-term engagements in respect of capital expenditures and make investment decisions on a regular, near-term basis. As a result, we are able to quickly adjust our level of investment in the fleet to respond to the state of the market. The countercyclical nature of our cash flow generation, driven by discretionary capital expenditure requirements, contributes to the overall resilience of our business model through economic cycles.

Experienced management with superior market knowledge and proven M&A track record

Our senior management team is led by Mr. Gérard Déprez, our president, CEO and controlling shareholder who has over 30 years of experience with us. The members of our management committee have significant experience in our industry and are supported by divisional and regional managers in an organizational structure that empowers middle management and local branch managers while keeping bureaucratic processes at a minimum. We believe that our lean management structure encourages strong commitment and entrepreneurial spirit across our organization.

Our management team has proven its ability to consistently deliver strong financial performance and protect cash flow generation. In recent years, our management team has also earned distinction for its skill at expanding our business through acquisitions. Our local management teams share similar approaches and priorities, with a common focus on improving safety and diversifying our customer end markets.

Products and Services

Our principal activity is equipment rental, which accounted for approximately 69% of our revenue for the year ended December 31, 2021. As of December 31, 2021, we offered approximately 2,000 different types of equipment and tools for rent (excluding accessories). Most of our generalist rentals are short-term (often less than one week). We also provide rental services (approximately 26% of our revenue for the year ended December 31, 2021), such as transportation of equipment and assembly related to modular rentals, that complement and support our rental offerings and, to a lesser extent, engage in retail activity at our branches (approximately 5% of our revenue for the year ended

December 31, 2021). We maintain a business model that has kept EBITDA margins above 30% through economic cycles, primarily through our ability to quickly adapt our fixed costs to our level of business activity.

Since January 1, 2021, we have organized our business into three segments based on our geographical footprint:

France, in which we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. Our French segment generated €920 million in revenue and €340 million in EBITDA for the year ended December, 2021.

Nordic countries, provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam brands. Our Nordic segment generated €670 million in pro forma revenue and €208 million in pro forma EBITDA for the year ended December 31, 2021.

Rest of the world, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. This segment generated €607 million in revenue and €234 million in EBITDA for the year ended December 31, 2021.

Rental products

Our principal activity consists of renting generalist and specialist equipment to customers in the construction, industrial use, landscaping, local authorities and the service sector.

Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. We also provide equipment for general industrial, landscaping and other activities. Our main generalist product lines include:

- earth moving equipment, including excavators, loaders and dumpers, which are designed for digging, lifting, loading, moving and building materials and are frequently used in construction and civil engineering projects;
- aerial work platforms, including booms, scissors and vehicle-mounted platforms, which are mechanical elevation equipment used in various activities, including general industrial and service works and facility management;
- handling equipment, such as forklifts and telescopic handlers, which are used to lift and transport materials and are often used in the construction, manufacturing and warehousing industries;
- compaction equipment, including compactors, rammers, rollers and vibrating plates, which are used to compact soil, gravel or asphalt in the construction of roads and foundations or to reduce the size of waste material;
- energy equipment, including compressors and generators, which are used to power machinery or construction sites;
- building equipment, such as drillers, concrete mixers, trowels and saws; and

- other equipment, including hand-operated tools such as power drills, chainsaws, and jackhammers as well as scaffolding, trucks, pumps, site surveillance systems and traffic management equipment, among others, which are mainly used in construction and renovation projects.

Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment. Our different lines of specialist equipment are marketed and rented through dedicated subsidiaries and business units, as described below:

- powered-access elevation equipment, with or without operators, includes truck-mounted booms, telescopic and articulated booms and other platforms for reaching significant heights, used in construction, landscaping, events and by utilities and media customers;

- modular buildings include portable accommodation, workspaces and containers, often used on major construction or civil engineering sites, for special events, schools, administrative offices and for other applications;

- large compressors, generators and temperature control units include air compressors used to provide power to construction machinery and electrical generators that convert mechanical energy into electrical energy to power heavy machinery or to provide electricity where the grid is not available, as well as welding and pumping equipment;

- heavy civil engineering equipment is used for excavating, grading and compacting, principally for earthworks, road and railway construction, landscaping and demolition;

- equipment such as forklifts, super-silent generators and platforms for use in the production and logistical coordination of cultural, sporting and public events, concerts, exhibitions and television productions, and

- temporary suspended platforms, mobile and fixed scaffolding, modular portable formwork and lifting equipment.

We continue to add new products to our rental catalogue, including temperature controls and cooling equipment, deconstruction equipment and accessories, bi-energy equipment (such as excavators and access equipment) and site elevators, reflecting our ongoing innovation and response to customer needs. We have also recently developed new services, such as Loxamed, which provides mobile telemedicine services to public authorities and private businesses, including mobile testing capabilities.

Rental services and retail

We offer a variety of services that complement and support our rental offerings. Rental services, which accounted for approximately 26% of our revenue for the year ended December 31, 2021, include transportation of equipment to a site and assembly of modular equipment, damage waivers, which act like a product warranty against theft and breakage, and rebilling of other services such as equipment maintenance and fuel. The cost of providing these services is passed on to customers. Our rental services activity supports our core rental business and is not a separate division.

We also sell supplies, work site accessories and tools at our branches, including replacement parts, safety equipment and cleaning tools used by our end-customers. Retail activity accounted for approximately 5% of our revenue for the year ended December 31, 2021. We consider retail to be an activity that supports our primary rental activity.

Customers

We have a broad customer base ranging from large international companies to craftsmen. Our customers operate in many sectors, including residential, industrial, commercial construction, civil engineering such as transportation and infrastructure, utilities, building renovation, distribution, logistics, retail, environmental, events and media.

A significant portion of our customers are large construction and civil engineering groups with national operations. These customers operate through a large number of divisions with whom our relationships are established locally at the branch level by our branch managers and sales executives (and supported by key accounts managers within our headquarters), providing multiple entry points in our contacts with customers and contributing to the diversification and stability of our customer base. In 2021, business with construction and civil engineering customers represented approximately 42% and 18% of our revenue, respectively.

Our network of branches and our specialist equipment offerings enable us to provide tailored and attentive service to local and regional customers, while our developed full-service infrastructure allows us to effectively service large national and international customers. These large and diversified groups are significant operators in the construction and civil engineering sectors, as well as in road building, industrial maintenance and electrical works. They operate through hundreds of companies who we serve through our network of 1,066 branches worldwide.

Our top 10 customers, all of which operate in the civil engineering, construction or utilities sectors, accounted for about 11% of our revenue for the year ended December 31, 2021 and our top three customers accounted for 6% of our revenue over the same time period. In 2021, as a result of our diversification efforts, we have continued to increase the percentage of our revenue generated from smaller customers, including small- and medium-sized enterprises (SMEs) and craftsmen.

With our largest customers, we negotiate framework agreements establishing pricing policies for our equipment. These agreements typically have a duration of 12 months but do not include exclusivity or volume commitments. Smaller and more localized customers are typically subject to our standard terms and conditions. While rental rates and pricing guidelines are established centrally, branches negotiate directly with their customers and generally have flexibility to make certain price adjustments as needed.

We monitor counterparty risk, particularly in respect of our smaller customers, and are attentive to signs of liquidity problems among our customers so that we can react quickly if needed, leveraging our internal recovery and collection teams to follow up on any overdue bills. Despite the impact of the COVID-19 pandemic, our bad debt ratio (which we define as provisions for overdue receivables, plus irrecoverable amounts, as a percentage of revenue) remained low at 0.50% of our revenue at December 31, 2021.

Sales and Marketing

We have a strong sales and marketing organization, which we believe allows us to expand our customer base and maintain loyalty with existing customers. Our sales and marketing organization operates at three levels: (i) locally, at the branch level; (ii) regionally, through commercial managers operating under the regional managers; and (iii) centrally, through our dedicated sales and marketing team. Branch managers and regional commercial managers develop relationships with local customers and assist them in planning their equipment and rental requirements, while our centralized sales and marketing team works with our largest customers and targets new customers to identify their needs and propose comprehensive solutions. In addition, we maintain an in-house call centre staffed only with experienced sales staff, providing additional points of contact for our customers.

To stay informed about local markets, sales agents track rental opportunities in the area through industry reports and local contacts. In addition, our specialist branches, due to the nature of the equipment they supply, are often in contact with customers at the early phases of large construction or civil engineering projects, which we believe helps build our market intelligence to identify opportunities for cross-selling and cross-promotion that also benefit our generalist branches. We also offer training programs for our customers at all of our branches, which we believe improves customer satisfaction and loyalty.

We have also implemented marketing and service initiatives at a centralized level to prioritize strong relationships with our customers. These initiatives include:

- dedicated call centers that provide a 24/7 one-stop service to clients by phone and coordinates order fulfillment through our branches, with guaranteed equipment availability. This service is targeted to our larger clients that need to source equipment in a number of locations and prefer centralized handling of their accounts;
- offering in certain larger cities logistics support through the centralization of transport services as well as onsite repair services available 24 hours a day, seven days a week;
- providing training and certain certifications to employees from our customers;
- loyalty programs, including our specialty programs such as Loxam Club, which targets SMEs; and
- worksite logistics and planning.

For the fifth consecutive years, the quality of our customer service received from ESCDA recognition in France through the “Customer Service of the Year” award in the “Equipment Rental” category. This award recognizes the very best in customer care and was earned following anonymous surveys. This standard is reported as covering most of the criteria from ISO 18295-1, which provides a framework for providing customers with services that continuously and proactively meet or exceed their needs.

Rental Fleet

We have a well-maintained fleet consisting of approximately 650,000 pieces of equipment (excluding accessories) as of December, 2021. We strive to offer a large variety of equipment and we believe that our rental fleet is one of the most extensive fleets in the European market, representing approximately 2,000 different types of generalist and specialist equipment and tools (excluding accessories). All of the equipment in our fleet is either branded and painted in Loxam colors or those of the relevant business unit. As of December 31, 2021, our fleet had a gross book value of €4.6 billion.

Our combined fleet is composed of the following principal equipment ranges and equipment types:

- earth moving: excavators, backhoes, loaders, dumpers;
- aerial work platforms: booms, scissors, van mount, truck mount, lifts, tower cranes and hoists;
- handling: forklifts and tele-handlers;
- compaction: compactors, rammers, rollers;
- energy: compressors, generators, chillers, heaters;
- modular: modular spaces, containers;
- building and other: concrete mixers, scaffolding, pumps, tools and other equipment, such as trucks and traffic management;
- scaffolding; and
- hand tools such as jackhammers and power drills.

Fleet management

Our approach with respect to fleet management is to provide regional and branch managers with wide autonomy to develop their business and manage their own equipment with the objective of maximizing its own profitability, but with central fleet managers able to monitor and assist in fleet management across branches and regions and to ensure overall efficiency. Managers of our generalist branches are encouraged to maintain and rent a diverse and balanced portfolio. Large customer orders may require cooperation among branches to provide the quantities required, but equipment is not pooled at the regional or group level. If a branch is unable to answer its own demand for a major construction site, for example, it notifies the regional manager. The regional manager then decides whether to temporarily grant equipment to other branches. If the request is approved, the regional manager notifies the branches concerned and the relevant equipment is transferred from one branch to the other for the required duration. We believe this approach helps to ensure that each branch acts as its own profit centre.

Our budget for fleet investment is established annually by management, which sets out our orientation in terms of capital expenditure for the year. The investment budget is then allocated by region. Each branch manager gives his or her equipment needs (the number and types of machines) for the coming year to the regional manager. Regional managers, in consultation with branch managers, set commercial objectives and adapt the requests to the budget, allowing them to respond to trends at the local level. The consolidated requests are given to our management for review, which makes any required adjustments and delivers approvals to the regional managers. Purchase orders are then centralized and new equipment is delivered directly to the branches.

Our approach to fleet management assumes the replacement of a fleet item upon the expiration of its useful rental life, which is usually when it is obsolete or no longer capable of generating revenue in excess of maintenance costs. Most of the equipment in our fleet is depreciated on a straight-line seven-year basis, while a residual value of 10% of the original cost is kept in our books. Larger and higher reaching equipment and machines are depreciated on a straight-line ten-year basis with a 10% residual value. The disposal of a piece of equipment from the fleet is a technical decision made by a technical manager at the regional level. We have established metrics and guidelines for each category of equipment that help determine the desired replacement cycle. We determine whether to use equipment that has been removed from our fleet for parts, sell it for scrap or sell it at auction.

We ensure that auction sales of our used equipment are made to buyers outside of our principal markets, which avoids the risk of reducing demand for rentals in the areas where we operate.

We monitor fleet utilization and other metrics to measure branch performance and maintain appropriate inventory levels and to manage fleet allocation across our networks as well as capital expenditures.

Maintenance and daily checks of equipment in the fleet are performed at each branch. Minor repairs and parts replacement, such as windshields, tires and hydraulic fittings, are outsourced to approved specialized suppliers, while major repairs are performed by manufacturer-approved dealers.

We invest heavily in hybrid and electric equipment to advance the transition towards a more environmentally-friendly fleet. All-electric loaders and excavators, and 20 meters hybrid powered articulated MEWPs all help to reduce the carbon impact and noise pollution of our fleet while improving safety and the health of those who use our equipment.

In 2021, 54% of our fleet capital expenditures was on equipment with a combustion engine (44% in favour of Stage V engines), 28% was on electric or hybrid motor equipment and 18% was on equipment without a motor.

Suppliers

We purchase the equipment in our rental fleet from large, recognized original equipment manufacturers who we believe have the best product quality and support, and we typically choose to work with two or three manufacturers per equipment range. We have no long-term agreements with our fleet suppliers and no volume commitments or exclusivity clauses apply to these relationships. We do not believe we are dependent on any key supplier. Furthermore, we typically bundle our purchases and solicit bids through a tender process with selected manufacturers. We believe this policy towards our fleet suppliers allows us to apply competitive pressure and optimize the prices we pay for our fleet equipment. We also work in cooperation with our suppliers to adapt our fleet equipment to client needs and limit maintenance costs. We remove all manufacturers' branding from our equipment and paint it according to our corporate colors, under which it will be offered to customers.

We also purchase goods and services, principally non-fleet vehicles and equipment, fuel, lubricants, insurance and transportation, as well as the goods sold in our retail activities, from a number of third-party suppliers. Our arrangements with service suppliers are typically governed by two- or three-year framework agreements.

Our Network of Branches

As of December, 2021, we had a network of 1,066 branches, primarily located in Western Europe. The table below shows the number of branches we operate in each country or region:

Country	Branches
France	489
Sweden	86
Finland	58
Poland	47
Spain	47
The Netherlands	42

Denmark	38
Germany	34
Norway	33
United Kingdom	31
Brazil[(1)]	19
Italy	17
Belgium	17
Latvia	18
Estonia	16
Lithuania	15
Czech Republic	14
The Middle East[(2)]	13
Slovakia	12
Switzerland	7
Ireland	4
Morocco[(3)]	4
Portugal	3
Colombia	1
Luxembourg	1
Total	**1,066**

(1) We are present in Brazil through Degraus, which operates primarily in the state of São Paulo. Following share capital purchases, we currently have a 89.9% stake in Degraus.

(2) We are present in Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates following the Lavendon Acquisition. We operate in each of these countries through joint ventures in which we hold a majority share and have full operating control.

(3) We are present in Morocco through our subsidiary Atlas Rental, in which we have a 51% stake and full operating control.

Our business model combines a centrally-determined strategy, budget and back-office with wide autonomy for regional and branch managers to develop their business and spend their budget allocation, which allows us to adapt at the local level to meet our clients' needs in different markets. Each branch manages its own fleet, budget and financial reporting and is responsible for bringing in business by developing local relationships and monitoring local construction sites. Branches serve as a continuous source of information about the latest market opportunities, such as planned construction projects, allowing us to offer our services early and to the right client. A typical branch includes a branch manager, a rental consultant, a sales representative, one or more mechanics and one or more drivers. At the regional level, technical managers, commercial managers and administrative managers support the branches in their region, under the oversight of a regional manager. Our branches are deeply embedded in the local markets in which they operate, and we emphasize building and maintaining close relationships with clients at the local level. Our decentralized business model allows us to adapt our equipment fleet at the branch level in order to meet our clients' needs in various markets, offering them a value-added alternative to owning and maintaining equipment in-house. Our dense network in several markets allows us to meet customer demand by moving equipment across branches.

Our branch network is dynamic, and in any given year we both open and close a number of branches. The decision to open a branch is driven by our analysis of the interaction of the proposed branch with our existing network, the conditions in the local market and the competition in that market. Whether we open a new branch or acquire an existing network depends on the level of saturation in that market and whether acquisitions can provide us a level of penetration that would take too long to develop organically. Branches may be merged or closed based on the market environment (if, for example, a large construction project concludes or an industrial site closes) or excess proximity to another branch following an acquisition. Closures have also resulted from the consolidation of branches. We may also relocate branches in light of the development of cities, the evolution of infrastructure or to optimize our geographical coverage.

We implement periodic network optimization plans to enhance the profitability of our network through better coordination of commercial activities and capital expenditures, pooling of resources, and improved exchanges of staff and equipment among branches, savings in back office and marketing costs, and enhanced branch positioning.

Most of our branches are located in France. Of our 489 branches in France as of December 31, 2021, 411 were generalist branches and 78 were specialist branches. Our branches are typically located in industrial zones in or near medium and large metropolitan areas. Our broad geographical coverage in France reduces our exposure to regional variations in economic activity. Our Generalist branches in France operate under the Loxam Rental name. Our Specialist branches operate under the names Loxam Access (43 branches), Loxam Power (15 branches), Loxam Module (10 branches), Loxam Laho TEC (2 branches), Loxam TP (6 branches), Loxam Access PL (1 branch) and Event (1 branch).

In the Nordic countries, we operate a dense network, with 215 generalist and specialist branches as of December 31, 2021, including 86 branches in Sweden, 58 branches in Finland, 38 in Denmark and 33 branches in Norway. This coverage has contributed to our market-leading positions in Finland, Norway and Sweden and a number two position in Denmark. We operate in these countries under the Loxam and Ramirent brands.

In the United Kingdom, Spain, the Benelux and Switzerland, we also benefit from a strong footprint, reinforcing our strong competitive positioning and allowing us to compete at a national level. In the other countries around the world in which we are present, we generally compete at the regional level. Our branches operate under the Loxam, Lavendon, Hune, Nacanco, Degraus and Swan Plant Hire brands.

Employees

Over the year ended December 31, 2021, we had on average 11,076 employees, nearly all of which were salaried personnel, including 4,456 employees in France, 2,673 employees in the Nordic countries and 3,947 employees in the rest of the world.

Our employees perform the following functions, amongst others: sales operations, parts operations, rental operations, technical service and office and administrative support.

Developing quality rental equipment staff is one of our priorities and staff training plays a key role in ensuring a consistent customer experience across our branches and the adoption of common internal procedures. Our group-wide training center is available to all members of our staff and provides training in areas such as customer relations, sales methods, group processes, regulation, quality and environmental management, technical expertise and management.

Information Technology

Our IT strategy is designed to reinforce our overall business strategy, and in particular, to optimize the management of our fleet and improve synergies as we expand our network. Our IT teams in France and the United Kingdom maintain our hardware and service the software we use. We use several ERP systems, including Rentalman, L-Vis and Navision, all of which specialize in rental activity.

We are constantly working on the safety of our IT systems. We have a disaster recovery program to protect most of our operations and IT systems, including our ERP systems, which includes duplicate synchronized back-ups of our servers hosted by a third party.

Our digital innovations, which aim to reinforce our status as a preferred supplier, were improved in 2019. During the solution design phase, branch employees and IT project teams were called upon to invent and design new specialist applications. Subsequently, a team of 50 specialists from our network were mobilized for the training, coaching and branch deployment phases of these applications. More than 1,500 employees were thus involved in these specialist applications during the past year. This program was capped by a bimonthly "Digital Group" newsletter sent out to all of our employees.

Moreover, our websites have improved to offer new content and become more user-friendly, for example by now allowing users to book their equipment online. By creating a personal and secure space for clients available 24/7 (MyLoxam), customers can place their orders and seamlessly monitor their contracts. Finally, an EDI (electronic data Interchange) allows us to send paperless invoices directly into the client's system. In France, almost 1.4 million paperless invoices were sent in 2021, representing approximately 55% of the total number of invoices issued.

Intellectual Property

We use several trademarks, mainly including "Loxam", "Ramirent", "Nationwide Platforms" and "Hune" brands, all of which enjoy high brand recognition in their home markets. "Loxam" is protected in the countries where we do business, including France and the other members of the European Union.

ESG

Corporate social responsibility is at the core of our operations and we believe that our achievements and level of commitment in this area set us apart from our competitors.

Our ESG Governance

In 2020, we established a new Group-wide organizational structure to develop and implement our ESG initiatives. Our Executive Committee is the governance body responsible for the management and oversight of ESG matters for the Loxam Group. We have also established a Group ESG department to supervise the ESG policy's implementation in each of our business units, coordinate efforts across our Group, measure performance within the framework of non-financial reporting and carry out external communications on ESG matters. This department also supports our operational divisions depending on their requirements. The Group's ESG department reports to our Group Strategy Department, whose director sits in the Executive Committee. We also have established ESG points of contact in each of our business units, which are responsible for elaborating operational action plans for each of our ESG pillars and for their concrete implementations. On a quarterly basis we hold ESG committees, gathering a member of the Executive Committee, our ESG department and the ESG points of contact in each business unit, in order to follow the Group's strategy deployment, the implementation of action plans and to share experiences and best practices.

A certified and evaluated ESG approach

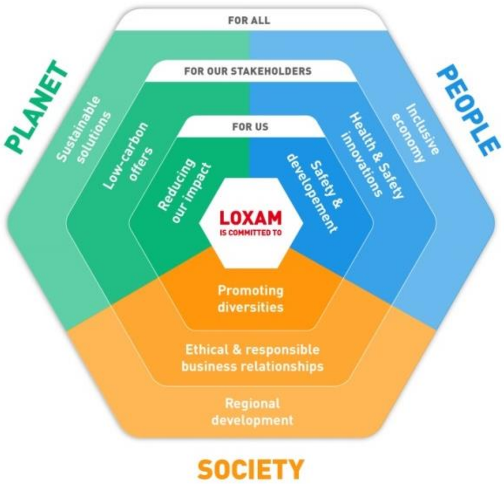
The seriousness and robustness of our ESG initiatives have been confirmed by independent third parties. In terms of certifications, we have renewed our ISO9001 (management quality), ISO14001 (environmental commitment) and ISO45001 (employee health and safety) certifications in some business units, especially in France. We have also expanded our certifications, including the ISO27001 for cybersecurity for our PAD division for instance.

In 2021, we were again assessed by Sustainalytics, Ecovadis, VE (Moody's ESG) and CDP. We maintained our good ratings from Ecovadis (Gold label, we ranked among the top 5% of companies assessed by EcoVadis in terms of ESG achievements), VE (rating of 47, +1 compared to 2020) and Sustainalytics (rating of 12.2 which indicates low risk). We received a B rating from CDP, which assesses our governance, policy and performance in terms of energy transition and carbon reduction trajectory. All these ratings are now among the best in the sector.

ESG ambitions structured on a Group level

The CSR strategy we deploy is based on a precise analysis of our main non-financial risks and opportunities identified from materiality analyses. In 2021, as part of our work to structure our CSR ambitions on a Group-wide scale, we consolidated and summarised the materiality analyses that already existed. This consolidation was performed by the members of the Group CSR committee, supported by an independent consulting firm. This work led to the identification of Loxam's key issues and challenges. Analysing and mitigating these risks are an integral part of our Group risk management process. These are built into our global cartography and regularly reviewed and weighted.

From the risks identified and weighted, we drew up a set of shared ambitions across all our geographies in 2021.



In concrete terms, our strategy means:

- **For our employees:** enabling the development of each employee objectively and without discrimination while guaranteeing safety anytime and anywhere
- **For our partners**: working for joint success based on trust, collaboration and innovation in favor of safer and more sustainable materials
- **For everyone**: encouraging the use of rental equipment and capitalizing on our presence in the heart of the regions to promote the development of ecosystems

On the basis of the ambitions defined, an initial consolidated Group report will be published by the end of April 2021. While we do not fall under the scope of the European directive on non-financial reporting (NFRD), we have chosen to structure our reporting according to this framework. This report is based on consolidated indicators for each commitment (carbon footprint, frequency rate, number of training hours, including safety and ethics-related trainings, percentage of suppliers subject to the responsible purchase charter, etc.). These indicators will be publicly disclosed in the Group report.

Details of our ESG ambitions

All our commitments and policies are detailed in our CSR report which will be published.

<u>Human</u>

(i) Contribute to our people's development

Attracting, developing and retaining talents constitute a real challenge for the Group.

- **Employability:** we support our employees from the moment they join the company until they leave, by deploying evaluation and progression mechanisms as well as adapted training programs;
- **Retention**: we want to keep our employees as long as possible. To achieve this, we ensure that jobs are sustainable, that employees have access to profit-sharing, and that the quality of life at work is promoted (20 business units in 19 countries are labeled Great Place to Work);
- **Listening**: we promote social dialogue in all countries where we operate and make our managers aware of the importance of annual interviews with each of our employees. At the same time, we regularly conduct social climate and commitment surveys thanks to the Great Place to Work initiative for instance.

(ii) Guarantee safety anytime and anywhere

Security is our priority, it is a commitment on which we do not compromise in any way and which is structured around 3 values:

- **Exemplarity of all and for all**
- **Rigorous processes**: our Group-wide ISO45001 certification is proof of our organization. Each business unit must have a management system in place, enabling the reporting and monitoring of information and incidents.
- **Training and equipment**: all our employees must be regularly trained in safety. We provide them with the necessary individual and collective protective equipment and adapt workstations to their needs.

(iii) Innovate for our clients' health and safety

As a service company, we must accompany our partners, clients and suppliers towards the adoption and promotion of a safety culture while continuously innovate to offer them ever safer equipment. Our commitment is based on two pillars:

- **Education**: we raise awareness of our partners through communication, training and meetings in all our countries.
- **Innovation**: we work with our customers and suppliers every year to improve our equipment in terms of safety, by testing new equipment, by prescribing a certain number of requirements in a co-innovation approach and by providing them feedbacks.

<u>Environment</u>

(i) Reduce our direct environmental impact

Everyday our 1000 branches around the world generate important consumptions:

- Energy consumption for our sites' heating and the use of our vehicles
- Water consumptions for our washing areas.

The maintenance of our materials also generates some pollution risks and a certain amount of waste to handle. Our environmental policy is structured around the following pillars:

- **Controlled use of our resources**: by a responsible consumption, a policy for our washing areas, robust procedures to prevent pollution risks and manage waste.
- **Durability of our materials** by increasing their lifetime and privilege technical refurbishment
- **Reuse and recycling of our resources**, thanks to our recycling center dedicated to our materials and the reuse of spare parts.
- **Optimization of our transport logistics** with a geographically interlinked network, the deployment of regional logistics centers and routes' optimization thanks to mobile digital applications
- **Promotion of individual initiatives** enabling each employee to be part of the change.

(ii) Provide low-carbon offers

With more than 650 000 materials available in our different countries, the environmental impact linked to their use represents our most important emissions station (60% of our total emissions). Our policy in terms of low-carbon offers follows two axes:

- **Anticipation to offer the most recent alternatives** in terms of equipment but also, in terms of digital technologies (IoT)
- **Support sustainable transformations** by supporting research initiatives and by sensitizing our clients.

(iii) To offer sustainable solutions

At the heart of the sharing economy, rental is by nature a virtuous practice for the environment. By sharing the use of the same equipment by a large number of customers, we make the most of our equipment's capacities. Promoting rental as a responsible practice is therefore a real opportunity for our Group. To this end, we want to strengthen our commitment to professional federations and national institutions to help create sustainable solutions on a regional scale.

Society

(i) Promote diversities

Our policy in favor of diversity is structured around 3 values:

- **Objectivity** in our recruiting and talent management
- **Promotion** by offering the same advancement opportunities, irrespective of career path, age, origin or gender (we establish targets to steer our transformation towards greater integration of women in all positions in the company for instance)
- **Inclusion** through work, by prioritising local new hires and helping fragile populations into work (through partnerships with local institutions for instance).

(ii) Guarantee ethical and responsible business relationships

Business ethics is structured around strong values shared by all our people:

- **Honesty, ethics and transparency** in our business relationships, with sound management of our contracts, a charter and ethical training common to the entire Group and provided to all our employees;

- **Relationships based on trust** with our customers and suppliers, to enable a perfect control on our supply chain, which does not exclude control, particularly in the context of the SAPIN II law relating to the evaluation of third parties (for instance, partnership with Ecovadis to evaluate our main suppliers)
- **Integrity**, particularly in the management of commercial and personal data, in accordance with the Personal Data Protection Regulation.

(iii) Favor regional development

Through our 1000 branches around the world, we have an important role to play in promoting the development of the regions, while remaining true to three values:

- **Local establishment and proximity** to serve growth in communities. We are keen to offer our branches significant leeway for action.
- **Contribution to the public interest,** through corporate philanthropy and donations to non-profits, in particular working in aid of the conservation of architectural construction heritage and certain major causes in society.

Voluntary environmental commitments

After the realization of our carbon footprint in 2019 for France, the methodology was reused and adapted to realize a complete assessment of our emissions in 2019 and 2020 at Group level, for each of scopes 1, 2 and 3 of the GHG Protocol Corporate Accounting and Reporting Standard. A carbon footprint is henceforth carried out annually and integrated to our extra-financial Group report. The data for 2021 are part of the CSR report and are currently being assessed and reviewed.

As a reminder, scopes 1 and scope 2 emissions (i.e., direct emissions from owned or controlled sources and indirect emissions from the generation of purchased energy consumed by the Group, respectively) account for 6% of our total emissions. Of our scope 3 emissions, 57% were attributable to the use of our equipment on our customers' worksites. Starting from this carbon footprint, ambitions in terms of emissions reduction have been defined.

In September 2021, we announced our commitment to reduce our emissions by 2030 by:

- 50% for the direct emissions (Scope 1 and 2), linked to our sites and vehicle fleet's consumptions
- 30% for the indirect emissions (Scope 3), linked to the production, outsourced transport and use of our equipment

These reduction objectives have been defined based on 2019, our baseline year. Our commitments are fully in line with the Paris Agreement on Climate objectives. In addition, Loxam has chosen to certify this trajectory by the Science-Based Targets initiative, at the most ambitious level, that of maintaining global warming at a level not exceeding 1.5°C. This certification gives thoroughness and credibility to our approach. We believe we are the first equipment rental company to set Scope 1, 2 and 3 reduction targets by 2030

<u>A concrete action plan</u>

Below are listed a few key actions undertaken:

- Improving the energy performance of our branches (several dozen per year): LEDs, presence detectors, consumption measurement,
- Use of renewable energy: since January 1st, 2022, 100% of our branches in France (500) have been supplied with electricity and gas from renewable sources
- Converting our vehicle fleet:
    - Introduction of electric and plug-in hybrid vehicles for our commercial and utility maintenance vehicles as a priority at Headquarters, regional branches and major cities.
    - Introduction of gas trucks. At the same time, all our investments are compliant with the Euro VI standard.
    - Deployment plan linked to the adaptation of electrical infrastructures (IRVE terminal and recharging of our equipment) / We are moving directly to rechargeable hybrids
- Investments in low emission equipment: we have a voluntary policy of investment in low-emission equipment.

Insurance

We maintain the types and amounts of insurance customary in our industry and countries of operation. Our group insurance policies, which may be supplemented locally in certain countries where we operate, comprise, in particular, our automotive fleet policy, civil liability policy, multi-risks industrial policy, direct or indirect loss crime, cybersecurity and data policy and include coverage for, among other things, employee-related occupational accidents and injuries, property damage, fraud, theft of vandalism of equipment, machinery break-down, and damage and injury that could be caused to third parties by poorly-maintained equipment. We have also subscribed to directors and officers insurance. We consider our insurance coverage to be adequate both as to risks and amounts for our business. We have not had any material claims that were not covered under our insurance policies.

Legal Proceedings

We are party to certain pending legal proceedings arising in the ordinary course of business. We cannot estimate with certainty our ultimate legal and financial responsibility or obligations with respect to such pending matters. See "*Risk Factors—Risks Related to our Business—We are exposed to various risks related to legal proceedings or claims that may exceed the level of our insurance coverage*." Based on our examination of these matters and the provisions we have made, we believe that any ultimate liability we may have for such matters will not have a material adverse effect on our business or financial condition.

MANAGEMENT - GOVERNANCE

Pursuant to French law governing limited liability companies (*sociétés par actions simplifiées*) and our articles of association (*statuts*), our affairs are managed by our Chairman and Chief Executive Officer (*président*), who is assisted by the Managing Director and consults our Strategic Committee (*comité stratégique*) on the Group's performance and development related matters. In 2019, as a result of the international expansion of the Group, an Executive Committee was created by our Chairman in order to coordinate and implement our strategy for the entire Group and to monitor the Group's business model key developments, which include, but are not limited to, the Group's corporate social responsibility, social affairs, reporting and digital and technological development.

Chairman and Chief Executive Officer

Our Chairman and Chief Executive Officer is Mr. Gérard Déprez, who has held this position since 1986. Before joining Loxam, Mr. Déprez was regional director of the building materials manufacturer SOCIMAT from 1983 to 1986 (now part of the Saint-Gobain Group), and vice president of finance of Ciments d'Origny Group (part of the Holderbank Group, also in the building materials industry and now part of Holcim) from 1978 to 1983. Mr. Déprez also held the position of Chairman of the Board of the European Rental Association from 2005 to 2013. He holds a business degree from EM Lyon, as well as a degree in law and is a chartered accountant.

The Chairman and Chief Executive Officer has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties, to manage and administer our affairs and has full management powers in respect of the employees of the company. Our Chairman and Chief Executive Officer is appointed by our shareholders and may be dismissed by the shareholders at any time.

Managing Director

Our Managing Director is Mr. Stéphane Hénon, who has held this position since July 2012. Mr. Hénon joined Loxam in 2000 and previously held the positions of Director for Ile de France (2000-2001) and Chief Operating Officer (2001-2012). Before joining Loxam, Mr. Hénon was the director of building activities at Dagard, an industrial company, from 1996 to 2000, and, prior to that, an associate consultant at Axionis, a consulting company, from 1995 to 1996. He holds a degree from Ecole Supérieure d'Electricité (SUPELEC).

Pursuant to the Articles of Association of Loxam, the Managing Director has broad powers to act on our behalf in any circumstances, as limited by the corporate purposes set out in our articles of association and the powers expressly reserved for the general meeting of shareholders by law or by our articles of association, to represent and bind us in dealings with third parties and to manage and administer our affairs and has full management powers in respect of the employees of the Company. Our Managing Director is appointed by our shareholders for a term of three years and may be dismissed by the shareholders at any time.

Executive Committee

The Executive Committee comprises eight committee members: the Group Chairman and CEO, the Managing Director, the Managing Directors of our French operations, the two CEOs of the International division, the Group Chief Financial Officer and the Corporate Strategy and Development Director. Each member is in charge of a cross-Group function: ESG, social affairs, reporting and digital, among others. The Executive Committee meets every two months.

The following table sets out the members of the Executive Committee:

Name	Position
Gérard Déprez	Chairman and Chief Executive Officer
Stéphane Hénon	Managing Director
Olivier Grisez..	Managing Director, Generalist France
Philippe Simonnet	Deputy Managing Director, Specialist France
Paul Rankin	Chief Operating Officer, Powered Access division
Erik Bengtsson	CEO, Ramirent
Alice Henault	Director, Corporate Strategy and Development
Patrick Bourmaud	Chief Financial Officer

The following is a brief description of the experience of each of the members of the Executive Committee. A brief description of the experience of Gérard Déprez and Stéphane Hénon can be found under "*—Chairman and Chief Executive Officer*" and "*—Managing Director*," respectively.

Olivier Grisez. Mr. Grisez is the Managing Director of our Generalist France division. He joined Loxam in June 2018. Before joining Loxam, he held leadership positions in B2B operations at the Saint Gobain group and most recently Ivalis, where he was the CEO. He holds engineering degrees from the École Polytechnique and the École Nationale des Ponts et Chaussées.

Philippe Simonnet. Mr. Simonnet is the Deputy Managing Director of the Group's Specialist France division. He has held various management positions with Loxam since 1998, first as Area Manager, then as Business Unit Manager (Loxam Access and Laho). He was appointed Chief Operating Officer in 2012. Before joining Loxam, he worked at Serre & Ansot Location, a French equipment rental company, from 1986 until 1998, first as Branch Manager, and then as Area Manager for the Paris region. He holds a baccalaureate diploma in science.

Paul Rankin. Mr. Rankin is the Chief Operating Officer of the Powered Access division. Mr. Ranking joined the Lavendon group in 2014 as Managing Director of Rapid Access based in the United Arab Emirates before moving to his current position in 2020. Prior to joining Lavendon, Mr. Rankin spent 10 years in Dubai working for Johnson Controls, where he served as Regional Executive Director for the Middle East region. He holds a Bachelor of Engineering (Honours) in Building Services Engineering from Glasgow Caledonian University, as well as a Masters in Business Administration from Strathclyde University.

Erik Bengtsson. Mr. Bengtsson is the CEO of Ramirent Ltd. Previously, Mr. Bengtsson held the position of Executive Vice President of Sweden at Ramirent, with responsibility over the group's fleet and sourcing. Mr. Bengtsson has a strong track record in the equipment rental industry, having previously been a member of Ramirent's board of directors from March 2017 to August 2018 and having held various senior managerial roles in the industry since 2005.

Alice Henault. Director of our Corporate Strategy and Development department, Mrs Henault previously held the position of Director of Loxam Access. Prior to joining Loxam in 2013, she worked as an analyst with PricewaterhouseCoopers in Paris (2007-2011). She holds an MBA from Harvard Business School, an MPhil in Technology Policy from the University of Cambridge and a Master of Science from Ecole Nationale Supérieure des Télécommunications.

Patrick Bourmaud. Mr. Bourmaud has been Chief Financial Officer since 2008. Mr. Bourmaud has been with Loxam since 2004, first as M&A Director (2004-2005) and then as Regional Director (2005-2007). Before joining Loxam, he worked for HSBC in the M&A and equity capital markets departments (1994-2004). He holds a finance degree from Ecole Supérieure de Commerce Paris.

The business address of the members of the Executive Committee is Loxam, 256, rue Nicolas Coatanlem, CS 90592, 56855 Caudan Cedex, France.

Strategic Committee

Our Strategic Committee, which acts as an advisory body, is currently composed of nine members, including the Chairman and the Managing Director. Our articles of association provide that the Strategic Committee may consist of up to 12 members who may or may not be shareholders and who are appointed by the general meeting of shareholders. Members of our Strategic Committee (other than the Chairman) are appointed for terms of three years by the ordinary general meeting of shareholders and may be dismissed by it without cause and at any time prior to the expiration of their term.

The Strategic Committee meets at least four times a year and is convened by the Chairman or the CEO. Its role is to assist and advise the Chairman on questions relating to our development strategy, the business plan, external growth transactions and any other question submitted to it by the Chairman.

Pursuant to our articles of association, shareholders may designate one or more persons (which may or may not be shareholders) as censors (*censeurs*) of the Strategic Committee. Censors participate in Strategic Committee meetings, but have no voting powers. As of the date of this offering memorandum, no censors are appointed.

The following is a brief description of the experience of the members of the Strategic Committee.

Hélène Bouchache-Déprez. Mrs. Bouchache-Déprez is an accredited architect and a partner at Studios Architecture in Paris. Mrs. Bouchache-Déprez holds a Masters degree and a professional degree from École Nationale Supérieure d'Architecture Paris, Val de Seine.

Jean-Pierre Créange. Mr. Créange was a founding Partner and Managing Director of Sparring Capital, a private equity firm he co-founded in 2002. Having started his career in the aeronautic sector and in the banking sector, Mr. Créange held positions with the investment firms Unidev and UI. He holds degrees from the Ecole Nationale Supérieure des Télécommunications and the Institut d'Administration des Entreprises.

Gilles Gramat. Mr Gramat was Partner and Chairman of the Supervisory Board at Sparring Capital, a private equity firm he co-founded in 2002. He began his career as an engineer for Avions Marcel Dassault, before joining Crédit National and later Sofinnova, where he served as Deputy Managing Director. In 1987, he founded Unidev, a listed investment company, which was acquired by UI in 1993. He was Chief Executive Officer of UI from 1993 to 2001 and then its Chairman and CEO from 2001 until April 2003. He was also Director of Investments and International Participations of Credit Agricole SA. Mr. Gramat is a graduate of the Ecole Nationale Supérieure des Télécommunications.

Jean-Pierre Letartre. Mr. Letartre is a former Managing Partner of EY in France and CEO Western European Region (France, Netherlands, Belgium, French-speaking Africa, Luxembourg and Maghreb). In September 2020, he was elected President of "Entreprises et Cités" and IRD Group. He is also a board member of three family-owned companies. Mr. Letartre graduated with a DEA in Business Law, is a chartered accountant and a statutory auditor. Mr. Letartre is deeply involved in promoting entrepreneurship in France. In July 2013, he was appointed one of the ten “qualified members” of the Executive Board of the MEDEF (the French employers’ organization).

Olivier de la Morinière. Mr. de la Morinière manages financial and real estate investments. He was formerly chairman and CEO of the truck rental company Fraikin. Previously, he was chairman and CEO of MC International, a consulting firm. Mr. de la Morinière holds a degree from Ecole Polytechnique de Paris and Ecole Nationale des Ponts et Chaussées.

François Varagne. Mr. Varagne is CEO of Ecore, the second-largest metal recycling group in France since 2017. Between 2012 and 2016, Mr. Varagne was CEO of Gras Savoye, a major insurance broker. Between 2001 and 2011, he was CEO of French natural gas distributor Antargaz, and prior to that, he was CEO of the transport group Keolis and of Brinks France, a division of the Brinks security group. He graduated from HEC and holds a degree in philosophy.

A brief description of the experience of Gérard Déprez and Patrick Bourmaud can be found under “—*Chairman and Chief Executive Officer*” and “—*Managing Director*,” respectively, and a brief description of Alice Henault’s experience can be found under “—*Executive Committee*.”

Audit Committee

Our Audit Committee is currently composed of three members of the Strategic Committee, Jean Pierre Créange, Jean-Pierre Letartre and Olivier de la Morinière. All of the members of the Audit Committee are independent (i.e., not significant shareholders or representatives of significant shareholders of the Issuer). The role of the Audit Committee is to examine the financial statements of the Group prior to their presentation to the Strategic Committee. The Audit Committee also examines the risks faced by the business and meets with the Group’s statutory auditors at least once per year. The Audit Committee meets at least two times per year, with the Group’s CFO in attendance.

Remuneration and Appointment Committee

The Remuneration and Appointment Committee oversees the remuneration and appointment of the Group’s senior executives. It meets at least once per year and is currently composed of four members: Jean-Pierre Créange, François Varagne, Olivier de la Morinière and Gérard Déprez.

Ethics Committee

Our Ethics Committee is made up of an independent member of the Strategic Committee, Olivier de la Morinière, and the Group’s Ethics Officer. They meet at least once per year. The Group’s Ethics Officer reports on any whistleblowing alerts received and how each of them was handled. The Ethics Committee reports to the Strategic Committee.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with our consolidated financial statements and the notes thereto. Our financial statements included herein have been presented in euros and prepared in accordance with IFRS.

Overview

The Loxam Group is the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2020.

The Group has operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended December 31, 2021, the Group generated €2,197.3 million in pro forma revenue and €781.6 million in pro forma EBITDA.

The Group activities are conducted in three principal geographies:

- France, with a network of 489 branches as of December 30, 2021. In France, the Group provides both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. France generated 42% of group's pro forma revenue for the year ended December 31, 2021.
- Nordic countries, which consist of Denmark, Norway, Sweden and Finland. As of December 31, 2021, the network in Nordic countries comprised 215 branches and provided both generalist and specialist equipment primarily through Ramirent and Loxam Access brands. Nordic countries generated 31% of group's pro forma revenue for the year ended December 31, 2021.
- Rest of the World, which includes all other international countries where the Group provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of December 31, 2021, the Group operated in the Rest of the World with a network of 362 branches and generated 28% of group's pro forma revenue for the year ended December 31, 2021.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 650,000 pieces (excluding accessories) with a gross book value of €4.6 billion as of December 31, 2021. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2021, we provided these services for our clients through our various brands such as Loxam Rental, Ramirent, LoxamHune and Nationwide Platforms. As of December 31, 2021, we had 1,029 European branches, more than any other rental network in Europe.

Key Factors Affecting Results of Operations

Our results of operations are primarily affected by factors that impact the equipment rental industry generally, particularly cyclicality and economic conditions affecting the construction and civil engineering sectors, and our management of capital expenditures in response to changes in the cycle. Our results of operations can also be significantly affected on a short-term basis by one-time factors such as weather conditions in our principal market. Our results of operations are also affected by the expansion of our rental network through acquisitions and the opening and closing of branches. These factors are described in greater detail below.

Cyclicality, seasonality and economic conditions

Demand for our products is dependent on the industries in which our customers operate, the general economy, the stability of the global credit markets and other factors. Many of the markets in which our customers operate are cyclical, with activity levels that tend to increase during periods of economic growth and decline during economic downturns. Demand for our products is correlated to conditions in these industries and in the general economy.

Conditions in the markets in which our customers operate have an impact on both the utilization rate of our equipment and on prices. As demand increases, utilization follows and we can then, subject to fixed pricing arrangements, choose to allocate equipment to customers who are willing to pay higher prices. When demand decreases, the opposite occurs, and we may reduce prices to preserve utilization levels. Demand can be affected by general economic trends that can have an impact (positive or negative) over a longer period and by short-term factors that affect the utilization rates and prices for a brief period. For example, demand in the construction and civil engineering markets tends to decrease in winter and during extended periods of inclement weather while increasing in the summer and during extended periods of mild weather. We seek to manage the impact of medium and long-term trends through the adjustment of our investments in new equipment, increases or decreases in sales of our equipment, and the management of our branch network, which allowed us to respond efficiently to the COVID-19 outbreak by reducing our capital expenditures and implementing cost cutting measures throughout the organization from mid-March 2020.

During the second quarter of 2020, most business operations of the Group were affected by the COVID-19 pandemic. The decrease in the level of activity was the sharpest in Southern and Western Europe where strict lockdown measures were imposed on business such as France, Italy and the UK. However, after the lifting of lockdown measures, a rapid recovery of the level of activity was noticed although the level of business did not come back to its pre-crisis level. During the third quarter of

2020, we experienced a business catch-up in the countries that had been mostly affected by the pandemic in the second quarter such as France, Spain and Italy. However, in other countries, the revenue trend continued to be in line with the previous quarter. In the fourth quarter of 2020, with the reinstatement of lockdown measures in some countries, our markets continued to be directly or indirectly affected by the pandemic.

The impact of the health crisis lessened in the course of 2021 in the countries in which we operate. However, some restrictions continued to weigh locally on the construction sector and business conditions varied among countries.

Revenue from activities in France increased strongly in 2021 almost reaching 2019 level. Nordic countries revenue was affected by lower services revenue from fewer large projects, but benefitted from the contribution of Maskinslussen in Sweden and JM Trykluft in Denmark for seven months. In the Rest of the World division, revenue increased strongly with three consecutive quarters of double-digit growth, as the division continued to benefit from a lasting rebound following a first quarter still impacted by the Covid pandemic.

Investment in new equipment and asset sales

The management of our level of capital expenditure by increasing or decreasing the amount of investment in our fleet is an important factor in our results of operations and cash flow. Decisions about investment in new equipment are based on the condition and remaining useful life of our existing equipment as well as on our views of future demand. We sell assets in our fleet when we believe that these assets have reached the end of their useful life because they have become obsolete or when the cost of maintaining them in proper condition for customer use is too high. We also sell assets in our fleet before the end of their useful life if we believe a decline in demand in a given market is likely to last for a significant period of time. In 2020, we did not sell any of our fleet before the end of their useful life, because we considered that the COVID-19 crisis would affect us temporarily and that we would need the fleet for the recovery post-crisis. We believe that our experience in the rental equipment market allows us to recognize inflection points (the points at which demand is poised to level off or change direction) in the cycles affecting the sectors in which our customers operate, so that we can increase investment just before the bottom of the cycle (before we expect demand to expand), and decrease investment just before the top of the cycle (before we expect demand to contract). We believe that our anticipation of trends in the cycles affecting the sectors in which our customers operate, particularly historically in the construction and civil engineering sectors, has helped us to control our levels of investment and related debt, and thus maintain strong levels of cash flow and positive net income during the periods under review.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our business units. In 2021 as the activity was recovering, we accelerated and increased our investments while reducing the asset sales, in order to meet the increasing utilization rate over the year. In spite of spare parts shortages, machines deliveries occurred with a strong acceleration in the fourth quarter of 2021, leading to an amount of €402.1 million this year from €191.9 million last year.

Operating expenses

Our business, like that of all equipment rental groups, is capital-intensive with a predominantly fixed cost structure that principally relates to the depreciation of our equipment fleet, as well as other operating expenses that are fixed for short or long periods of time, such as certain personnel charges and rent on real estate. The management of our costs is an important factor in our results of operations and cash flow, as evidenced by our performance in 2020, when we were able to cut certain fixed costs such as staff costs through furlough mechanisms available to us in certain of the countries in which we operate or a reduction of our workforce, and significantly adjust our marginal variable costs downward. To the extent possible we seek to deploy our fleet so as to match increases and decreases in demand rather than relying on renting equipment from a third party to then rent it out to our own customers or other more costly measures to meet the needs of our customers.

Acquisitions

We make acquisitions to take advantage of opportunities for consolidation, to increase the density of our network in our existing markets, or to enter new geographical or specialist markets. Acquisitions result in the addition of new branches and also the closing of existing ones as we consolidate our operations. Both of these can have a significant impact on our revenue from one period to the next. In 2021, we made the following acquisitions:

- On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S, a general equipment rental player with a network of nine branches located throughout Jutland. In 2020, JM Trykluft generated revenues of over €18 million and employed approximately 70 people. This acquisition reinforces Loxam' setup in the Western part of Denmark and complements its network of 21 general plant branches and 6 specialized branches.
- On June 10, 2021, Ramirent Sweden acquired Maskinslussen AB, a leading general equipment rental player in the Västra Götaland county (western part of Sweden), where it operates three branches. During its 2019/2020 fiscal year, MaskinSlussen generated revenues of approximately €9 million and employed 44 people.
- On November 8, 2021, Loxam SAS acquired an additional 39.8% stake of Degraus from minority shareholders increasing the total stake of Loxam SAS to 89.9%.

Impact of Recent Acquisitions on Financial Statements

Our consolidated financial statements for the twelve months ended December 31, 2021 include seven months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021, respectively. Both entities have been consolidated into our consolidated financial statements since June 1, 2021. As of December 31, 2021, we had recorded a preliminary purchase price allocation in respect of these acquisitions.

Constant Perimeter Information

In order to adjust for the changes in our rental network as a result of our recent acquisitions and ease comparability of certain information between periods, we present certain information at constant perimeter.

The information provided at constant perimeter for the twelve months ended December 31, 2021 compared to the twelve months ended December 31, 2020 excludes the financial information of JM Trykluft and Maskinslussen.

Explanation of Key Line Items from the Income Statement

The following is a summary description of certain line items from our income statements.

- ***Revenue*** includes the fees paid by customers to rent equipment and revenue from related services such as transportation, fuel, damage waivers and the cost of repair and maintenance services charged back to our customers, as well as the retail activities at our branches.
- ***Other income*** principally includes net capital gains on disposals of fleet assets and real estate rent paid by subtenants.
- ***Purchases consumed*** includes (1) the cost of goods purchased for resale in our retail activity, as well as the cost of fuel and maintenance parts that are rebilled to customers; and (2) the cost of parts used by the workshops in our branches to maintain our equipment.
- ***Personnel expenses*** relates primarily to the salaries, social security charges, and profit sharing expenses for our employees.
- ***Other current expenses*** include (1) external expenses that are directly related to our rental activity, such as transportation, subcontracted maintenance costs, re-rent (subleasing equipment from external renters to fill customer orders when there is not sufficient quantity at our branches) and costs associated with temporary workers; (2) external expenses related to the group, such as rent on real estate and related expenses, general administrative expenses (including insurance, advisory fees, communications and IT), advertising expenses and other management costs; and (3) losses on bad debts, net of change in provisions on current assets.
  Since January 1, 2019, following the application of the new IFRS 16 standard, the rent expenses related to lease contracts for real estate, heavy vehicles and light vehicles are cancelled (for lease contracts in the scope of the standard).
- ***Taxes and duties*** relate mainly to property and local taxes (including the CET or *Contribution Economique Territoriale* paid in France).
- ***Depreciation and amortization*** principally include depreciation of fixed assets (fleet and non-fleet).

  Depreciation and amortization also include depreciation of intangible assets (trademarks and customer relationships). Under IFRS 16, as a lessee, the Group accounts for right-of-use assets associated with leases and recognizes amortization in respect thereof on a straight-line basis over the lease term.

- ***Other operating income and expense*** includes a limited number of unusual, abnormal, and uncommon items, with significant amounts, which are disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance.
- ***Financial income*** primarily includes interest income on cash balances, while financial expense comprises interest charges on bank loans and bonds and hedging expenses. It also includes changes in the fair value of derivatives instruments and the interest cost related to the lease liability generated by the application of the IFRS 16 standard as of January 1, 2019.
- ***Income tax*** consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of December 31, 2021, the corporate tax rate in France was 25.83%. We are also subject to tax rates in the other countries in which we operate, which ranged from 0% to 34% as of that date.
- ***Share of associates*** includes the group's share of the result of companies accounted for by the equity method.

Results of operations

The table disclosed below sets out our results of operations for the years and 4th quarters ended December 31, 2020 and 2021.

Consolidated Income Statement according to IFRS	Year ended December 31,		Quarter ended December 31,	
(in millions of euros)	**2020**	**2021**	**2020**	**2021**
Revenue	**1,988.9**	**2,185.1**	**533.4**	**585.2**
Other income (1)	70.7	49.9	17.6	13.3
Purchases consumed	(185.1)	(222.9)	(56.2)	(65.5)
Personnel expenses	(513.9)	(576.5)	(133.6)	(149.1)
Other current expenses	(612.9)	(641.1)	(166.0)	(178.4)
Taxes and duties	(19.8)	(17.3)	(4.6)	(3.7)
Depreciation and amortization	(553.4)	(523.3)	(139.4)	(134.5)
Profit from ordinary operations	**174.5**	**253.8**	**51.2**	**67.3**
Other operating income and expense (2)	(12.0)	(2.1)	(11.4)	(0.4)
Operating profit	**162.5**	**251.7**	**39.7**	**67.0**
Financial income and expense	(158.6)	(159.0)	(37.0)	(39.6)
Profit before tax	**3.8**	**92.7**	**2.7**	**27.4**
Share of profit of associates	1.1	1.3	0.5	0.4
Income tax expense	(0.7)	(18.8)	2.5	(6.6)
Net profit	**4.3**	**75.2**	**5.7**	**21.2**
Non-controlling interests	(0.5)	1.0	(0.0)	(0.2)
Net profit, group share	**4.8**	**74.3**	**5.8**	**21.4**

Note:

(1) Other income includes capital gains on fleet disposals amounting to €57.9 million in 2020 and €41.7 million in 2021, and €14.1 million and €11.8 million in the quarters ended December 31, 2020 and 2021, respectively.

(2) Other operating income and expense in 2021 mainly includes impairment of capitalized costs related to non-completed projects in Sweden for €(0.6) million, acquisition costs for €(0.7) million, fees related to the shares buy-back for €(0.4) million and the full depreciation of the Nacanco trademark of €(0.4) million. In 2020, other operating income and expense mainly included a goodwill depreciation of Rapid Access (Middle East) for €(10.0) million and of Atlas Rental (Morocco) for €(0.9) million, an impairment of €(0.6) million related to the sale of the Twinsite project (a training activity of Ramirent Sweden).

Consolidated Condensed Income Statement Data

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a non-IFRS measure but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity. Prior to January 1, 2021, the financial information by segment was organised with the breakdown of the business into three divisions: Generalist France, Specialist France and International. From January 1, 2021, we present three divisions based on our three main geographical regions: France, the Nordic countries (consisting of Denmark, Norway, Sweden and Finland) and the rest of the world.

The following table sets out these key figures in our new divisions (France, Nordic Countries and Rest of the World) for the years ended December 31, 2020 and 2021 and the quarters ended December 31, 2020 and 2021.

according to IFRS	**Year Ended December 31,**		**Quarter ended December 31,**	
(in millions of euros)	**2020**	**2021**	**2020**	**2021**
Revenue				
France	802.8	919.8	228.0	236.1
Nordic Countries	643.0	658.0	163.9	186.7
Rest of the World	543.1	607.3	141.6	162.4
Total Revenue	**1,988.9**	**2,185.1**	**533.4**	**585.2**
EBITDA				
France	323.5	339.7	86.8	84.9
Nordic Countries	198.8	203.8	48.0	55.8
Rest of the World	205.6	233.6	55.9	61.1
Total EBITDA	**727.9**	**777.1**	**190.6**	**201.8**
EBITDA margin	*36.6%*	*35.6%*	*35.7%*	*34.5%*

Year ended December 31, 2021 compared to year ended December 31, 2020

Revenue

Our revenue increased by 9.9% to €2,185.1 million in 2021 compared to revenue of €1,988.9 million in 2020. At constant perimeter and at constant exchange rates, revenue increased by 8.2% in 2021.

Revenue from activities in France increased by 14.6% from €802.8 million in 2020 to €919.8 million in 2021, as the lockdown measures strongly affected the level of demand from customers from mid-March to Mid-May 2020.

Revenue of activities in Nordic countries increased by 2.3% to €658.0 million in 2021 from €643.0 million in 2020. At constant perimeter and exchange rates, revenue decreased by 2.7%. The Nordic countries were relatively less impacted by lockdown measures in 2020 but have suffered from fewer large projects entailing a high level of service income with lower profitability. However, during the fourth quarter 2021, all segments showed signs of strong recovery with demand increasing across all group of product and services.

In the Rest of the World, revenue increased by 11.8% to €607.3 million from €543.1 million. At constant perimeter and exchange rates, revenue increased by 11.7%. We have seen an increase in activity compared to the lockdowns imposed during part of 2020, although certain geographies, such as the Middle East, experienced continued lags in activity due to a lack of projects.

In 2021, 42.1% of our revenue was generated in France (up from 40.4% in 2020), 30.1% was generated in Nordic countries (down from 32.3% in 2020), and the Rest of the world contributed to 27.8% (up from 27.3% in 2020).

Other income

Other income decreased by 29.5% from €70.7 million in 2020 to €49.9 million in 2021. This decrease was mainly driven down by lower capital gains on the sale of obsolete equipment. As utilization rates improved in 2021, this resulted in a reduced level of old equipment divestment.

EBITDA

We generated EBITDA of €777.1 million in 2021, representing an increase of 6.8% compared to €727.9 million in 2020. Our EBITDA margin decreased from 36.6% of our revenue in 2020 to 35.6% of our revenue in 2021.

France EBITDA increased by 5.0% to €339.7 million in 2021 from €323.5 million in 2020, primarily reflecting higher revenue. In 2020, in the face of the effects of the COVID-19 pandemic, we were able to implement a strict financial policy to reduce costs. In addition, the division benefitted from the support of government with a furlough mechanism which reduced significantly staff costs. As revenue recovered during 2021, the French division recorded some costs linked to the recovery such as higher staff costs, higher maintenance costs (due to higher utilization of equipment) and marketing costs. We also recorded a decrease of capital gains as we engaged in fewer divestments of old fleet equipment as market demand was strong in 2021. As a result, France EBITDA margin decreased from the high level of 40.3% in 2020 to 36.9% in 2021.

Nordic countries EBITDA increased by 2.5% to €203.8 million in 2021 from €198.8 million in 2020. At constant perimeter and at constant exchange rates, the EBITDA of Nordic countries decreased by 3.9%. The profitability was maintained with an EBITDA margin at 31% for 2021, compared with 30.9% for 2020, thanks to a direct costs decrease linked to the drop of service activity.

In the Rest of the World, EBITDA increased by 13.6% to €233.6 million in 2021 from €205.6 million in 2020, boosted by a recovery in revenue while maintaining cost discipline. As a result, EBITDA margin for this division increased from 37.9% for 2020 to 38.5% for 2021 although the division, like the others, generated low capital gains and did not benefit anymore of government subsidies for furlough compared to 2020.

Purchases consumed

Purchases consumed increased by 20.4% from €185.1 million in 2020 to €222.9 million in 2021 due primarily to an increase in expenses for fuel and spare parts for maintenance, as activity recovered.

Personnel expenses

Personnel expenses increased by 12.2% to €576.5 million in 2021 from €513.9 million in 2020, primarily attributable to lower costs during 2020 related to furloughs, reduction of performance-related pay, working hours and holiday pay, as well as a reduction in temporary staff whereas in 2021, the return to a standard level of activity has required increased staffing presence, while provisions for bonuses increased.

Other current expenses

Other current expenses increased by 4.6% to €641.1 million in 2021 from €612.9 million in 2020. External expenses increased by 7.1% in 2021 compared to 2020, as haulage costs, maintenance costs, marketing costs and temporary staff costs increased in line with the increase of activity in 2021.

Depreciation and amortization

Depreciation and amortization for property, plant and equipment decreased from €393.7 million in 2020 to €372.0 million in 2021, primarily as a consequence of the low level of capital expenditure during 2020.

The amortization expense of intangible assets decreased to €46.5 million in 2021 compared to €49.2 million in 2020. The decrease in amortization expense was due to adjustments made on the finalization of the purchase price allocation related to the Ramirent Acquisition in 2020 (including the introduction of a tax amortization benefit and an update of amortization durations) while the JM Trykluft and Maskinslussen trademarks and customer relationships were recognised following a purchase price allocation of both acquisitions in 2021.

The depreciation of right-of-use assets amounted to €104.9 million in 2021, compared to €110.5 million in 2020. The decrease is mainly due to the end of the lease contract related to our former head office.

Other operating income and expense

Other operating expense amounted to €(2.1) million in 2021 compared to €(12.0) million in 2020. In 2021, the non-recurring costs included impairment of capitalized costs related to non-completed projects in Sweden for €(0.6) million, acquisition costs for €(0.7) million, fees related to the shares buy-back for €(0.4) million and the full depreciation of the Nacanco trademark of €(0.4) million. The 2020 non-recurring costs mainly included the partial impairment of the goodwill of our subsidiaries in the Middle East for €(10.0) million. We also impaired totally the goodwill on our Moroccan subsidiary for €(0.9) million.

Financial income and expense

Our net financial expense remained stable at €(159.0) million in 2021 compared to €(158.6) million in 2020. The Group benefited from a decrease in its interest expense by €3.5 million and a positive exchange rate difference of €2.1 million, offset by non-recurring fees of €(4.4) million related to the setup of the new €345 million Revolving Credit Facility and €(2.4) million of costs related to the early redemption of the 2025 Senior Subordinated Notes.

Income tax

Profit before tax increased from €3.8 million in 2020 to €92.7 million in 2021. Income tax expense increased from €(0.7) million in 2020 to €(18.8) million in 2021 due to higher profitability in 2021.

Net profit, group share

As a result of the factors detailed above, the group share of net profit increased from €4.8 million in 2020 to €74.3 million in 2021.

Quarter ended December 31, 2021 compared to quarter ended December 31, 2020

Revenue

Revenue increased by 9.7% to €585.2 million in the fourth quarter of 2021 from €533.4 million in the fourth quarter of 2020. At constant perimeter and at constant exchange rates, revenue increased by 7.1%.

As activity came back to a standard level, revenue in France increased by 3.6% in the fourth quarter of 2021 to €236.1 million compared to €228.0 million in the fourth quarter of 2020.

Revenue of activities in Nordic countries increased by 13.9% to €186.7 million. At constant perimeter and exchange rates, revenue increased by 7.0%.

In the Rest of the World, revenue increased by 14.7% to €162.4 million (+12.8% at constant exchange rate and perimeter) against the same period of last year at €141.6 million. In these geographies, activity continued to rebound during Q4 as business were still impacted by Covid last year.

Other income

Other income decreased by 24.7% to €13.3 million in the quarter ended December 31, 2021 from €17.6 million in the quarter ended December 31, 2020, mainly due the lower capital gains on fleet disposals in Q4 21 compared to Q4 20. In 2021, as we experience an increase of utilization rates, the amount of fleet disposals has been reduced.

Purchases consumed

In line with the business recovery, purchases consumed increased by 16.5% to €65.5 million for the quarter ended December 31, 2021 compared to €56.2 million for the quarter ended December 31, 2020.

Personnel expenses

Personnel expenses increased by 11.6% to €149.1 million in the quarter ended December 31, 2021 from €133.6 million in the quarter ended December 31, 2020, mainly due to an increasing staff numbers in the geographies where business has recovered the pre Covid crisis level so much that bonuses for sales staff have increased.

Other current expenses

Other current expenses increased by 7.5% to €178.4 million in the fourth quarter of 2021 from €166.0 million in the fourth quarter of 2020.

Before the impact of IFRS 16, external expenses increased by 7.0% in Q4 2021 compared to Q4 2020, as haulage costs, maintenance costs, marketing costs which were cut in 2020 have increased and come back to a pre Covid crisis level.

Depreciation, amortization

Depreciation and amortization for property, plant and equipment amounted to €94.9 million in the quarter ended December 31, 2021 compared to €97.9 million in the quarter ended December 31, 2020 reflecting a decrease of 3.0%, as a consequence of the low level of Capex during 2020.

The amortization expense of intangible assets amounted to €11.6 million in Q4 2021 compared to €12.5 million in Q4 2020.
The depreciation of the right-of-use assets amounted to €28.0 million in the quarter ended December, 2021 compared to €29.1 million for Q4 2020.

Other operating income and expense

Other operating income and expense amounted to €(0.4) million in Q4 2021 and included fees related to the shares buy-back. Other operating income and expense amounted to €(11.4) million in Q4 2020 and were mainly related to the partial impairment of the goodwill of our subsidiaries in the Middle East for €(10.0) million. A full impairment of the goodwill of our Moroccan subsidiary was also made for €(0.9) million.

Financial income and expense

Net financial expense increased by €(2.6) million to €(39.6) million in the quarter ended December, 2021, compared to €(37.0) million in Q4 2020, mainly due to penalties for the early redemption of the 2025 Senior Subordinated Notes.

Income tax

Profit before tax amounted to €27.4 million in the quarter ended December, 2021 versus €2.7 million in the quarter ended December, 2020.
Income tax was an expense of €(6.6) million in the quarter ended December, 2021, compared to a profit of €2.5 million in the quarter ended December, 2020 as profitability has recovered.

Net profit, group share

We recorded a net profit, group share of €21.4 million in the quarter ended December, 2021 compared to a profit of €5.8 million in the quarter ended December, 2020.

EBITDA

We define EBITDA as profit from ordinary operations plus depreciation and amortization of fixed assets. However, other companies may present EBITDA differently than we do. We present EBITDA as additional information because we believe it is helpful to investors in highlighting trends in our business. EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to profit from ordinary operations as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of EBITDA to profit from ordinary operations and net income for the periods under review.

	Year ended December 31,		**Quarter ended December 31,**	
(in millions of euros)	**2020**	**2021**	**2020**	**2021**
EBITDA	**727.9**	**777.1**	**190.6**	**201.8**
Depreciation and amortization	(553.4)	(523.3)	(139.4)	(134.5)
Profit from ordinary operations	**174.5**	**253.8**	**51.2**	**67.3**
Other operating income and expense	(12.0)	(2.1)	(11.4)	(0.4)
Operating profit	**162.5**	**251.7**	**39.7**	**67.0**
Financial income and expense	(158.6)	(159.0)	(37.0)	(39.6)
Share of profit of associates	1.1	1.3	0.5	0.4
Income tax expense	(0.7)	(18.8)	2.5	(6.6)
Net profit	**4.3**	**75.2**	**5.7**	**21.2**

EBITDA increased to €777.1 million in 2021 from €727.9 million in 2020, with an EBITDA margin of 35.6% in 2021 and 36.6% in 2020.

In France, EBITDA amounted to €339.7 million in 2021, compared to €323.5 million in 2020. Our EBITDA margin was 36.9% in 2021 compared to 40.3% in 2020. EBITDA amounted to €84.9 million in the quarter ended December, 2021, compared to €86.8 million in the quarter ended December, 2020.

In Nordic countries, EBITDA amounted to € 203.8 million in 2021, compared to €198.8 million in 2020. Our EBITDA margin was 31.0% in 2021 compared to 30.9% in 2020. EBITDA amounted to €55.8 million in the quarter ended December 31, 2021, compared to €48.0 million in the quarter ended December 31, 2020.

In the Rest of the world, EBITDA amounted to € 233.6 million in 2021, compared to €205.6 million in 2020. Our EBITDA margin was 38.5% in 2021 compared to 37.9% in 2020. EBITDA amounted to €61.1 million in the quarter ended December 31, 2021, compared to €55.9 million in the quarter ended December 31, 2020.

Cash flow

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities for the years ended 2021 and 2020.

Cash flow from operations includes the fluctuations in our working capital requirements. In addition to typical variations in our accounts receivables and payables, working capital is also affected by the level of income tax debt or credit at the end of the year and by payables to fleet suppliers.

Cash flow from investing activities consists of our net capital expenditures, i.e., capital expenditures less the proceeds from the sale of the equipment retired from operations, as well as the cash impact of external acquisitions.

Cash flow from financing activities reflects the net issuance of new debt or equity, less debt repayments and dividend payments.

Year ended December 31, 2021 compared to year ended December 31, 2020

The following table presents a summary of our cash flow for the year ended December 31, 2021 as compared to the year ended December 31, 2020:

	Year Ended December 31,	
(in millions of euros)	**2020**	**2021**
Cash flow from operations	597.1	606.5
Cash flow from investing activities	(229.0)	(533.7)
Cash flow from financing activities	34.7	(233.1)
Change in cash and cash equivalents	**402.8**	**(160.3)**
Cash and cash equivalents at the end of the period (1)	**627.8**	**468.4**

Note : (1) net of bank overdrafts

Cash flow from operations

Net cash provided by operations increased by 1.6% from €597.1 million in 2020 to €606.5 million in 2021. Excluding the impact of IFRS 16 and before changes in working capital requirements and variations in other financial debts and in accrued interest on debt, net cash provided by operations was €455.9 million in 2021, compared to €400.6 million in 2020, mainly due to a higher EBITDA excluding capital gains on disposals. Changes in working capital had a positive impact of €50.9 million in 2021, compared to €90.2 million in 2020, mainly due to the increase of the trade receivables linked to the recovery of the activity, mitigated by an increase of fixed assets payables as capex strongly increased in Q4 21.

Cash flow from investing activities

Net cash used in investing activities increased significantly from €229.0 million in 2020 to €533.7 million in 2021, due to increased investments in our rental fleet in 2021 after a halt in purchases in the second quarter of 2020 because of the strict business lockdown. Purchases of fixed assets in 2021 increased to €444.2 million in 2021, of which our rental fleet accounted for €402.1 million, from €237.3 million in 2020, of which our rental fleet accounted for €191.9 million. Cash from fixed asset disposals, most of which related to our rental fleet, decreased from €85.8 million in 2020 to €61.5 million in 2021. Cash used for acquisitions totaled €42.5 million in 2021 while the Group did not carry out any acquisitions in 2020. €17.3 million were however paid in 2020 for the acquisition of minority shareholding following the Ramirent acquisition.

Cash flow from financing activities

Net cash provided by financing activities decreased significantly from a net inflow of €34.7 million in 2020 to a net outflow of €(233.1) million in 2021. In 2021, we issued €180.3 million of debt, including €3.3 million of new bilateral loan with a guarantee from the State, €59.0 million of new bilateral facilities, €12.0 million of commercial papers and €106.1 million of new finance leases. We redeemed €120.0 million of 2025 Senior Subordinated Notes and repaid €29.9 million of state-guaranteed loans (mainly €23.0 million for France and €6.1 million for Spain), €126.0 million of bilateral facilities and €111.5 million of finance leases.

In 2020, we issued €355.1 million of debt, including €263.6 million of new bilateral loan with a guarantee from the State, €42.3 million of new bilateral facilities and €49.1 million of new finance leases. We bought back €26.0 million of notes, including €10.4 million of 2025 Senior Subordinated Notes and €15.6 million of 2027 Senior Subordinated Notes. We also repaid €130.7 million of bilateral facilities, €33.0 million of commercial papers and €64.7 million of finance leases.

Capital expenditures

Our capital expenditures consist principally of investments in fixed assets (i.e., our equipment fleet). We determine and allocate our budget for capital expenditures on an annual basis. Decisions about investment in new equipment are based in significant part on our views of future demand. During growth cycles we may decide to invest in our business by replacing aging or end-of-life equipment and by expanding the total size of the fleet, while in downturns we tend to restrict capital expenditures to the replacement of end-of-life equipment and conserve cash.

The table below shows our fleet investments for the periods under review:

	Year Ended December 31,	
(in millions of euros)	**2020**	**2021**
Purchases of rental equipment	191.9	402.1
Purchases of non-rental equipment[1]	45.5	42.1
Gross capital expenditures	237.3	444.2
Proceeds from disposals of rental equipment	80.4	57.3
Proceeds from disposals of non-rental equipment	5.5	4.2
Proceeds from disposals of fixed assets	85.8	61.5
Net fleet capital expenditures[2]	111.5	344.8
Net capital expenditures[3]	151.5	382.7

Notes:

(1) Non-rental equipment principally includes equipment used in our workshops, equipment used to outfit or maintain our branches, and information technology. It excludes the increase of right-of-use of leased assets (IFRS 16).

(2) Net fleet capital expenditures is the net amount of purchases of rental equipment less proceeds from disposals of rental equipment.

(3) Net capital expenditures is gross capital expenditures less proceeds from disposals of fixed assets (excluding right-of-use of leased assets).

Our gross capital expenditures for 2021 amounted to €444.2 million, of which €402.1 million were fleet capital expenditures compared to €237.3 million, of which €191.9 million were fleet capital expenditures in 2020. In Q2 2020, as we were impacted by lockdown measures due to the COVID-19 pandemic, we cut capital expenditures in order to preserve our liquidity. Capital expenditures resumed in the second half of 2021. 40% of the investments were received in Q4 21, given the delays in delivery linked to the shortage of components.

In 2021, the gross book value of disposed rental equipment was €179.4 million, compared to €280.3 million in 2020.

Free cash flow

We define free cash flow as EBITDA less the impact of IFRS 16, net capital expenditures, other operating income and expense (excluding non-cash operating income and expense), financial income and expense (excluding non-cash financial income and expense), taxes (excluding deferred taxes), capital gains on fleet disposals and certain other income and expenses and changes in working capital requirement. Free cash flow is presented before the payment of dividends to shareholders, capital increases, share buy-backs, acquisitions and high yield amortization costs. We define recurring free cash flow as free cash flow excluding certain non-recurring cash items as identified below. We present free cash flow as additional information because we believe it is helpful to investors in highlighting trends in our business. However, other companies may present free cash flow and/or recurring free cash flow differently than we do. Neither free cash flow nor recurring free cash flow is a measure of financial performance under IFRS and should not be considered as an alternative to operating income as an indicator of our operating performance or any other measures of performance derived in accordance with IFRS.

In 2021, Loxam recorded a positive recurring free cash flow of €124.0 million compared to a positive recurring free cash flow of €339.3 million in 2020. We benefited from a higher EBITDA in 2021 as business recovered from the pandemic, offset by a significant increase in capex and a decrease in change in working capital requirement reflecting the business recovery.

The following table presents a reconciliation of free cash flow to EBITDA for the periods indicated.

(in millions of euros)	**Year ended December 31,**		**Quarter ended December 31,**	
	2020	**2021**	**2020**	**2021**
EBITDA post IFRS 16	**727.9**	**777.1**	**190.6**	**201.8**
Rents IFRS 16 impact	(116.9)	(114.1)	(31.4)	(30.2)
EBITDA pre IFRS 16	**611.0**	**663.1**	**159.2**	**171.6**
+ Capital gains on fleet disposals and other items	(60.6)	(46.8)	(14.6)	(13.9)
+ Proceeds from disposals of fixed assets	85.8	61.5	22.3	17.2
- Gross capital expenditure	(237.3)	(444.2)	(82.6)	(178.3)
- Financial income and expense (1)	(139.4)	(144.7)	(34.7)	(36.1)
- Income taxes (2)	(10.4)	(15.8)	3.0	(1.3)
- +/- Change in working capital requirement (3)	90.2	50.9	46.0	73.6
Recurring Free cash flow	**339.3**	**124.0**	**98.6**	**32.8**
Non-recurring items (4)	-	-	(10.9)	-
Free cash flow(5)	**339.3**	**124.0**	**87.7**	**32.8**
Acquisition (6)	-	(42.5)	-	(7.8)
Dividends / Share capital decrease (7)	(20.1)	(34.9)	(20.1)	(12.4)
Issue costs amortization and currency variations	(9.1)	(15.5)	(5.8)	(6.1)
Change in IFRS 16 lease liability	44.2	(14.4)	10.3	(15.9)
Change in net debt (8)	**354.2**	**16.8**	**72.1**	**(9.4)**

Notes:

(1) Corresponds to financial income and expense immediately payable (i.e., excluding non-cash items)

(2) Corresponds to taxes immediately payable (i.e., excluding deferred taxes).

(3) Excludes change in accrued interests on loans and change in other financial debt, which together totaled a net increase of €3.9 million in 2021 compared to a net decrease of €0.4 million in 2020.

(4) We did not record any non-recurring items on a full year basis in 2021 and 2020 and during the quarter ended December 31, 2021.

Non-recurring items in the quarter ended December 31, 2020 corresponds to the payment of €(10.9) million relating to differed cash payment in the first nine months of 2020.

(5) Before payment of dividends, capital increases and acquisitions.

(6) Corresponds to the payments made in connection with the JM Trykluft Acquisition in Denmark for €(22.4) million, the Maskinslussen acquisition in Sweden for €(12.3) million and the increase of our stake in the capital of Degraus for €(7.8) million.

(7) Corresponds in 2021 and 2020 to a share capital reduction after a share buy-back from a minority shareholder.
In 2020 Loxam SAS did not pay dividends to its shareholders. €0.6 million were paid by Hune SICO to the local partner in Saudi Arabia.

(8) Excluding change in derivatives instruments.

Net debt

We define net debt as gross debt less cash and cash equivalents (cash plus marketable investment securities). Net debt is presented as additional information because we believe that netting cash against debt may be helpful to investors in understanding our financial liability exposure. However, other companies may present net debt differently than we do. Net financial debt is not a measure of financial performance under IFRS and should not be considered as an alternative to any other measures of performance derived in accordance with IFRS.

The following table presents a reconciliation of net debt to amounts included in the consolidated balance sheet as of the indicated dates.

	As of December 31,	
(in millions of euros)	**2020**	**2021**
2023 Senior Secured Notes	250.0	250.0
2022 Senior Secured Notes	300.0	300.0
2024 Senior Secured Notes	300.0	300.0
2025 Senior Subordinated Notes	239.6	119.6
2025 Senior Secured Notes	700.0	700.0
2026 Senior Secured Notes	750.0	750.0
2027 Senior Subordinated Notes	434.4	434.4
Issuance costs related to notes	(21.0)	(12.6)
Bank loans on bilateral credit facilities	391.7	334.2
Commercial papers	82.0	94.0
State guarantee loans	263.6	237.4
Accrued interest on debt securities and loans	26.9	24.4
Lease debt	271.6	266.3
Other financial debt	3.8	4.3
Bank overdrafts	0.1	2.5
Loans and financial debt (gross debt)	**3,992.7**	**3,804.5**
Cash	(524.2)	(367.6)
Marketable investment securities	(103.8)	(103.3)
Cash and cash equivalents	**(627.9)**	**(470.9)**
Net debt (excluding IFRS 16 lease liabilities)	**3,364.8**	**3,333.6**
IFRS 16 lease liabilities	**320.3**	**334.7**
Net debt (including IFRS 16 lease liabilities)	**3,685.1**	**3,668.3**

Net debt decreased by €16.8 million in 2021, from €3,685.1 million as of December 31, 2020 to €3,668.3 million as of December 31, 2021, primarily as a result of a positive free cash flow of €124.0 million, offset by the impact of the cash outflow associated with the JM Trykluft and Maskinslussen acquisitions for €34.7 million, the increase of our stake in Degraus for €7.8 million, dividends paid for €22.5 million and the share buy-back for €12.4 million.

Liquidity and Capital Resources

Cash is used to pay for working capital requirements, taxes, interest payments, capital expenditures, acquisitions and to service our indebtedness in accordance with repayment schedules.

Our sources of financing consisted mainly of the following:

- cash generated from our operating activities;
- borrowings under our syndicated credit facilities (including the revolving credit facility), and bilateral credit facilities and finance leases; and
- net proceeds from our outstanding debt securities and any other debt securities that we may issue in the future.

As of December 31, 2021, our gross debt amounted to €4,139.2 million, compared to €4,313.0 million as of December 31, 2020. Our net debt as of December 31, 2021 amounted to €3,668.3 million, a decrease of €16.8 million compared to December 31, 2020. The debt includes lease liabilities under IFRS 16 for €334.7 million as at December 31, 2021 compared to €320.3 million as at December 31, 2020.

On November 15, 2021, Loxam redeemed €120.0 million in principal amount out of the €239.6 million outstanding aggregate principal amount of the 2025 Senior Subordinated Notes using available cash.

As of December 31, 2021, we had €2,841.4 million of outstanding bond debt, after deduction of €12.6 million of issuance costs. Our bond debt of €2,854.0 million comprised €300.0 million of senior secured notes due in April 2022, €250.0 million of senior secured notes due in May 2023, €300.0 million of senior secured notes due in April 2024, €119.6 million of senior subordinated notes due in April 2025, €300.0 million of senior secured notes due in April 2026 and €191.1 million of senior subordinated notes due in April 2027, €700.0 million of senior secured notes due in January 2025, €450.0 million of senior secured notes due in July 2026, €243.3 million of senior subordinated notes due in July 2027.

We also had €334.2 million outstanding debt under bilateral facilities from banks, €266.3 million of finance leases, €237.4 million of State guarantee loans (of which a €208.8 million in France) and €94.0 million of commercial papers at Ramirent.

Cash and cash equivalents net of bank overdrafts on our balance sheet amounted to €468.4 million as of December 31, 2021.

We expect to finance future capital expenditures through cash flow from operations, finance leases or bilateral credit facilities. During 2021, we signed €59.0 million of new bilateral credit facilities and €106.1 million of finance leases.

On January 31, 2022, the Group issued a new senior secured bond for notional amount of €350 million due in 2027, remunerated at a fixed rate of 4.5%. The proceeds of the issuance were used to redeem the senior secured bond of €300 million due in 2022 and the senior secured bond of €250 million due in 2023.

New Revolving Credit Facility

On July 29, 2021, Loxam entered into a new €345 million five-year senior secured revolving credit facility that replaces Loxam's current €75 million revolving credit facility, maturing in February 2022.

The facility is provided by the following leading global financial institutions acting as mandated lead arrangers: Bank of America Europe DAC, Banque CIC Ouest, Barclays Bank Ireland PLC, BNP Paribas, Groupe Crédit Agricole (Caisse Régionale de Crédit Agricole Mutuel de Paris et d'Ile de France, Caisse Régionale de Crédit Agricole Mutuel du Morbihan, Crédit Agricole Corporate and Investment Bank and Crédit Lyonnais), Deutsche Bank Aktiengesellschaft, JP Morgan AG, Natixis and Société Générale.

Loxam will have the ability to draw on the New Revolving Credit Facility in particular in Euros, US dollars and Sterling. It may be used for general corporate purposes, including acquisitions. The New Revolving Credit Facility has not been drawn until the date of this report (November 23rd).

Within 12 months from the signing date, ESG-linked provisions and mechanisms may be agreed between Loxam and the Lenders and included in the New Revolving Credit Facility, which could result in a reduction or increase of the remuneration payable to the Lenders, depending on Loxam meeting these ESG-linked criteria.

The New Revolving Credit Facility will initially be unguaranteed, and secured separately from Loxam's outstanding senior secured notes by the same security package securing Loxam's previous revolving credit facility, namely: (a) a security assignment of certain eligible customer receivables (the "Dailly Receivables"); (b) a related pledge over the bank account into which the Dailly Receivables are paid; and (c) (if necessary) a pledge of certain construction machines and equipment owned by Loxam in France (the "Equipment Pledge").

The New Revolving Credit Facility Agreement contains customary information and affirmative loan-style covenants in line with Loxam's previous revolving credit facility, and incorporates customary restrictive "high yield"-style covenants. The New Revolving Credit Facility will also require Loxam to comply with a "springing" financial covenant.

The New Revolving Credit Facility Agreement contains customary "high yield"-style events of default with respect to payment, insolvency, cross-default and other matters substantially in line with the corresponding events of default in the indenture governing Loxam's senior secured notes due 2025, as well as events of default with respect to other matters substantially in line with Loxam's previous revolving credit facility agreement.

Debt maturity profile

The table below provides the maturity profile of our outstanding indebtedness, as of December 31, 2021.

(in millions of euros)	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029 and later**
Bilateral loans	334.2	68.6	191.9	38.3	21.5	13.4	0.3	0.0	0.2
Commercial papers..................................	94.0	94.0	-	-	-	-	-	-	-
State guarantee loans [(1)]..........................	237.4	53.8	54.3	55.0	50.3	24.0	-	-	-
Lease debt	266.3	96.7	75.1	43.9	27.5	15.2	5.0	2.9	-
Loans and financial debt owed to credit institutions..	**931.9**	**313.1**	**321.3**	**137.1**	**99.3**	**52.6**	**5.3**	**2.9**	**0.2**
Other financial debt	4.3	2.1	2.2	-	-	-	-	-	-
2017 senior secured notes due 2022	300.0	300.0	-	-	-	-	-	-	-
2017 senior secured notes due 2024	299.7	-	-	299.7	-	-	-	-	-
2017 senior subordinated notes due 2025	119.0	-	-	-	119.0	-	-	-	-
2016 senior secured notes due 2023	250.0	-	250.0	-	-	-	-	-	-
2019 senior secured notes due 2026	298.8	-	-	-	-	298.8	-	-	-
2019 senior subordinated notes due 2027	190.2	-	-	-	-	-	190.2	-	-
2019 senior secured notes due 2025	696.6	-	-	-	696.6	-	-	-	-
2019 senior secured notes due 2026	446.2	-	-	-	-	446.2	-	-	-
2019 senior subordinated notes due 2027	240.9	-	-	-	-	-	240.9	-	-
Total debt [(2)]...	**3,777.6**	**615.2**	**573.5**	**436.8**	**914.9**	**797.6**	**436.4**	**2.9**	**0.2**

(1) Include the French loan of €208.8 million with a last maturity in 2026, the Spanish loan of €21.4 million with a last maturity in 2026, the Italian loan of €4.8 million with a 5 year maturity, the Portuguese loan of €1.9 with a last maturity in 2026 and the Swiss loan of CHF 0.5 million, due in 2025.

(2) Total debt figures exclude accrued interests, bank overdrafts and operating lease liabilities under IFRS 16; and are presented net of issuance costs.

Off-balance sheet commitments

We are a party to various customary off-balance sheet arrangements, including guarantees given to financial institutions for payment of real estate rentals, guarantees on our subsidiaries' borrowings and security granted in connection with the Existing Senior Secured Notes. See note 23 to our IFRS consolidated financial statements for the year ended December 31, 2021.

Currency and interest rate derivatives

We are exposed to market risks arising from fluctuations in interest rates and exchange rates in the ordinary course of our business. To manage these risks effectively, we enter into hedging transactions and use derivative financial instruments to mitigate the adverse effects of these risks. We do not enter into financial instruments for trading or speculative purposes.

The Group still owns a portfolio of derivative financial instruments hedging interest rate variations for a notional amount of €210.4 million at December 31, 2021 for a maximum term in February 2024. These derivatives are recognized in financial liabilities for an amount of €(0.3) million at December 31, 2021, of which Ramirent for €0.9 million (for a notional amount of €100.0 million), Nationwide Platforms for €(1.2) million (for a notional amount of £90 million). As of December 31, 2021, 94% of our financial debt has a fixed interest rate compared to 91% at the end of 2020.

The majority of our revenue (65% in 2021), expenses and obligations are denominated in euros. However, we are exposed to foreign exchange rate risk, primarily in respect of British pounds, Norwegian krone and Swedish krona. Our foreign exchange rate derivative financial instruments as of December 31, 2021 covered current liabilities denominated in British pounds for GBP 33.6 million, Norwegian krone for NOK 365.0 million and Swedish krone for SEK 80.0 million.

Critical Accounting Policies and Estimates

Critical accounting policies are described in the appendix within the notes to financial statements.

LOXAM GROUP

CONSOLIDATED FINANCIAL STATEMENTS

31 December 2021

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2021

Statement of financial position

ASSETS (€'000)	Notes	31.12.2020	31.12.2021
Intangible assets and goodwill	4	2,307,498	2,297,191
Property, plant and equipment	5	2,126,483	2,227,420
Investments in associates	6	7,536	9,452
Financial assets	7	20,485	18,771
Financial derivatives	13	804	1,175
Deferred tax assets	22	17,788	14,113
Non-current assets		**4,480,594**	**4,568,122**
Inventories	8	45,493	54,058
Trade and other receivables	9	414,097	455,081
Other current assets	10	41,399	55,445
Corporate income tax receivables	10	18,776	12,192
Cash and cash equivalents	11	627,945	470,943
Current assets		**1,147,711**	**1,047,719**
Total assets		**5,628,304**	**5,615,841**

LIABILITIES (€'000)	Notes	31.12.2020	31.12.2021
Share capital	12	224,818	222,560
Additional paid-in capital		1,882	1,882
Consolidated reserves		403,767	401,721
Net profit for the year		4,754	74,267
Shareholders' equity (Group share)		**635,221**	**700,429**
Non-controlling interests		5,544	5,206
Total equity		**640,765**	**705,636**
Employee benefits	15	57,114	53,339
Deferred tax liabilities	22	195,403	200,227
Borrowings and financial debt	14	3,632,850	3,403,987
Financial derivatives	13	5,066	2,926
Non-current liabilities		**3,890,433**	**3,660,480**
Provisions	16	15,102	10,243
Borrowings and financial debt	14	680,183	735,210
Trade and other payables	17	209,369	309,058
Other liabilities	17	186,076	187,680
Corporate income tax liabilities	17	6,376	7,535
Current liabilities		**1,097,106**	**1,249,726**
Total shareholders' equity and liabilities		**5,628,304**	**5,615,841**

Consolidated income statement and statement of comprehensive income

€'000	Notes	31.12.2020	31.12.2021
Revenue	18	**1,988,921**	**2,185,074**
Other income		70,706	49,852
Operating income		**2,059,627**	**2,234,927**
Purchases consumed		(185,081)	(222,925)
Personnel expenses	19	(513,901)	(576,479)
Other current expenses		(612,897)	(641,067)
Taxes and duties		(19,834)	(17,329)
Depreciation and amortization – Property, plant and equipment		(504,170)	(476,810)
Depreciation and amortization – Intangibles assets		(49,247)	(46,495)
Profit from ordinary operations	18	**174,498**	**253,823**
Other operating incomes	20	225	-
Other operating expenses	20	(12,260)	(2,107)
Operating profit		**162,463**	**251,716**
Interest and financing-related expenses		(158,698)	(154,657)
Other financial income and expenses		63	(4,334)
Financial income (expense)	21	**(158,636)**	**(158,991)**
Profit before tax		**3,828**	**92,725**
Share of result in associates and joint ventures	6	1,112	1,275
Income tax expense	22	(664)	(18,773)
Net profit		**4,276**	**75,226**
Non-controlling interests		(478)	960
Net profit, Group share		**4,754**	**74,267**

	31.12.2020	31.12.2021
Net profit	**4,276**	**75,226**
Exchange gains or losses (a)	(30,642)	26,670
Fair value of derivative instruments	(1,097)	2,264
Items recycled to profit or loss	***(31,739)***	***28,935***
Remeasurement of liabilities for defined benefit retirement plans (b)	(10,199)	5,560
Tax	2,512	(1,420)
Items not recycled to profit or loss	***(7,688)***	***4,139***
Other comprehensive income	**(39,427)**	**33,074**
Comprehensive income	**(35,151)**	**108,301**

EBITDA (c)	**18**	**727,915**	**777,127**

(a) Of which associates and joint ventures for €641k as at 31.12.2021.
(b) Includes the change in accounting policy related to the interpretation of IFRS IC for post-employment benefit plans (note 2.3).
(c) EBITDA is not a measure of financial performance under IFRS. EBITDA is presented as additional information and is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

Consolidated cash-flow statement

€'000	Notes	31.12.2020	31.12.2021
Net profit		**4,276**	**75,226**
Share of result in associates and joint ventures	6	(1,112)	(1,275)
Income tax expense (including deferred tax)	22	664	18,773
Net finance costs	21	158,636	158,991
Other operating income and expense		1,039	1,016
Depreciation and provisions, net of reversals		562,697	519,954
Capital gains on asset disposals		(59,036)	(42,680)
Cash flow from operations (before cost of financing and tax)		**667,163**	**730,006**
Income tax paid		(10,420)	(15,751)
Financial interest paid		(153,090)	(161,066)
Financial interest received		3,291	2,418
Change in working capital requirements		90,196	50,872
Cash flow from operating activities	**A**	**597,141**	**606,479**
Impact of changes in scope		(17,283)	(38,528)
Acquisitions of fixed assets		(297,539)	(556,688)
Disposals of fixed assets		85,846	61,492
Cash flow from investing activities	**B**	**(228,976)**	**(533,724)**
Dividends paid		(553)	(22,482)
Capital movements		(19,555)	(12,383)
Proceeds from loans and borrowings	14	496,313	298,981
Repayment of loans and borrowings	14	(441,549)	(497,216)
Cash flow from financing activities	**C**	**34,656**	**(233,100)**
Change in cash and cash equivalents	**A+B+C**	**402,821**	**(160,345)**
Cash and cash equivalents at beginning of period		229,035	627,805
Cash and cash equivalents at end of period		627,805	468,439
Impact of exchange rate fluctuations		4,050	(978)
Change in cash and cash equivalents		**402,821**	**(160,345)**
Other marketable securities		103,777	103,322
Cash at bank and on hand		524,167	367,621
Current bank borrowings		(139)	(2,505)
Cash and cash equivalents		**627,805**	**468,439**

Consolidated statement of changes in equity

€'000	Share capital	Additional paid-in capital	Other consolidated reserves	Reserves to be recycled (OCI)	Shareholders' equity (Group share)	Non-controlling interests	Total equity
At 31 December 2019	**229,818**	**1,882**	**451,036**	**5,498**	**688,234**	**9,507**	**697,741**
Net profit for the period			4,754		4,754	(478)	4,276
Employee benefits				(7,678)	(7,678)	(10)	(7,688)
Fair value of derivative instruments				(1,093)	(1,093)	(4)	(1,097)
Exchange gains or losses				(29,285)	(29,285)	(1,358)	(30,642)
Comprehensive income			**4,754**	**(38,056)**	**(33,301)**	**(1,850)**	**(35,151)**
Capital movements	(5,000)		(14,555)		(19,555)	1	(19,554)
Dividends					-	(553)	(553)
Changes in scope					-	(1,403)	(1,403)
Other movements			(157)		(157)	(158)	(315)
At 31 December 2020	**224,818**	**1,882**	**441,079**	**(32,558)**	**635,221**	**5,544**	**640,765**
Net profit for the period			74,267		74,267	960	75,226
Employee benefits (a)				4,144	4,144	(5)	4,140
Fair value of derivative instruments				2,262	2,262	3	2,264
Exchange gains or losses				26,403	26,403	268	26,670
Comprehensive income			**74,267**	**32,809**	**107,076**	**1,225**	**108,301**
Capital movements	(2,258)		(10,125)		(12,383)		(12,383)
Dividends			(22,482)		(22,482)		(22,482)
Changes in scope			(5,321)		(5,321)	(1,564)	(6,884)
Adjustment IAS 38 - Configuration of cloud computing costs (b)			(1,703)		(1,703)		(1,703)
Other movements			22		22	1	22
At 31 December 2021	**222,560**	**1,882**	**475,737**	**251**	**700,429**	**5,206**	**705,636**

(a) Includes the change in accounting policy related to the interpretation of IFRS IC for post-employment benefit plans (note 2.3).
(b) Impact of IFRIC decision related to configuration costs for SaaS contracts (note 2.3).

Notes to the financial statements

Note 1 – Presentation and highlights

1.1. Presentation of the Group

Loxam is a French simplified joint stock company ("Société par Actions Simplifiée") with a capital of €222,559,930 as at December 31, 2021, governed by all of the legislation and regulations for commercial companies in France, and particularly the French commercial code ("Code de commerce"). The Company's registered office is located at 256 rue Nicolas Coatanlem, 56850 Caudan, France.

The Loxam Group is the leading equipment rental company in Europe with consolidated revenue of €2,185 million in 2021 and 11,000 employees. The Group is the 4th largest player in the world with a network of approximately 1,060 branches over 30 countries on four continents.

1.2. Highlights

Highlights of the period ended December 31, 2021

On January 5, 2021, Stavdal Sweden merged with Ramirent Sweden.

On June 1, 2021, Loxam Denmark acquired JM Trykluft A/S, a rental Danish company which operates 9 branches.

On June 10, 2021, Ramirent Sweden acquired Maskinslussen AB, a rental company which has 3 branches in the western part of Sweden.

On July 29, 2021, Loxam entered into a new €345 million five-year senior secured revolving credit facility that replaces Loxam's current €75 million revolving credit facility, maturing in February 2022. Loxam will have the opportunity to drawn this RCF both in EUR, USD and GBP.

On October 7, 2021, the Company's shareholders approved a share buyback offer for a maximum of 1,000,000 shares (i.e. 4.5% of the capital). On November 15, 2021, the share buyback program has been achieved with the buy-back of 325 822 shares for an amount of €12.4 million.

On November 6, 2021, Loxam SAS acquired an additional 39.8 % stake of the capital of Degraus from the minority shareholders MM. Costa, bringing the total stake of Loxam SAS to 89.9%.

On November 15, 2021, the Company redeemed €120 million in aggregate principal amount out of the €239, 6 million of Senior Subordinated Notes due 2025 (6 % rate).

Post closing events

On January 31, 2022, the Group notified the issuance of a Senior secured bond for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%.

On February 10, 2022, the Group proceeded to the early redemption of two bonds for an outstanding amount of €550 million:

- the Senior secured bond of €300 million with a maturity in 2022 (fixed rate of 3.5%),
- the Senior secured bond of €250 million with a maturity in 2023 (fixed rate of 3.5%).

Since February 2022, the war in Ukraine has destabilized the financial and commodity markets, resulting in an uncertain economic situation in Europe for 2022.

The Group is not present in Ukraine. However, Loxam has a 50/50 joint venture with Cramo in Russia

(Fortrent, a subsidiary of Ramirent). Fortrent not being exclusively controlled by the Group, it is consolidated under the equity method in the Group consolidated financial statements.

The Group will continue to assess the situation and the value of its subsidiary in its books. As at December 31, 2021, the fair value of the investment was €9.5 million. In addition, Ramirent has a receivable balance €0.8 million with Fortrent. No impairment was recorded at December 31, 2021.

Highlights of the period ended December 31, 2020

In an unprecedented market context linked to the Covid-19 pandemic, Loxam reacted strongly to limit its impact and gave an immediate priority to the health and safety of the Group's employees and its customers. The second priority was to strengthen the Group's liquidity and cash position, reduce capital expenditure projects and strictly control costs by using measures made available by governments, particularly in terms of short-time working and bank loans guarantees.

The Revolving Credit Facility was fully drawn for €75 million as from March 26, 2020, for a period of 6 months. The outstanding drawing was fully repaid on September 30, 2020.

In France, Loxam SAS secured a €230 million loan with a state guarantee ("PGE") with a maturity up to 6 years without any security or covenant. States guaranteed loans have been granted in Spain for €27.4 million, in Italy for €5.5 million and in Switzerland for CHF 0.5 million.

On October 29, 2020, Loxam SAS decided to buy back and cancel 500,000 shares for €19.6 million. The share capital of Loxam SAS was reduced by €5 million to €224,818,150.

The Group also purchased some subordinated notes for an amount of €26.0 million which were cancelled as at 31st December 2020. A financial profit of €1.5 million was made on the repurchase of the subordinated notes.

Other significant events of the period ended December 31, 2020

On January 12, 2020, the 50% stake held by Ramirent Oy in the JV Fehmarnbelt Solution Services A/S (Denmark) was sold to its partner Zeppelin Rental of Germany.

On April 4, 2020, Nummelanrinne Koy, a real estate company held by Ramirent Oy was sold.

Loxamed, a 51% subsidiary of Loxam SAS was created in July 2020.

Note 2 – Accounting principles

2.1. Basis of preparation and presentation

The consolidated financial statements for the twelve-month period ended December 31, 2021 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures. The closing date of each subsidiary and each entity of the Group is December 31. The list of consolidated companies is presented in Note 3.

The consolidated financial statements are prepared and presented in euros, which is the parent company's functional currency. They are prepared in the historical value excepted for some assets or liabilities items evaluated, in compliance with IFRS rules, to fair value or to their amortized cost.

All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

2.2. Declaration of compliance

The Loxam Group has prepared its consolidated financial statements at December 31, 2021, approved by the Chairman on March 10, 2022, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at December 31, 2021, with mandatory compliance at this date, with comparative information presented for 2020, established with the same reporting standards.

These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).
These standards are available on the website of the European Commission:
https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

2.3. Application and interpretation of standards and regulations

Standards and interpretations mandatorily applicable from January 1, 2021 with a material impact on Loxam's consolidated financial statements are the following:

- IAS 19 Employee Benefits: The IFRS Interpretations Committee published a decision that was endorsed by the IASB in June 2021, relating to the attribution of benefits to periods of service by beneficiaries of post-employment benefit plans. This decision impacted the valuation method of French post-employment benefit plans. The application of this change in accounting policy led to a decrease of €3.1 million in the €57.1 million provision as at January 1st, 2021 (by increasing the consolidation reserves) and an additional charge of €41 thousand for the year ended December 31, 2021.
  The Group did not proceed to a retrospective application of this change for the comparative 2020 period.

- IAS 38 Intangible Assets: In March 2021, the IFRS Interpretations Committee published a decision to clarify how to analyse cloud computing arrangements and determine whether the customer receives a software asset or a service over the contract.
  Under the guidance in IAS 38, an intangible asset is an identifiable non-monetary asset without physical substance controlled by the entity. Control is determined as the power to obtain future economic benefits flowing from the intangible asset and to restrict other's access to those benefits.
  In cloud computing arrangements, when the customer obtains control of the software asset, the customer recognises an intangible asset and capitalises the directly attributable implementation costs of preparing the software for its intended use (i.e. testing, data migration, training, customisation or configuration). When the customer does not obtain the control of the software, the cloud computing arrangement is a service received over the contract term and implementation costs need to be expensed as incurred.
  The Group reviewed the significant projects and their related contracts with software vendors. An adjustment was recorded for SaaS contracts when the software did not constitute a resource controlled by the entity as per IAS 38. The impact on consolidation reserves as at

January 1st, 2021 was €-1.7 million, and the impact on the net result as at December 31, 2021 was €-0.2 million.

The following standards did not have a significant impact on Group Financial statements:
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform - Phase 2”;
- Amendments to IFRS 16 “Reduction of rents linked to Covid -19 thereafter the June 30, 2021”;

Standards and interpretations adopted by the IASB but not yet applicable at 31 December 2021

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2021:
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets” - “Onerous Contracts - Cost of Fulfilling a Contract”;
- Amendments to IAS 16 “Property, Plant and Equipment” - “Proceeds before Intended Use”;
- Amendments to IFRS 3 “Business Combinations” - “Reference to the Conceptual Framework”;
- Annual Improvements 2018-2020.

Standards and interpretations published by the IASB but not yet adopted by the European Union

The Group did not apply the following standards or amendments published but not with a mandatory application at 1 January 2021:
- Amendments to IAS 1 “Presentation of Financial Statements” - “Classification of Liabilities as Current or Non-current”;
- Amendments to IAS 1 “Information on accounting policies”;
- Amendments to IAS 8 “Definition of accounting estimates”;
- Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities arising from a single transaction”;
- IFRS 17 “Recognition, measurement, presentation and disclosure of insurance contracts”.

2.4. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity’s control is based on three criteria:
- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity’s variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

The financial statements of subsidiaries are consolidated from the date on which the Group acquires effective control until such time as control is transferred outside the Group.
The consolidated financial statements include all of the subsidiary’s assets, liabilities, income and expenses. Equity and income are shared between the owners of the Group and non-controlling interests. Transactions between consolidated companies and intragroup profits are eliminated when preparing the consolidated financial statements.

An associate is an entity over which the Group has significant influence, without having control or joint control over financial and operational policies. The share in the associate's assets and liabilities, including goodwill, is presented on a separate line on the balance sheet.

A joint venture or joint activity is the result of a contractual arrangement whereby two or more parties agree to carry out an economic activity under joint control. For joint activities, which give each of the co-participants direct rights to assets and obligations for liabilities, assets and liabilities, expenses and income are recognised based on the interests in the joint activity. Joint ventures that confer interests in net assets are accounted for using the equity method.

2.5. Comparability of the financial statements

The Group's consolidated financial statements ended December 31, 2021 include seven months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021 respectively. Both entities are consolidated as from June 1, 2021. The price allocation ("PPA") was finalised at December 31, 2021.

2.6. Accounting judgments and estimates

To prepare the consolidated financial statements in accordance with IFRS, the Group makes a certain number of estimates and assumptions that are based on historical information and other factors, including expectations for future events that are considered reasonable in view of the circumstances.

The Group's estimates and judgments with the most significant impacts on the financial statements concern the following elements:

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill);
- Purchase price allocation related to the acquisitions;
- Measurement of obligations relating to defined benefit plans;
- Measurement of financial instruments at fair value;
- Qualification of lease contracts and enforceable period of these contracts.

These estimates are based on the information available when they were prepared. They are continuously assessed based on past experience and various other factors that are considered to be reasonable, which form the basis for assessments of the book value of assets and liabilities. Estimates may be revised if the circumstances on which they were based change or new information becomes available. Actual results may differ significantly from these estimates depending on different conditions or assumptions.

2.7. Business combinations

a) Business combinations

In accordance with IFRS 3R, business combinations are accounted for on the acquisition date, which is the date when control is transferred to the Group.

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-

controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.
When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.
The costs relating to the acquisition are expensed as incurred.
Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.
Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.
Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

b) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities do not retain current access to profits.

The anticipated acquisition method is applied: the deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Goodwill is calculated taking into account the total percentage including the commitment to buy out the non-controlling interests.

c) Commitment to buy out non-controlling interests (minority interests), entered into at the time of business combinations, if minorities retain current access to profits.

The deferred payment for the buyout commitment is recognised as a liability for the present value of the option’s exercise price. Subsequent changes in the value of the commitment are recognised in equity attributable to owners of the parent.

d) Acquisition of non-controlling interests (minority interests), agreed on after business combinations:

For an additional acquisition of shares in an entity that is already controlled, the difference between the acquisition price of the shares and the additional consolidated equity interest acquired is recognised in equity attributable to owners of the parent, while keeping the consolidated value of the subsidiary’s identifiable assets and liabilities, including goodwill, unchanged.

2.8. Foreign currency translation methods

a) Transactions in foreign currencies

Transactions in foreign currencies are converted into euros based on the exchange rate at the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are converted based on the exchange rate at the reporting date.
Profit and loss data denominated in foreign currencies are converted using the average rate for the period.
The resulting exchange gains or losses are recognised in profit or loss for the year under financial income and expenses.

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.
Exchange rates applied at December 31, 2021 (euro vs. currency):

1 EUR =		Closing period rate	Average rate	Opening period rate
AED	Arabic Emirates dirham	4,1418	4,3523	4,4870
BHD	Bahraini dinar	0,4252	0,4465	0,4606
BRL	Brazilian real	6,4165	6,3852	6,3480
CHF	Swiss franc	1,0358	1,0821	1,0812
COP	Colombian peso	4 586,4400	4 427,42	4 186,00
CZK	Czech koruna	24,7820	25,6764	26,2400
DKK	Danish krone	7,4377	7,4371	7,4415
GBP	Pound sterling	0,8363	0,8610	0,8935
MAD	Moroccan dirham	10,4585	10,6444	10,8800
NOK	Norwegian krone	10,0099	10,1760	10,4820
OMR	Omani rial	0,4345	0,4568	0,4703
PLN	Polish zloty	4,5712	4,5617	4,5606
QAR	Qatari riyal	4,1439	4,3374	4,4480
SAR	Saudi riyal	4,2356	4,4398	4,5830
SEK	Swedish krona	10,2725	10,1445	10,0498

2.9. Breakdown of current / non-current assets and liabilities

Under IAS 1, assets and liabilities are classified as “current” or “non-current”.
Loxam applies the following rules for classifying the main balance sheet aggregates:

- Fixed assets are classified as “non-current”;

- Assets and liabilities included in working capital requirements in connection with the business' normal operating cycle are classified as "current";
- All deferred tax assets and liabilities are presented as "non-current";
- All provisions are classified as "current";
- Financial liabilities are classified as "current" or "non-current", depending on whether they are due within or later than one year after the reporting date.

2.10. Fair value of financial assets and liabilities

Financial assets and liabilities - including derivatives - measured at fair value are categorized into three levels (1 to 3), each corresponding to a level of fair value observable inputs based on data used in the fair value measurement technique:

- Level 1: fair value determined based on quoted prices in active markets for identical assets or liabilities;
- Level 2: fair value estimated based on observable data for the asset or liability, either directly (i.e. prices) or indirectly (i.e. pricing-derived data);
- Level 3: fair value estimated using valuation techniques that include data relating to the asset or liability that are not based on observable market data.

Further information on the classification of financial instruments for each category is presented in Note 2.18 (Cash and cash equivalents), and Note 2.19 (Derivative financial instruments).

2.11. Intangible assets and goodwill

a) Goodwill

The goodwill resulting from acquisitions of subsidiaries is included in intangible assets. It represents an asset with an indefinite useful life. For the recognition of goodwill, see description in Note 2.7.

b) Trademarks and customer relationships

The application of IFRS 3R may lead to the allocation of an acquisition price to identified intangible assets such as trademarks and client relationships. Trademarks are depreciated over 5 to 12 years and customer relationships over 8 to 18 years.

c) Other intangible assets

Other intangible assets have a finite useful life and are recorded at their acquisition cost, after deducting accumulated amortization and impairment losses.
The amortization of intangible assets is recorded as an expense on a straight-line basis over the estimated useful life from the moment assets are brought into service.
These other intangible assets are primarily software products, amortized over 1 to 5 years.

2.12. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.
The cost includes the expenditure directly attributable to the asset's acquisition.

Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below. Lands are not depreciated.

- Buildings	10 to 50 years
- Building fixtures and fittings	5 to 20 years
- Tools	3 to 5 years
- Fleet equipment	3 to 15 years
- Other property, plant and equipment	2 to 5 years

Property, plant and equipment are depreciated from the moment they are brought into service.
A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

2.13. Leases

Leases contracts are governed by IFRS 16 since January 1, 2019. The standard has removed the distinction previously made between simple leases and finance leases for the lessee; the lessee recognises a right-of-use asset and a financial debt representing the rental obligation.
The Group presents the right-of-use within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership (see Note 5) and the lease liabilities within "Borrowings and financial debts" in the statement of financial position (see details in Note 14).

Following the Covid-19 pandemic, the Group has obtained rental reductions or deferrals agreed with lessors. Some leases were modified with an impact on the lease duration (extension of several months at the end of the lease).

Under IFRS 16, a lease modification is a change in the scope of a lease, or the consideration for a lease, that was not part of the original terms and conditions of the lease. The modification of the lease requires the lessee to make a corresponding adjustment to the right-of-use asset as well as the remeasurement of the lease liability.
The Group has performed these adjustments accordingly. The initial incremental borrowing rates were kept unchanged as the extension of the leases duration was mostly for 6-month periods.

Following the IFRS Interpretations Committee’s decision related to the enforceable period of leases, it was specified that it is not possible to use only the legal approach to determine the enforceable period of a contract, if the duration cannot be determined definitively at the origin of the contract. The Committee considers that a lease contract remains enforceable as long as the lessee or the lessor would have to bear a loss or a more than insignificant penalty in case of termination of the contract. To determine the enforceable period of a lease, all economic aspects of the lease must be taken into account and not just contractual termination indemnities.

The Group has applied the decisions taken by the IFRS IC. In order to determine the reasonably certain duration to be applied to leases that are concerned by the IFRS IC decision, the Group has chosen a period of three years from the anniversary date of the contract as an additional lease period (where there is reasonable assurance that the lease will continue). Where appropriate, the duration of these leases may be reassessed in order to take into account the Group’s strategic choices.

2.14. Impairment of intangible assets and property, plant and equipment

Assets are reviewed at each reporting date to determine whether there are any indications of impairment. If such indications are identified, the asset's recoverable amount is estimated.

Goodwill is tested annually and whenever indications of impairments arise.

The value in use retained by the Group corresponds to the value of the future economic benefits expected to be earned from their use and disposal. It is assessed using the discounted cash flow (DCF) method, based on the following principles:

- The cash flows are based on the medium-term business plan (five years) drawn up by top management,
- The discount rate is determined based on the weighted average cost of capital for the business and the region concerned,
- The terminal value is calculated by discounting cash flows to infinity, based on standard cash flows and a perpetuity growth rate. The growth rate is consistent with the development potential of the markets in which the Group operates, as well as its competitive position on these markets.

When the recoverable amount is lower than the net book value of the asset of the cash generating unit, an impairment is recognised in profit or loss.

Impairments recorded for goodwill are irreversible.

The Group also performs impairment tests for investments in joint ventures and associates by determining their fair value using the same discounted cash flow (DCF) method and comparing it with their recoverable amount.

As at December 31, 2021, the Group has carried out impairment tests on all subsidiaries and did not identify any indication of impairment for intangible and tangible assets tested.

2.15. Financial assets

Financial assets include:

- Securities of non-consolidated companies,
- Security deposits paid,
- Cash management assets,
- Cash and cash equivalents.

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.
Financial assets maturing in under one year are classified as current financial assets.

2.16. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.

An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

2.17. Trade receivables and other current assets

Trade receivables and other current assets are generally measured at their nominal value, when this is considered to be close to their fair value. Provisions for impairment are recorded for receivables when their recoverable value amount is lower than their book value.

As of June 30, 2020, the Group has reviewed its provisioning rules of trade receivables and adjusted the accounting estimates to be more cautious: the provisioning rates of receivables have been increased according to ageing, and the receivables (excluding litigations) of more than 18 months are now fully depreciated. The Group's rules were adapted according to the geographical areas where necessary.

The Group has also adopted an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At December 31, 2021, the Group has assessed the expected credit loss taking into account reasonable and supportable information at the closing date.

2.18. Cash management assets and Cash and cash equivalents

In accordance with IAS 7 Statement of Cash Flows, the cash recorded in the consolidated cash flow statement includes cash at bank and on hand, bank credit balances and cash equivalents. Cash equivalents correspond to liquid short-term deposits that are easily convertible into a determinable amount of liquid assets and subject to an insignificant risk of changes in value.
Term deposits for over three months, which include options for early withdrawals at any time without notice, particularly to cover short-term cash commitments, are consistent with the definition of cash and cash equivalents from IAS 7 in the following cases:

- The capital is guaranteed even in the event of early withdrawal,
- No penalties are due in the form of payments to the financial institution managing the investment, or non-payment of part of the return on the investment. When the return is calculated based on the rate for the previous period or a reduced rate, without any significant change in the value of the amount of the return received, this is not considered to be a penalty and does not call into question the investment's classification as cash and cash equivalents.

Cash management financial assets comprise money-market securities, bonds and shares in UCITS invested over a short-term management horizon that do not meet the criteria for being classified as cash equivalents under IAS 7. They are measured and recognised at fair value. Changes in fair value are recognised in profit or loss.
Purchases and sales of cash management financial assets are recognised on the transaction date.
Marketable securities classified as cash equivalents on the reporting date are recognised at fair value through profit or loss, with their fair value based on their net asset value.

2.19. Derivative financial instruments – relating to the interest rate risk

The Group holds interest rate swaps to reduce its net interest rate risk exposure.
These derivative financial instruments are initially recognised at their fair value. This fair value corresponds to Category 2 consistent with the definitions given in Note 2.10.

Insofar as the hedging relationship is not documented, the changes in fair value are recognised in profit or loss.

Changes in the fair value of financial instruments that do not qualify for hedge accounting are recognised in the income statement. Financial instruments documented in a hedging relationship are recognised in other comprehensive income (see Note 13).

2.20. Derivative financial instruments – relating to the foreign exchange risk

On an ad hoc basis, and consistent with its market forecasts, the Loxam Group uses financial instruments to reduce its net foreign exchange risk exposure, mainly on British pound, Norwegian krone and Swedish krona since the acquisition of Ramirent.

The Group primarily uses forward currency sales options. As these instruments concern intra-group receivables, which are eliminated in the consolidated financial statements, the Group has not opted to apply hedge accounting. These foreign exchange derivative instruments are recognised at fair value on the balance sheet. Fair value adjustments are recognised in profit or loss.

2.21. Employee benefits

Under IAS 19 (revised), all current and future benefits or compensation acquired by employees in return for services rendered during the current period and prior periods must be recognised as an expense over the period when rights are vested.
In accordance with the laws and practices in each country where it operates, the Group is part of various plans for retirement and post-employment benefits.

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid in to plans are recognised as expenses for the period. Where applicable, provisions are recorded for contributions not made during the period.

b) Defined benefits plans

Retirement and related benefits under defined benefit plans are subject to provisions based on an actuarial calculation carried out at least once a year in accordance with IAS 19 (revised).
To assess retirement benefits, the projected unit credit method is applied: each period of service gives rise to an additional unit of benefit entitlements, and each unit is valued separately to determine the obligation in relation to employees.

The calculations consider the specific features of the various plans, as well as the assumptions for retirement dates, career development and wage increases, and the probability of employees still being employed by the Group when they reach retirement age (informed by staff turnover, mortality tables, etc.). The present value of the obligation is determined based on the interest rates for long-term bonds from top-tier issuers.
An employee benefit liability is recorded for the obligation net of any plan assets measured at fair value.
The net expenses for retirement and related benefits are recognised in operating profit for the period in relation to the cost of services provided during the period. The net financial cost is recognised in financial income and expenses.
Under IAS 19R, the actuarial gains or losses generated by changes in assumptions on the net defined benefit liability or differences between interest income and the actual returns on plan financial assets are recognised immediately in other comprehensive income and cannot be recycled to profit or loss.

c) Other long-term benefits

Certain other long-term benefits are also subject to provisions, which are determined with a similar actuarial calculation to that applied for defined benefit plans.
These benefits primarily concern jubilee awards. Remeasurements of the obligation are recognised in profit or loss.

2.22. Provisions

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, a provision is recorded when, on the reporting date, the Group has an obligation (legal or implied), it is probable that an outflow of resources representing economic benefits will be required to extinguish this obligation, and the amount of the obligation can be estimated reliably.
These provisions are estimated taking into account the most probable assumptions on the reporting date.

2.23. Borrowings and financial debt

Interest-bearing liabilities are initially measured at their fair value, less any directly attributable transaction costs. Subsequently, borrowings and financial debt are measured at their amortized cost using with the effective interest rate method.
The Loxam Group regularly issues loans on the bond market in order to finance its acquisitions. As part of its policy aimed at renewing its debt, the Group’s Finance Division weighs up the renewal of tranches reaching maturity at least two years before the redemption term.
Since 2016, the effective interest rate on bond loans has been calculated over the term of the loan less two years.
Since January 1, 2019, borrowings and financial debt include lease liabilities.

2.24. Trade payables and related

Trade and other payables are recorded at their nominal value, which corresponds to their fair value.

2.25. Tax

Income tax includes both current and deferred tax.

Current tax corresponds to the cumulative amount of corporate income tax payable on taxable income for all the Group's companies and is determined using the tax rates adopted on the reporting date.

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.

In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.

Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.

Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

The Group applies IFRIC 23 interpretation relating to measurement and recognition when there is uncertainty over income tax treatments.

2.26. Revenue

Revenue comprises income from equipment rental, services and sales related to rental activities (transportation, damage waivers, labor charges invoiced for repairs) and sales of goods.

The revenue recognition method is describe hereby:

Rental revenue

Revenue generated from equipment rental is recognised straight line over the rental period. Contract durations can vary from one day to a few months but are mostly short-term. The contract ends upon the equipment return.

Additional services to the equipment rental and other services

Additional services mainly concern transportation, damage waivers, labor charges invoiced for repairs. Other services comprise training and repair recharges (including spare parts). These services are recognised at the end of the service completion. Revenue linked to fuel consumption is recognised upon the equipment return.

The Group is also offering a wide range of different kind of services thanks to the acquisition of Ramirent group: worksite planning, logistics, on-site support, assembly and disassembly services. The revenue is recognised in accordance with IFRS 15 «Revenue from contracts with customers», when the services are rendered to the customer over time or when the customer controls the work in progress.

Retail revenue and sale of equipment
Revenue from retail activities and sale of equipment is recognised upon delivery to the customer.

2.27. Other income

Other income primarily concerns net capital gains on disposals of assets in connection with the Group's normal operating cycle.

2.28. Other current expenses

Other current expenses primarily include external services (particularly subcontracted maintenance and transportation costs, property and real estate rentals that are not in the scope of the new IFRS 16 standard, and general administrative costs), in addition to losses on receivables net of changes in provisions.

2.29. Other operating income and expenses

Other operating income and expenses concern items that involve a very limited number of occurrences, that are unusual, abnormal and uncommon and that involve particularly significant amounts, which the company presents separately in profit or loss to make it easier to understand recurring operational performance.

2.30. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first time application IFRS 16 as of January 1, 2019.
Exchange gains and losses are recorded as financial income or expenses consistent with fluctuations in foreign currencies resulting in gains or losses.

Note 3 – Scope of consolidation

Legal entities	SIREN number (France) or country	% of control	% of interest	Consolidation method
SAS LOXAM	**450776968**	**100%**	**100%**	**Parents**
SAS LOXAM MODULE	433911948	100%	100%	Full
SAS LOXAM POWER	366500585	100%	100%	Full
SAS LOXAMED (a)	887672137	100%	51%	Full
LOXAM GMBH	Germany	100%	100%	Full
LOXAM S.A.	Switzerland	100%	100%	Full
LOXAM S.A.	Belgium	100%	100%	Full
LOXAM RENTAL SARL	Luxembourg	100%	100%	Full
LOXAM LTD	Ireland	100%	100%	Full
LOXAM BV	Netherlands	100%	100%	Full
ATLAS RENTAL	Morocco	100%	51%	Full
LOXAM HOLDING A/S	Denmark	100%	100%	Full
LOXAM A/S	Denmark	100%	100%	Full
JM TRYKLUFT A/S	Denmark	100%	100%	Full
DEGRAUS	Brazil	100%	89.9%	Full
SCI AVENUE ARISTIDE BRIAND	384564472	100%	100%	Full
SCI EST POSE	340583160	100%	100%	Full
SAS LOXAM GRANDE ARMEE	572045953	100%	100%	Full
SCI TARTIFUME	328948013	100%	100%	Full
SCI THABOR	332962125	100%	100%	Full
LOXAMAM	799097944	100%	100%	Full
HUNE RENTAL S.L.	Spain	100%	100%	Full
HUNE ALUGUER LDA	Portugal	100%	100%	Full
GRUAS Y EQUIPOS HUNE	Colombia	100%	100%	Full
HUNE SICO LLC	Saudi Arabia	100%	49%	Full
LAVENDON HOLDINGS LTD	United Kingdom	100%	100%	Full
ZOOOM HOLDINGS LTD	United Kingdom	100%	100%	Full
ACCESS SOLUTIONS LTD	United Kingdom	100%	100%	Full
LAVENDON ACCESS SERVICES LTD	United Kingdom	100%	100%	Full
NATIONWIDE PLATFORMS LTD	United Kingdom	100%	100%	Full
UK PLATFORMS LTD	United Kingdom	100%	100%	Full
BLUESKY TOPCO LTD	United Kingdom	100%	100%	Full
BLUESKY SOLUTIONS LTD	United Kingdom	100%	100%	Full
RAPID ACCESS BV	Netherland	100%	100%	Full
RAPID ACCESS LLC (b)	United Arab Emirates	100%	49%	Full
RAPID ACCESS Holdings WLL	Bahrain	100%	100%	Full
RAPID Saudi Arabia Ltd	Saudi Arabia	100%	100%	Full
RAPID ACCESS LLC (c)	Oman	100%	70%	Full
RAPID ACCESS MIDDLE EAST LLC	United Arab Emirates	100%	100%	Full
RAPID ACCESS TRADING WLL (d)	Bahrain	100%	49%	Full
LOXAM ACCESS SRL	Italia	100%	80%	Full
SWAN	Ireland	100%	100%	Full
LIR HOLDINGS LTD	Ireland	100%	100%	Full

RAMIRENT OY	Finland	100%	100%	Full
RAMIRENT INTERNAL SERVICES AB	Sweden	100%	100%	Full
SAFETY SOLUTIONS JONSEREDS AB	Sweden	100%	100%	Full
RAMIRENT AB	Sweden	100%	100%	Full
RAMIRENT SAFE ACCESS AB	Sweden	100%	100%	Full
RENTSAFE SVERIGE AB	Sweden	100%	100%	Full
MASKINSLUSSEN AB	Sweden	100%	100%	Full
RAMIRENT FINLAND OY	Finland	100%	100%	Full
FORTRENT OY	Finland	50%	50%	Equity
FORTRENT LLC	Russia	50%	50%	Equity
RAMIRENT AS	Norway	100%	100%	Full
RAMIRENT BALTIC AS	Estonia	100%	100%	Full
RAMIRENT MODULAR FACTORY AS	Estonia	100%	100%	Full
RAMIRENT AS VILNIAUS FILIALAS	Lithuania	100%	100%	Full
RAMIRENT AS RIGAS FILIALE	Latvia	100%	100%	Full
RAMIRENT SHARED SERVICES AS	Estonia	100%	100%	Full
RAMIRENT S.A.	Poland	100%	100%	Full
RAMIRENT S.R.O.	Czech Republic	100%	100%	Full
RAMIRENT SPOL S.R.O.	Slovakia	100%	100%	Full
STAVDAL AS	Norway	100%	100%	Full

(a) Loxam SAS has a 51% interest in the shares of Loxamed SAS, company created in July 2020. Loxamed SAS is treated as a wholly owned subsidiary for the group's accounting purposes.

(b) Rapid Access BV has a 49% interest in the shares of Rapid Access LLC (United Arab Emirates). The Company as a right to give directions with respect to the operating and financial policies of Rapid Access LLC (UAE) and thus is considered to have control. Rapid Access LLC (UAE) is treated as a wholly owned subsidiary for the group's accounting purposes.

(c) Rapid Access Holding WLL has a 70% interest in the shares of Rapid Access LLC (Oman). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access LLC (Oman) and thus is considered to have control. Rapid Access LLC (Oman) is treated as a wholly owned subsidiary for the group's accounting purposes.

(d) Rapid Access Middle East LLC (UAE) has a 49% interest in the shares of Rapid Access Trading WLL (Bahrain). The Company has a right to give directions with respect to the operating and financial policies of Rapid Access Trading WLL (Bahrain) and thus is considered to have control. Rapid Access Trading WLL (Bahrain) is treated as a wholly owned subsidiary for the group's accounting purposes.

Note 4 – Intangible assets and goodwill

Changes in intangible assets and goodwill at December 31, 2021

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**480,637**	**1,826,860**	**2,307,498**
Changes in scope	9,793	6,514	**16,307**
Increase	4,204	-	**4,204**
Amortization and depreciation of the period	(47,508)	-	**(47,508)**
Decrease / disposals	(23)	-	**(23)**
Reclassification	(1,368)	-	**(1,368)**
Exchange gains or losses (a)	3,213	14,869	**18,082**
Net book value at end of the period	**448,948**	**1,848,244**	**2,297,191**

(a) Exchange variations mainly concern the Lavendon group.

Effect of change in scope on the goodwill:

€'000	Total
JM Trykluft	1,709
Maskinslussen	4,805
Year 2021	**6,514**

The goodwill arising from the acquisitions of JM Trykluft and Maskinslussen has been calculated as following:

€'000	JM Trykluft	Maskinslussen
Intangible assets (including trademarks and customer relationships)	6,698	3,095
Tangible assets	14,942	5,626
Other non current assets	247	80
Current assets	7,571	2,574
Non current liabilities	(1,487)	(2,324)
Current liabilities	(2,620)	(2,199)
Fair value of net assets	**25,351**	**6,852**
Non controlling interests	-	-
Share of net identifiable assets	**25,351**	**6,852**

€'000	JM Trykluft	Maskinslussen
Consideration transferred	27,060	11,657
Net identifiable assets	(25,351)	(6,852)
Goodwill	**1,709**	**4,805**

Changes in intangible assets and goodwill at December 31, 2020

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**430,516**	**1,923,088**	**2,353,604**
PPA allocation (a)	96,819	(74,040)	**22,779**
Increase	4,949	100	**5,049**
Amortization and depreciation of the year (b)	(50,362)	(11,577)	**(61,938)**
Decrease / disposals	(2)	-	**(2)**
Reclassification	1,565	-	**1,565**
Exchange gains or losses (c)	(2,847)	(10,711)	**(13,558)**
Net book value at end of the period	**480,637**	**1,826,860**	**2,307,498**

(a) PPA of Ramirent group adjusted by introducing a Tax Amortization Benefit ("TAB") and updating the amortization durations.
(b) Corresponds to the depreciation of the goodwill of Rapid Access (Middle East) for €10,000k, Atlas Rental (Morocco) for €904k and Hune Pronto Rental (Colombia) for €673k.
(c) Exchange variations mainly concern the Lavendon group.

Trademarks and customer relationships at December 31, 2021

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at December 31, 2021:

€'000	Trademarks	Customer Relationships	Total
Lavendon Group	9,448	37,534	46,982
Hune Group	49	2,509	2,558
Loxam Access SRL (a)	-	792	792
Ramirent Group	94,079	286,084	380,163
JM Trykluft	565	5,704	6,269
Maskinslussen	275	2,573	2,848
Net value at end of the period	**104,414**	**335,197**	**439,611**

(a) The Nacanco's trademark is not used anymore and has been fully depreciated.

Goodwill impairment tests:

Goodwill and other intangible assets with an indefinite useful life acquired through business combinations are allocated to the CGUs for impairment testing. The CGUs correspond to the countries where the Group operates. For financial reporting, the Group has combined its CGUs for each region: France and International.

Allocation of goodwill for each CGU group:

€'000	31.12.2020	31.12.2021
France	839,930	839,930
International	986,931	1,008,314
Total	**1,826,860**	**1,848,244**

Goodwill is tested at least once a year and whenever indications of impairment arise.
In these tests, the book value of the net asset, including goodwill allocated to a CGU, is compared with its recoverable amount. The recoverable amount is determined using the “Discounted Cash Flow” method. The cash flow forecasts used for the calculations are based on amounts from the following year’s budget approved by management, and forecasts for the next four years.
The cash flow forecasts covering a five-year period are based on experience and development forecasts for the markets in which the Group operates. Cash flows are calculated net of tax and discounted to their present value with a discount rate reflecting the risks associated with the cash flows. The discount rates correspond to the weighted average cost of capital (WACC) calculated for each CGU, in line with the sector’s financial structure and market data.

Following the result of this impairment test for the financial year ended December 31, 2021, the Group did not record any impairment since the recoverable value exceeded the book value for each CGU.

The following assumptions, considered to be key assumptions, were used to calculate the discounted value of cash flow forecasts for the CGUs:

	31.12.2020		**31.12.2021**	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	1.5%	6.10%	1.5%	5.90%
International	1.5% to 7%	5.1% to 15.0%	1.5% to 7%	4.9% to 15.5%

Perpetuity growth rate: The perpetuity growth rate reflects a moderate level of inflation expected for the entire region in which the Group operates.

Discount rate: The cash flow forecasts are discounted with a specific rate for each CGU. The weighted average cost of capital (WACC) represents the discount rate. To determine the specific rate for each CGU, the specific risk for each country is taken into account, including assumptions for fluctuations in inflation and/or exchange rates.

Sensitivity analysis regarding the key assumptions: the amounts presented below include the value assigned to the main parameters, for each assumption taken separately, for which the book value is equal to its recoverable amount. In the sensitivity analysis, the parameters for the perpetuity growth rate and discount rate are modified independently, while holding the other assumptions constant.

Sensitivity tests: value of the parameter to reach the book value:

	31.12.2020		**31.12.2021**	
%	Perpetuity growth rate	Discount rate	Perpetuity growth rate	Discount rate
France	-4.5%	10.0%	-4.8%	10.0%
International	-1.6%	8.3%	-2.0%	8.5%

Note 5 – Property, plant and equipment

Change in property, plant and equipment at December 31, 2021

At December 31, 2021, the gross book value of the Group's fleet amounts to € 4,596,298k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,670,523**	**455,959**	**2,126,483**
Changes in scope	19,410	4,340	**23,750**
Increase	402,093	155,924	**558,017**
Amortization and depreciation of the year	(340,915)	(135,891)	**(476,806)**
Decrease / disposals	(15,555)	(6,593)	**(22,148)**
Reclassification	369	(2,438)	**(2,069)**
Exchange gains or losses	17,405	2,788	**20,193**
Net value at end of the period	**1,753,331**	**474,089**	**2,227,420**

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At December 31, 2021, the breakdown of the right-of-use by assets' category is the following:

€'000	Real estate	Heavy vehicles	Light vehicles	Total
Net value at beginning of the period	**251,139**	**33,431**	**24,512**	**309,082**
Net value at end of the period	**252,777**	**47,031**	**22,742**	**322,550**

Change in property, plant and equipment at December 31, 2020

At December 31, 2020, the gross book value of the Group's fleet amounts to € 4,281,662k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,891,220**	**499,181**	**2,390,402**
Changes in scope	-	(434)	**(434)**
Increase	191,869	103,303	**295,172**
Amortization and depreciation of the year	(361,475)	(142,695)	**(504,170)**
Decrease / disposals	(22,463)	(6,663)	**(29,126)**
Reclassification	(6,062)	6,172	**111**
Exchange gains or losses	(22,566)	(2,906)	**(25,472)**
Net value at end of the period	**1,670,523**	**455,959**	**2,126,483**

(a) Since the application of IFRS 16, the Group presents the "right-of-use" assets within "Property, plant and equipment" on the same line as the underlying assets of same nature of which it has full ownership. At December 31, 2020, the breakdown of the right-of-use by assets' category is the following:

€'000	Real estate	Heavy vehicles	Light vehicles	Total
Net value at beginning of the period	**295,951**	**33,652**	**27,931**	**357,534**
Net value at end of the period	**251,139**	**33,431**	**24,512**	**309,082**

Note 6 – Investments in associates

Investments in associates relate to Fortrent Oy in Finland (with a subsidiary operating in Russia, Fortrent LLC).

€'000	31.12.2020	31.12.2021
Value at beginning of the period	**9,815**	**7,536**
Changes in scope	(444)	-
Group share in earnings for the year	1,112	1,275
Exchange gains or losses	(2,947)	641
Value at end of the period	**7,536**	**9,452**

As mentioned in Note 2.14, investment in associates and joint ventures are subject to an annual impairment test.

Note 7 – Financial assets

Change of Financial assets at December 31, 2021

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,053**	**7,432**	**20,485**
Changes in scope	247	80	**327**
Increase	561	96	**656**
Decrease	(835)	(1,919)	**(2,754)**
Other movements	62	70	**131**
Exchange gains or losses	(9)	(66)	**(75)**
Net value at end of the period	**13,079**	**5,692**	**18,771**

Change of Financial assets at December 31, 2020

This heading primarily concerns security deposits paid, mainly in connection with branch real estate leases.

€'000	Deposits and guarantees	Loans and other non-current financial assets	Total
Net value at beginning of period	**13,244**	**8,125**	**21,369**
Increase	1,798	1,660	**3,458**
Decrease	(1,279)	(2,474)	**(3,753)**
Other movements	0	(5)	**(5)**
Exchange gains or losses	(709)	125	**(584)**
Net value at end of the period	**13,053**	**7,432**	**20,485**

Note 8 – Inventories

€'000 - Net value	31.12.2020	31.12.2021
Parts and consumables	28,559	18,879
Trade	16,934	35,179
Total	**45,493**	**54,058**

Note 9 – Trade and other receivables

€'000	31.12.2020	31.12.2021
Gross value	501,614	547,675
Impairment	(87,517)	(92,594)
Total trade and other receivables - net	**414,097**	**455,081**
Not due	71%	70%
Due < 30 days	16%	17%
Due from 30 to 60 days	5%	4%
Due > 60 days	9%	9%

Note 10 – Income tax receivables and other current assets

€'000	31.12.2020	31.12.2021
Income tax receivables	18,776	12,192
Prepaid expenses	14,660	24,395
Other receivables	26,740	31,050
Other current assets	41,399	55,445
Total income tax receivables and other current assets	**60,176**	**67,637**

Note 11 – Cash management assets, cash and cash equivalents

€'000	31.12.2020	31.12.2021
Other marketable securities	103,777	103,322
Cash	524,167	367,621
Total	**627,945**	**470,943**

Marketable securities comprise cash investment funds (SICAV) as well as term accounts and deposits in line with the IAS 7 definition of cash and cash equivalents (see Note 2.18).

Note 12 – Shareholders' equity

The share capital amounts to €222,559,930 split into 22,255,993 shares with a par value of €10 at December 31, 2021. It is fully paid up.

During the year, Loxam has reduced its share capital for a nominal amount of €2,258k by share buy-back. The difference between the total price of shares bought and the nominal value of shares was recognised in consolidation reserves for an amount of €10,125k.

Note 13 – Financial risk management - Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 2.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments.
At December 31, 2021, these agreements relate to a notional amount of €210,417k with a last maturity date in February 2024 (mainly concern Ramirent for €100,000k and Nationwide Platforms for £90,000k).
At December 31, 2021, the fair value of these derivative instruments amounts to €(256)k compared to €3,611k at December 31, 2020. Fair value adjustments are accounted in financial income for an amount of €1,609k, in OCI reserves for €2,264k and in exchange losses for €(7)k at December 31, 2021.
The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 2.10.

Financial instruments relating to foreign exchange risk:

As indicated in Note 2.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.
At December 31, 2021, Loxam SAS hold forward contracts on the British pound for GBP 33,636k compared to GBP 31,136k at December 31, 2020. Ramirent hold forward contracts on the Norwegian krone for NOK 365,000k and Swedish krone for SEK 80,000k at December 31, 2021.
The fair value of these financial instruments is recorded in asset for €2k and in liability for €2,009k at December 31, 2021, compared to an asset for €804k and a liability for €1,455k at December 31, 2020.
The change in fair value is recorded as a financial expense for an amount of €1,356k at December 31, 2021.
The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 2.10.

Change in the valuation of financial instruments at December 31, 2021

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**3,611**	**651**	**4,262**
Value adjustment in OCI	(2,264)	-	**(2,264)**
Value adjustment in P&L	(1,609)	1,356	**(254)**
Exchange gains or losses	7	-	**7**
Value at end of the period	**(256)**	**2,007**	**1,751**

Derivatives instruments included in the assets	**(1,175)**
Derivatives instruments included in the liabilities	**2,926**

Change in the valuation of financial instruments at December 31, 2020

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**3,168**	**4,440**	**7,608**
Changes in scope	1,091	-	**1,091**
Value adjustment in P&L	(648)	(3,789)	**(4,437)**
Value at end of the period	**3,611**	**651**	**4,262**

Derivatives instruments included in the assets	**(804)**
Derivatives instruments included in the liabilities	**5,066**

Liquidity risk information

Liquidity risk is managed by Loxam's Finance Department, which provides subsidiaries with access to adequate short or long-term financing facilities. The subsidiaries can look to local financing to fund their investments; in this case, these agreements are validated by the Group's Finance Department.

Liquidity is optimised at the parent company level through investment tools with capital guarantees (particularly marketable securities or instant access term deposit accounts).

Transfers between the parent company and its subsidiaries are covered by cash management agreements or loan agreements.

The group is subject to financial ratios pursuant to its bond issuances.

Credit risk information

The Loxam Group has a credit management policy in place enabling it to evaluate the creditworthiness of the customers. Outstanding balances are monitored with regular reports and financial information concerning customers is tracked regularly. Customer provisions are recorded in the accounts for uncollectable amounts at each month end.

Note 14 – Borrowings and financial debt

Following the application of IFRS 16 standard, the Group is presenting separately the lease debt related to finance leasing and the lease liability related to operating lease contracts.

Breakdown of current and non-current financial debt

€'000	31.12.2020	31.12.2021
Bond (a)	2,952,989	2,541,375
State guarantee loan	29,104	183,532
Bilateral and bridge loans net of issuance costs	250,573	265,517
Lease debt	167,817	169,658
Lease liability	232,367	241,672
Other financial debt	-	2,232
Non-current financial debt	**3,632,850**	**3,403,987**
Bond	-	300,000
State guarantee loan	234,888	53,842
Short-term bilateral loans	140,709	68,650
Commercial papers	82,000	94,000
Short-term lease debt	103,750	96,655
Short-term lease liability	87,948	93,017
Other financial debt	30,749	26,541
Current bank borrowings	139	2,505
Current financial debt	**680,183**	**735,210**
Financial debt	**4,313,033**	**4,139,197**

(a) Net of bond issuance costs.

Breakdown of financial debt by interest rate

€'000	31.12.2020	31.12.2021
Variable-rate debt	264,389	224,931
Fixed-rate debt (a)	4,047,727	3,909,529
Bank overdrafts	139	2,505
Other	778	2,232
TOTAL	**4,313,033**	**4,139,197**

(a) Including lease liability

Breakdown of financial debt by maturity

€'000	31.12.2020	31.12.2021
< 1 year	680,183	735,210
1 to 5 years	2,398,088	2,912,257
> 5 years	1,234,762	491,730
TOTAL	**4,313,033**	**4,139,197**

Change in borrowings and financial debt at December 31, 2021

€'000	Beginning of year	Change in scope	Increase	Decrease	Other (a)	Exchanges gains or losses	31.12.2021
Bond issues (b)	**2,952,989**	-	-	(120,000)	8,386	-	**2,841,375**
State guarantee loan	**263,992**	-	3,259	(29,897)	-	20	**237,374**
Bilateral loans	**391,283**	1,687	58,965	(125,961)	506	7,687	**334,167**
Commercial papers	**82,000**	-	12,000	-	-	-	**94,000**
Lease debt	**271,567**	-	106,070	(111,504)	-	180	**266,314**
Lease liability	**320,315**	3,182	118,687	(109,854)	67	2,293	**334,690**
Other financial debt	**30,889**	2,261	-	-	(1,855)	(16)	**31,278**
TOTAL	**4,313,033**	**7,130**	**298,981**	**(497,216)**	**7,105**	**10,164**	**4,139,197**

(a) Including amortization of issuance costs.
(b) Net of issuance costs.

Change in borrowings and financial debt at December 31, 2020

€'000	Beginning of year	Change in scope (a)	Increase	Decrease	Other (b)	Exchanges gains or losses	31.12.2020
Bond issues (c)	**2,969,877**	-	-	(26,024)	9,136	-	**2,952,989**
Revolving Credit Facility	**-**	-	75,000	(75,000)	-	-	**-**
State guarantee loan	**-**	-	264,074	(79)	-	(3)	**263,992**
Bilateral loans	**486,249**	-	41,890	(130,711)	356	(6,501)	**391,283**
Commercial papers	**115,000**	-	-	(33,000)	-	-	**82,000**
Lease debt	**288,517**	-	49,113	(64,663)	(357)	(1,044)	**271,567**
Lease liability	**364,501**	-	66,235	(112,072)	4,177	(2,527)	**320,315**
Other financial debt	**50,020**	(17,736)	-	-	(500)	(895)	**30,889**
TOTAL	**4,274,164**	**(17,736)**	**496,313**	**(441,549)**	**12,811**	**(10,969)**	**4,313,033**

(a) Refers to buyback of the minority stakes of Ramirent.
(b) Including amortization of issuance costs.
(c) Net of issuance costs.

Note 15 – Employee benefits

€'000	31.12.2020	31.12.2021
Net Defined Benefit Obligation	**57,114**	**53,339**
Reconciliation of the commitment and the provision		
Commitment	59,663	56,110
Plan assets	(2,549)	(2,770)
Net Defined Benefit Obligation at year-end / period	**57,114**	**53,339**
Movement in Defined Benefit Liability		
Net Defined Benefit Liability at beginning of year	**44,188**	**57,114**
Expense for the financial year	3,199	4,232
Recognition of actuarial gains or losses through OCI (a)	10,199	(2,501)
Benefits or contributions paid by the employer	(1,898)	(1,690)
Exchange gains or losses	1,425	(774)
Change in accounting method by OCI (b)	-	(3,042)
Net Defined Benefit Obligation at year-end / period	**57,114**	**53,339**

(a) At December 31, 2020, mainly relates to the update of effective hiring dates at Ramirent Sweden.
(b) Impact of the interpretation of IFRIC-IAS 19 modifying the recognition of pension provision in France (cf. Note 2.3)

Breakdown of the expense for the financial year	**31.12.2020**	**31.12.2021**
Current service cost	2,347	3,609
Other	168	(50)
Interest cost	685	673
Expense for the year / period	**3,199**	**4,232**

The provisions for employee benefits concern retirement benefits for €52,333k at December 31, 2021 compared to €56,049k at December 31, 2020 and jubilee awards for €1,007k at December 31, 2021 compared to €1,066k at December 31, 2020.

	31.12.2020		31.12.2021	
Actuarial assumptions used	**France**	**International**	**France**	**International**
Discount rate (a)	0.75	0.00 to 2.25	1.20	0.00 to 1.90
Salary increase rate	1.50	0.00 to 4.60	1.50	0.00 to 2.75
Inflation rate	1.75	0.70 to 1.75	1.75	0.70 to 2.00
Mortality table	THTF 00-02	Depending on the country	THTF 00-02	Depending on the country
Retirement age	65	65 to 70 years	65	64 to 67 years

(a) Discount rate applied: Mercer Pension Yield Curve Eurozone.

Schedule of future payments over ten years	31.12.2020	31.12.2021
Less than 1 year	658	786
More than 1 year	15,412	16,551

Sensitivity Analysis - Changes in the defined benefit obligation as %	31.12.2020	31.12.2021
Discount rate +0.5%	-10%	-9%
Discount rate -0.5%	10%	11%

Note 16 – Provisions

Change in provisions at December 31, 2021

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**6,773**	**6,468**	**1,861**	**15,102**
Allocations	2,460	1,173	400	**4,033**
Reversals	(5,697)	(2,125)	(1,431)	**(9,253)**
Exchange gains or losses and other	75	(14)	301	**361**
Balance at end of year / period	**3,611**	**5,501**	**1,130**	**10,243**

Change in provisions at December 31, 2020

€'000	Provisions for restructuring	Others provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**8,192**	**7,896**	**3,380**	**19,468**
Allocations	2,997	1,462	1,528	**5,987**
Reversals	(5,659)	(1,359)	(2,387)	**(9,405)**
Exchange gains or losses and other	1,243	(1,531)	(660)	**(949)**
Balance at end of year / period	**6,773**	**6,468**	**1,861**	**15,102**

Note 17 – Trade payables and other current liabilities

€'000	31.12.2020	31.12.2021
Trade payables	164,391	202,984
Payables to fixed asset suppliers	44,978	106,074
Trade payables and related	**209,369**	**309,058**
Corporate income tax liabilities	**6,376**	**7,535**
Tax and social security liabilities	153,575	149,938
Other liabilities	32,399	37,577
Accrued income	102	164
Other liabilities and accruals	**186,076**	**187,680**
Total current liabilities	**401,821**	**504,273**

Note 18 – Segments information

Group's results are presented under a new geographical breakdown composed of three divisions:

- France division, comprising both the generalist and specialist rental operations in France;
- Nordic countries, consisting in Denmark, Norway, Sweden and Finland,
- Rest of the World, including all other international countries where Loxam operates.

Revenue by division

€'000	31.12.2020	% of total	31.12.2021	% of total
France	802,796	40.4%	919,801	42.1%
Nordic countries	642,994	32.3%	658,016	30.1%
Rest of the World	543,131	27.3%	607,257	27.8%
Total Revenue	**1,988,921**	***100.0%***	**2,185,074**	***100.0%***

EBITDA by division

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS.

EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

€'000	31.12.2020	% margin	31.12.2021	% margin
France	323,530	40.3%	339,705	36.9%
Nordic countries	198,770	30.9%	203,792	31.0%
Rest of the World	205,615	37.9%	233,631	38.5%
Total EBITDA	**727,915**	***36.6%***	**777,127**	***35.6%***

Profit from ordinary operations by division

€'000	31.12.2020	% margin	31.12.2021	% margin
France	107,771	13.4%	140,205	15.2%
Nordic countries	40,432	6.3%	53,802	8.2%
Rest of the World	26,294	4.8%	59,815	9.9%
Total Profit from ordinary operations	**174,498**	***8.8%***	**253,823**	***11.6%***

Note 19 – Personnel expenses

€'000	31.12.2020	31.12.2021
Salaries	380,549	413,246
Payroll taxes	114,470	124,311
Other personnel expenses (a)	11,297	24,077
Personal benefits	616	1,869
Incentive and employee profit-sharing	6,969	12,977
Total personnel expenses	**513,901**	**576,479**
Average headcount	11,060	11,076

(a) Related to severances paid, contributions to social work and other social welfares contributions.

Note 20 – Other operating income and expenses

At December 31, 2021, other operating income and expenses are related to the acquisitions costs of JM Trykluft and Maskinslussen €(715)k, the impairment of capitalised costs for non-completed projects in Sweden for €(649)k, the depreciation of Nacanco's trademark in Loxam Access SRL for €(367)k and the lawyer and consulting fees related to the share buyback program €(378)k.

At December 31, 2020 other operating income and expenses amount to €(12,034)k and mainly relate to the depreciation of the goodwill of Rapid Access (Middle East) for €(10,000)k and Atlas Rental (Morocco) for €(904)k, and the impairment of €(613)k following the disposal of Twinsite, a training business of Ramirent Sweden.

Note 21 – Financial income (expense)

€'000	31.12.2020	31.12.2021
Interest and financing-related expenses (a)	(158,698)	(154,657)
Income from cash and cash equivalents	30	106
Net finance costs	**(158,668)**	**(154,551)**
Foreign exchange gains or losses	(5,379)	1,904
Exceptional financial costs (b)	(861)	(6,789)
Fair value adjustments of interest rate Swaps	4,437	254
Capital gain on bond redemptions	1,538	-
Other financial income and expenses	298	192
Financial income (expense)	**(158,636)**	**(158,991)**

(a) At December 31, 2021, includes expenses related to lease financial debt €(4,605)k and interest related to lease liabilities €(10,041)k.
At December 31, 2020, includes expenses related to lease financial debt €(4,938)k and interest related to lease liabilities €(10,703)k.

(b) At December 31, 2021, relates to commissions and consulting fees on new Revolving Credit Facility, early redemption fees and the accelerated amortization of issuance of bond fees following the early partial redemption of bonds with a maturity date in 2025.
At December 31, 2020, includes the consultancy fees for the issuance of loans in the sanitary crisis context and the accelerated amortization of issuance of bond fees following the buyback of bonds.

Note 22 – Corporate income tax

Analysis of tax expense

€'000	31.12.2020	31.12.2021
Current tax	(10,420)	(15,751)
Deferred tax	9,756	(3,022)
Total	**(664)**	**(18,773)**

Reconciliation between actual tax and theoretical tax expense

€'000	31.12.2020	31.12.2021
Consolidated income before tax and "CICE" French tax credit, and share of result in associates	**3,828**	**92,725**
Tax rate (parent)	28.41%	25.83%
Theoretical tax expense	**(1,087)**	**(23,946)**
Difference in parent / subsidiary rates	2,707	(40)
Unused tax losses for the year	(4,498)	200
Use of previously unused losses	1,665	623
Permanent differences	(933)	1,757
Tax credits and other	1,483	2,633
Actual tax expense	**(664)**	**(18,773)**
Effective tax rate	17.3%	20.2%

Deferred tax assets and liabilities

€'000	31.12.2020	31.12.2021
Opening balance	**(172,404)**	**(177,614)**
Income (expense)	9,756	(3,022)
Changes in scope	-	(3,544)
Own funds allocation	2,474	(934)
PPA allocation (a)	(19,808)	-
Other changes	2,369	(1,000)
Closing balance	**(177,614)**	**(186,114)**
Deferred tax assets	17,788	14,113
Deferred tax liabilities	(195,403)	(200,227)

(a) Related to the purchase price allocation of Ramirent group (linked to the Tax Amortization Benefit application and the change of amortization duration).

Deferred tax assets primarily relate to temporary differences and the use of loss carry forwards. The deferred tax liabilities relate to temporary differences primarily linked to accelerated tax depreciation charges and to intangible assets from the PPA.

Note 23 – Off-balance sheet commitments

€'000	31.12.2020	31.12.2021
Guarantee given to banks for payment of real estate rentals	2,671	2,398
Pledging of business assets as collateral	360	360
Total commitments given	**3,031**	**2,758**
Other bank guarantees received	277	-
Total commitments received	**277**	**-**

Other commitments given to guarantee bank borrowings recorded on the balance sheet:

- Guarantees from Loxam SAS on subsidiaries' borrowings (bilateral loans and finance leases) for €18,827k at December 31, 2021 and for €27,658k at December 31, 2020;
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €3,229k at December 31, 2021 and €2,956k at December 31, 2020;
- Guarantee from Loxam SAS relating to the commitments for employee benefits of its subsidiary Ramirent Sweden, capped at MSEK 320 million;
- Pledge of Loxam Power, Loxam Module, Lavendon Group Ltd and Ramirent Oy shares as well as the Loxam brand as collateral to guarantee €2,300 million of Senior Secured bonds as at December 31, 2021 and December 31, 2020;
- Five-year senior secured Revolving Credit Facility of €345 million. Transfer under the Dailly Act: 110% of the outstanding amount drawn on the revolving loan and pledging of a bank account as collateral to guarantee the revolving loan. The RCF remained undrawn on the year ended.

In addition, following the application of IFRS 16, the Group applies the exemptions provided by the standard (low-value equipment and short-term contracts) and therefore keeps contractual operating lease commitments.

Note 24 – Related-party transactions

The remuneration of key governing bodies is comprised of the following:

€'000	31.12.2020	31.12.2021
Executive Committee compensation	3,620	4,760
Executive Committee benefits in kind	42	64
Attendance fees paid to directors	42	42
Total amount of compensation and benefits paid to executives and directors	**3,704**	**4,865**

The parent company Loxam SAS concluded a services contract with the company DPZ Partners which holds part of the share capital of Loxam SAS. This contract was concluded under normal market conditions. The services provided to this contract were billed to Loxam SAS for an amount of €1.0 million in 2021 against €1.2 million in 2020.

The SCI Ellipse, subsidiary of DPZ Partners, has entered into a ten-year lease agreement with Loxam for the rents of the office building Le Cap, based in La Défense. Loxam SAS rents the entirety of the building for an annual rent of €4.1 million and related taxes for €0.8 million.

Also the Group does not have any significant transactions with related parties that have not been entered into under normal market conditions.

Note 25 – Statutory Auditors' Fees

As at December 31, 2021, the amount paid is broken down as follow:

€'000	**Constantin/Deloitte**	**KPMG**	**Other**
Accounts certification	285	287	-
Other subsidiaries	501	875	47
Other services	164	69	283
Total fees	**950**	**1,230**	**330**