LOXAM

QUARTERLY REPORT September 30, 2022

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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, excluding changes in the scope of consolidation;
- “Published” means financial information released for the period indicated.

NOTICE

All financial information in this quarterly report has been prepared in accordance with IFRS and is presented in millions of euros. This financial information and the notes to the financial statements have 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.

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.

Our consolidated financial statements for the quarter ended September 30, 2022 include 3 months of activity of Arteixo, acquired on July 11, 2022 and 2 months of activity of Sofranel and Société Cominoise de Location (“SCL”), both acquired on July 29, 2022. Arteixo has been consolidated as of July 1, 2022 and contributed for 3 months while Sofranel and SCL have been consolidated as of August 1, 2022 and contributed for 2 months in our consolidated financial statements for the quarter ended September 30, 2022.

The information provided at constant perimeter for the quarter ended September 30, 2022 compared to the quarter ended September 30, 2021 excludes the financial information of JM Trykluft and Maskinslussen (acquired in 2021) and Arteixo, Sofranel and SCL for the quarters ended September 30, 2022 and September 30, 2021.

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 (IFRS)	**Nine months ended September 30,**	
(in millions of euros)	**2021**	**2022**
Revenue	**1,599.8**	**1,781.8**
Other income	36.6	40.3
Purchases consumed	(157.5)	(177.6)
Personnel expenses	(427.4)	(460.4)
Other current expenses	(462.6)	(531.7)
Taxes and duties	(13.6)	(14.7)
Depreciation and amortization	(388.9)	(419.2)
Profit from ordinary operations	**186.5**	**218.6**
Other operating income and expense	(1.7)	(39.9)
Operating profit	**184.7**	**178.7**
Financial income and expense	(119.4)	(107.2)
Profit before tax	**65.3**	**71.5**
Share of profit of associates	0.8	-
Income tax expense	(12.1)	(23.2)
Net profit	**54.1**	**48.3**
Non-controlling interests	1.2	0.2
Net profit, group share	**52.9**	**48.1**

Consolidated balance sheet (IFRS) *(in millions of euros)*	**As of** **December 31, 2021**	 **September 30, 2022**
Intangible assets and goodwill	2,297.2	2,253.6
Property, plant and equipment	2,227.4	2,492.0
Investments in associates	9.5	-
Financial assets	18.8	18.1
Financial derivatives	1.2	11.0
Deferred tax assets	14.1	10.8
Non-current assets	**4,568.1**	**4,785.6**
Inventories	54.1	62.9
Trade and other receivables	455.1	526.0
Other current assets	67.6	71.4
Cash and cash equivalents	470.9	277.6
Current assets	**1,047.7**	**938.1**
TOTAL ASSETS	**5,615.8**	**5,723.7**
Shareholders' equity	**705.6**	**734.8**
Provisions for employees benefits	53.3	41.8
Deferred tax liabilities	200.2	201.4
Borrowings and financial debt - long term portion	3,404.0	3,755.1
Financial derivatives	2.9	0.2
Non-current liabilities	**3,660.5**	**3,998.5**
Provisions	10.2	8.4
Borrowings and financial debt - current portion	735.2	516.1
Supplier and other payables	309.1	278.3
Other current liabilities	195.2	187.5
Current liabilities	**1,249.7**	**990.3**
TOTAL EQUITY AND LIABILITIES	**5,615.8**	**5,723.7**

Consolidated condensed cash-flow statement (IFRS) *(in millions of euros)*	**Nine months ended September 30, 2021**	**2022**
Cash flow from operations	389.2	364.9
Cash flow from investing activities	(322.6)	(652.3)
Cash flow from financing activities	(96.4)	90.7
Change in cash and cash equivalents	**(29.9)**	**(196.7)**
Cash and cash equivalents at the end of the period (1)	**598.9**	**272.6**

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

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

The following discussion should be read together 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 the revenue for year ended December 31, 2021.

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 September 30, 2022, the Group generated €2,385.0 million in pro forma revenue and €848.3 million in pro forma EBITDA.

The Group activities are conducted in three principal geographies:

- **France**, with a network of 491 branches as of September 30, 2022. 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 41% of group's pro forma revenue for the twelve months ended September 30, 2022.
- **Nordic countries**, which consist of Denmark, Norway, Sweden and Finland**.** As of September 30, 2022, the network in Nordic countries comprised 216 branches and provided both generalist and specialist equipment primarily through Ramirent and Loxam Access brands. Nordic countries generated 30% of group's pro forma revenue for the twelve months ended September 30, 2022.
- **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 September 30, 2022, the Group operated in the Rest of the World with a network of 379 branches and generated 29% of group's pro forma revenue for the twelve months ended September 30, 2022.

As of September 30, 2022, the rental fleet of Loxam Group consisted of approximately 650,000 pieces of equipment (excluding accessories) with a gross book value of €5.0 billion.

Economic conditions over the first nine months of 2022.

During Q3, the revenue trend observed during H1 has continued with similar strength. The Group has recorded an organic growth during the nine-month period benefitting from a favorable environment within most of geographies with a good level of demand of the construction sector. The Group also continued to monitor the inflation of its costs, regularly adjusting prices in rental rates and services.

Investment in new equipment

The gross capital expenditures in the third quarter of 2022 amounted to €174.6 million, of which €163.1 million was fleet Capex compared to gross capital expenditures of €107.2 million, of which €98.5 million was fleet Capex in the third quarter of 2021.

Changes in rental network

The Group operated 1,086 branches as of September 30, 2022 compared to 1,066 as December 31, 2021. Over the first nine months of 2022, we opened 16 branches, acquired 7 branches and closed 3 branches as part of usual adjustments to the network.

Situation in Ukraine and Russia

Since February 2022, the war in Ukraine has destabilized the financial and commodity markets, resulting in an uncertain economic situation in Europe in 2022.
The Group has no activity in Ukraine; it operates in Russia through Fortrent, a 50% owned joint venture with Cramo Oy. The Group's stake in this entity is accounted for under the equity method.
The Group monitors closely the evolution of the situation in Ukraine and Russia and follows the potential impacts of international sanctions.
Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended September 30, 2022 to:

- reverse the net result of Fortrent (gain of €2 million for the nine-month period),
- neutralize the effect of the increase of rouble as it does not reflect normal currency market conditions (increase of €5.5 million of the value of the investment in associates),
- depreciate the receivable with Fortrent, considering a risk of non-collectability (balance of €0.8 million at end of September 30, 2022),
- record a write-down of €9.5 million, representing the full amount of the carrying value of its investment in Fortrent.

Significant events of the nine-month period

On February 10, 2022, the Group issued a Senior secured bond for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%. The proceeds from this new issue together with cash were used for the early redemption of two bonds for an outstanding amount of €550 million on the same date:

- 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%).

On March 17, 2022, RentSafe Sverige AB, a fully owned subsidiary of Ramirent Group, and ATA Hill & Smith AB have entered into an agreement to acquire ATA's rental and contracting business through the acquisition of assets and the transfer of staff. The acquisition, completed on April 29, 2022, will reinforce Ramirent's expertise in road traffic safety in Sweden.

On May 31, 2022, Ramirent Safe Access AB, a fully owned subsidiary of Ramirent Group, which offers services and solutions in scaffolding, weather protection and fall protection, acquired the assets of Monteringsställningar, based in Sala in Sweden.

On May 20, 2022, Loxam's IT Department detected a cyber-attack. All of the Group's cybersecurity procedures were immediately activated in order to stop the spread of the attack and to protect the company and its affected parties. Despite the temporary shutdown or slowdown of certain functions, commercial activity was maintained. From May 25, 2022, the company was able to resume its normal activity. Following the data theft suffered by Loxam, the incident was declared to the authorities as well as the Group’s insurers and other stakeholders (customers, suppliers, and staff).

On July 11, 2022, Hune Rental acquired Talleres Arteixo S.L.U. (Arteixo Maquinaria) which operates 2 branches in Arteixo and Santiago de Compostela, in the north of Spain.

On July 29, 2022, Loxam acquired Sofranel SAS and Société Cominoise de Location SAS (SCL), which operate 2 branches in the north of France.

On August 1st, 2022, Ramirent AS, a fully owned subsidiary of Ramirent Group, acquired the assets of Rolf Wee Transport AS, reinforcing operating activities in the Haugesund region in Norway.

On September 9, 2022, the Group announced the signing of a €130 million loan with the European Investment Bank (EIB), the first in France to be labelled “green loan” by the EIB.

On September 30, 2022, Ramirent Finland, entered into an agreement to acquire the assets of Pekkanista Oy, based in Vantaa.

Also, during the third quarter, the Group completed a total of €16.8 million of bonds buybacks on the 4.5% Senior Subordinated Notes due in 2027.

Post quarter events

In October, the Group continued to complete some buybacks on the 4.5% Senior Subordinated Notes due in 2027 and the 5.75% Senior Subordinated Notes due in 2027, resulting in a further €15 million gross debt reduction.

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, the rent expenses related to lease contracts for real estate, heavy vehicles and light vehicles in the scope of IFRS 16 standard are cancelled.

- ***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 amortization of intangible assets (trademarks and customer relationships) as well as depreciation of the right-of-use assets as per IFRS 16.
- ***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 from 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 September 30, 2022, 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 35% 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 the results of operations for the quarters ended September 30, 2022 and 2021.

Consolidated Income Statement according to IFRS *(in millions of euros)*	**Quarter ended September 30, 2021**	**2022**
Revenue	**555.4**	**613.7**
Other income [(1)]	12.3	17.0
Purchases consumed	(52.2)	(59.8)
Personnel expenses	(134.9)	(147.2)
Other current expenses	(165.1)	(183.5)
Taxes and duties	(4.2)	(4.2)
Depreciation and amortization	(130.3)	(144.9)
Profit from ordinary operations	**81.0**	**91.1**
Other operating income and expense [(2)]	(0.2)	(39.8)
Operating profit	**80.9**	**51.3**
Financial income and expense	(44.4)	(33.0)
Profit before tax	**36.5**	**18.3**
Share of profit of associates	0.6	-
Income tax expense	(9.0)	(10.4)
Net profit	**28.2**	**7.9**
Non-controlling interests	0.4	0.2
Net profit, group share	**27.8**	**7.7**

Notes:

(1) Other income includes capital gains on fleet disposals amounting to €12.6 million and €9.0 million in Q3 2022 and Q3 2021 respectively.

(2) Other operating income and expense for Q3 2022 includes an impairment of the goodwill of Rapid Access Middle East for €(30) million, the write-down of the investment in Fortrent for €(9.5) million and acquisition costs for €(0.3) million.
Other operating income and expense for Q3 2021 included acquisition costs for €(0.2) million.

The table disclosed below sets out our results of operations for the nine months ended September 30, 2022 and 2021.

Consolidated Income Statement according to IFRS	**Nine months ended September 30,**	
(in millions of euros)	**2021**	**2022**
Revenue	**1,599.8**	**1,781.8**
Other income [(1)]	36.6	40.3
Purchases consumed	(157.5)	(177.6)
Personnel expenses	(427.4)	(460.4)
Other current expenses	(462.6)	(531.7)
Taxes and duties	(13.6)	(14.7)
Depreciation and amortization	(388.9)	(419.2)
Profit from ordinary operations	**186.5**	**218.6**
Other operating income and expense [(2)]	(1.7)	(39.9)
Operating profit	**184.7**	**178.7**
Financial income and expense	(119.4)	(107.2)
Profit before tax	**65.3**	**71.5**
Share of profit of associates	0.8	-
Income tax expense	(12.1)	(23.2)
Net profit	**54.1**	**48.3**
Non-controlling interests	1.2	0.2
Net profit, group share	**52.9**	**48.1**

Notes:

(1) Other income includes capital gains on fleet disposals amounting to €32.2 million and €29.9 million in the nine months period ended September 30, 2022 and 2021 respectively.

(2) Other operating income and expense for the nine months period ended September 30, 2022 includes an impairment of the goodwill of Rapid Access Middle East for €(30) million, the write-down of the investment in Fortrent for €(9.5) million and acquisition costs for €(0.4) million.
Other operating income and expense for the nine months period ended September 30, 2021 included impairment of capitalized costs related to non-completed projects in Sweden for €(0.6) million, acquisition costs for €(0.7) million and the full depreciation of the Nacanco trademark for €(0.4) million.

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.

The following table sets out these key figures in each of the main geographies for the three months period and nine months period ended September 30, 2022 and 2021.

	Quarter ended September 30,		**Nine months ended September 30,**	
(in millions of euros)	**2021**	**2022**	**2021**	**2022**
Revenue				
France	226.3	240.6	683.7	724.3
Nordic Countries	166.8	186.3	471.3	536.1
Rest of the World	162.3	186.8	444.9	521.5
Total Revenue	**555.4**	**613.7**	**1,599.8**	**1,781.8**
EBITDA				
France	86.3	95.5	254.8	271.6
Nordic Countries	59.5	64.2	148.0	166.9
Rest of the World	65.5	76.3	172.6	199.3
Total EBITDA	**211.3**	**236.0**	**575.3**	**637.8**
EBITDA margin	*38.0%*	*38.5%*	*36.0%*	*35.8%*

Quarter ended September 30, 2022 compared to quarter ended September 30, 2021

Revenue

Revenue increased by 10.5% to €613.7 million in the third quarter of 2022 from €555.4 million in the third of 2021. At constant perimeter and exchange rates, revenue increased by 9.5% as all geographies still benefitted from a good level of demand from their customers also supported by the Capex program which remain in the line with the annual objective. Moreover, the Group continued to adjust prices in rental rates and services to pass through the inflation of its costs.

Revenue in France increased by 6.3% to €240.6 million in the third quarter of 2022 compared to €226.3 million in the third quarter of 2021. Economic conditions in the construction industry remained good and the revenue trend experienced in H1 continued during Q3 thanks to the delivered capex.

Revenue of activities in Nordic countries increased by 11.7% to €186.3 million in Q3 2022 from €166.8 million in Q3 2021. At constant perimeter and exchange rates, revenue increased by 13.3%. The rebound of the revenue continued in Q3 supported by higher demand for services.

In the Rest of the World, revenue increased by 15.1% to €186.8 million (+11.8% at constant perimeter and exchange rate) against the same period of last year at €162.3 million. This Division still benefitted from good activity in Southern Europe.

Other operating income

Other income increased by 38.5% to €17.0 million in the quarter ended September 30, 2022 from €12.3 million in the quarter ended September 30, 2021, mainly due the higher capital gains on fleet disposals in Q3 2022 compared to Q3 2021.

Purchases consumed

Purchases consumed increased by 14.5% to €59.8 million for the quarter ended September 30, 2022 compared to €52.2 million for the quarter ended September 30, 2021. This increase was mainly due to higher fuel costs and higher prices for spare parts.

Personnel expenses

Personnel expenses increased by 9.1% to €147.2 million in the quarter ended September 30, 2022 from €134.9 million in the quarter ended September 30, 2021 due to the increase in wages and staff numbers.

Other current expenses

Other current expenses increased by 11.1% to €183.5 million in the quarter ended September 30, 2022 from €165.1 million in the quarter ended September 30, 2021. Haulage cost, energy prices and cost for spare parts were the most impacted by inflation. Also bad debt increased during the quarter ended September 2022, from a low level during 2021.

Depreciation, amortization and provisions

Depreciation and amortization for property, plant and equipment increased by 14.4% to €106.0 million in the quarter ended September 30, 2022 compared to €92.7 million in the quarter ended September 30, 2021, as the fleet capex increased significantly in 2022.

The amortization expense of intangible assets amounted to €11.3 million in Q3 2022 compared to €11.8 million in Q3 2021.
The depreciation of the right-of-use assets amounted to €27.7 million in Q3 2022 compared to €25.8 million in Q3 2021.

Other operating income and expense

Other operating expense amounted to €(39.8) million in the quarter ended September 30, 2022. We decided to book a non-cash impairment of the goodwill of Rapid Access Middle East for €(30) million in the face of rising cost of capital. We also decided to write-down the value of our investment in Fortrent for €(9.5) million. At last, we incurred acquisition costs for €(0.3) million for the M&A transactions.

Financial income and expense

Net financial expense decreased by €11.4 million to €33.0 million in the quarter ended September 30, 2022, compared to €44.4 million in Q3 2021. The main savings versus last year resulted from the one-off set-up cost of the RCF facility in Q3 2021, while a €3.4 million capital gain were recognized in Q3 2022 on the €16.8 million of bonds bought back on the 4.5% Subordinated Notes due in 2027.

Income tax

Profit before tax amounted to €18.3 million in the quarter ended September 30, 2022 compared to €36.5 million in the quarter ended September 30, 2021.
Income tax was an expense of €(10.4) million in the quarter ended September 30, 2022 compared to an expense of €(9.0) million in the quarter ended September 30, 2021, mainly due to the €30 million impairment charge of the goodwill of Rapid Access Middle East that does not affect taxable income.

Net profit, group share

We recorded a net profit, group share of €7.7 million in the quarter ended September 30, 2022 compared to a profit of €27.8 million in the quarter ended September 30, 2021.

EBITDA

We define EBITDA as profit from ordinary operations plus depreciation and amortization of fixed assets and right-of-use of leased assets (in accordance with the application of IFRS 16). The following table presents a reconciliation of EBITDA to operating income and net income for the periods indicated.

	Quarter ended September 30 ,		**Nine months ended September 30 ,**	
(in millions of euros)	**2021**	**2022**	**2021**	**2022**
EBITDA	**211.3**	**236.0**	**575.3**	**637.8**
Depreciation and amortization	(130.3)	(144.9)	(388.9)	(419.2)
Profit from ordinary operations	**81.0**	**91.1**	**186.5**	**218.6**
Other operating income and expense	(0.2)	(39.8)	(1.7)	(39.9)
Operating profit	**80.9**	**51.3**	**184.7**	**178.7**
Financial income and expense	(44.4)	(33.0)	(119.4)	(107.2)
Share of profit of associates	0.6	-	0.8	-
Income tax expense	(9.0)	(10.4)	(12.1)	(23.2)
Net profit	**28.2**	**7.9**	**54.1**	**48.3**

EBITDA increased by 11.7% and amounted to €236.0 million in Q3 2022 compared to €211.3 million in Q3 2021. At constant perimeter and exchange rate, EBITDA increased by 10.6%. The EBITDA margin increased to 38.5% from 38.0% in Q3 2021.

France generated an EBITDA of €95.5 million in Q3 2022, increasing by 10.7% from €86.3 million in Q3 2021, stimulated by the organic growth, a higher level of capital gains and by the contribution of Sofranel. The EBITDA margin therefore increased by 1.6 point to 39.7%.

Nordic countries posted an EBITDA of €64.2 million in Q3 2022, representing an increase of 10.1% at constant perimeter and exchange rates, while the EBITDA margin remained resilient at 34.4%. The division managed to adjust the price for its services given the inflation of these costs.

In the Rest of the World, EBITDA increased by 13.1% to €76.3 million at constant perimeter and exchange rate, thanks to the good growth in most of the countries in Europe. The EBITDA margin gained 0.5 point to reach 40.8%.

Capital expenditures

In Q3 2022, gross capital expenditures amounted to €174.6 million, compared to €107.2 million in Q3 2021. Fleet capital expenditures amounted to €163.1 million in Q3 2022, compared to €98.5 million in Q3 2021.

In Q3 2022, the gross book value of disposed rental equipment was €48.6 million, compared to €40.0 million in Q3 2021.

Free cash flow

We define free cash flow as EBITDA (excluding non-cash IFRS 16 impact) less 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-back, acquisitions and high yield amortization costs. 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 differently than we do. Free cash flow is not a measure of financial performance 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 Q3 2022, Loxam recorded a negative recurring free cash flow of €(31.2) million compared to a positive recurring free cash flow of €14.3 million in Q3 2021, mainly explained by an increasing level of fleet capex.

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

(in millions of euros)	**Quarter ended September 30,**		**Nine months ended September 30,**	
	2021	**2022**	**2021**	**2022**
EBITDA post IFRS 16	**211.3**	**236.0**	**575.3**	**637.8**
Rents IFRS 16 impact	(28.1)	(29.9)	(83.8)	(88.4)
EBITDA pre IFRS 16	**183.2**	**206.1**	**491.5**	**549.4**
+ Capital gains on fleet disposals and other items	(9.5)	(12.6)	(32.8)	(33.4)
+ Proceeds from disposals of fixed assets	13.8	16.9	44.3	45.2
- Gross capital expenditures	(107.2)	(174.6)	(265.9)	(559.6)
- Financial income and expense (1)	(38.5)	(28.9)	(108.6)	(92.8)
- Income taxes (2)	(8.2)	(6.2)	(14.4)	(19.9)
- +/- Change in working capital requirement (3)	(19.3)	(31.9)	(22.8)	(90.7)
Recurring Free cash flow	**14.3**	**(31.2)**	**91.2**	**(201.7)**
Non-recurring items (4)	-	-	-	(27.4)
Free cash flow(5)	**14.3**	**(31.2)**	**91.2**	**(229.1)**
Acquisition	(0.3)	(60.8)	(34.7)	(60.8)
Dividends	-	-	(22.5)	(25.5)
Issue costs amortization and currency variations	(1.0)	(0.0)	(9.4)	0.6
Change in IFRS 16 lease liability	(4.7)	(4.3)	1.5	(10.5)
Change in net debt (6)	**8.4**	**(96.4)**	**26.2**	**(325.3)**

(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 €1.1 million in the nine months period ended September 30, 2022 and €(0.1)million in the nine months period ended September 30, 2021.

(4) The non-recurring items correspond to a one-off payment as part of a change in the VAT payment in France occurred in Q1 22.

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

(6) 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	
(in millions of euros)	**December 31, 2021**	**September 30, 2022**
2023 Senior Secured Notes	250.0	-
2022 Senior Secured Notes	300.0	-
2024 Senior Secured Notes	300.0	300.0
2025 Senior Subordinated Notes	119.6	119.6
2025 Senior Secured Notes	700.0	700.0
2026 Senior Secured Notes	750.0	750.0
2027 Senior Subordinated Notes	434.4	417.6
2027 Senior Secured Notes	-	350.0
Issuance costs related to notes	(12.6)	(9.7)
Bank loans on bilateral credit facilities	334.2	564.6
Commercial papers	94.0	96.5
State guarantee loans	237.4	215.2
Accrued interest on debt securities and loans	24.4	23.3
Lease debt	266.3	389.1
IFRS 16 lease liabilities	334.7	345.2
Other financial debt	4.3	4.7
Bank overdrafts	2.5	5.1
Loans and financial debt (gross debt)	**4,139.2**	**4,271.2**
Cash	(367.6)	(173.0)
Marketable investment securities	(103.3)	(104.6)
Cash and cash equivalents	**(470.9)**	**(277.6)**
Net debt	**3,668.3**	**3,993.5**

Net debt increased by €325.3 million to €3,993.5 million as of September 30, 2022 from €3,668.3 million as of December 31, 2021, primarily as a result of a negative free cash flow of €(229.1) million, the dividends payment of €(25.5) million and the acquisitions of Arteixo, Sofranel and SCL for a total amount of €(61) million.

On January 31, 2022, the Group issued a Senior Secured Note 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 the €300 million Senior secured Note due in 2022 and the €250 million Senior secured Note due in 2023 for an outstanding amount of €550 million.

During Q3, the group repurchased some subordinated notes for a notional amount of €16.8 million.

As of September 30, 2022, our gross debt (excluding derivatives and including lease liabilities) amounted to €4,271.2 million, compared to €4,139.2 million as of December 31, 2021. During the first nine months of 2022 the amount of bilateral loans, finance leases and commercial papers increased by €355.7 million.

As of September 30, 2022, we had €2,627.5 million of outstanding bond debt, after deduction of €9.7 million of issuance costs. Our bond debt of €2,637.2 million comprised €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 €174.3 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 and €350.0 million of senior secured notes due in February 2027.

As of September 30, 2022, bilateral facilities from banks amounted to €564.6 million, finance leases to €389.1 million, commercial papers at Ramirent to €96.5 million, and the loans with a state guarantee to €215.2 million. In the nine-month period ended September 30, 2022, new bilateral loans and finance leases were entered into for €337.8 million and €199.1 million respectively.

Cash and cash equivalents on the balance sheet amounted to €277.6 million as of September 30, 2022.

Debt maturity profile

The table below provides the maturity profile of the outstanding indebtedness, as of September 30, 2022.

(in millions of euros; excluding IFRS 16)	**Total**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029 and later**
Bilateral loans	564.6	21.2	262.4	88.6	68.4	64.9	53.8	5.2	0.2
Commercial papers	96.5	90.5	6.0	-	-	-	-	-	-
State guarantee loans [(1)]	215.2	25.0	54.4	55.6	51.9	26.0	2.3	-	-
Lease liabilities	389.1	31.3	115.1	83.2	65.9	52.1	32.0	8.2	1.3
Loans and financial debt owed to credit institutions...	**1,265.4**	**168.0**	**437.8**	**227.4**	**186.2**	**143.0**	**88.1**	**13.4**	**1.5**
Other financial debt.................................	4.7	2.6	2.1	-	-	-	-	-	-
2017 senior secured notes due 2024	300.0	-	-	300.0	-	-	-	-	-
2017 senior subordinated notes due 2025	119.3	-	-	-	119.3	-	-	-	-
2019 senior secured notes due 2026	299.2	-	-	-	-	299.2	-	-	-
2019 senior subordinated notes due 2027	173.7	-	-	-	-	-	173.7	-	-
2019 senior secured notes due 2025	699.0	-	-	-	699.0	-	-	-	-
2019 senior secured notes due 2026	447.3	-	-	-	-	447.3	-	-	-
2019 senior subordinated notes due 2027	241.3	-	-	-	-	-	241.3	-	-
2022 senior secured notes due 2027	347.5	-	-	-	-	-	347.5	-	-
Total debt [(2)]	**3,897.6**	**170.5**	**439.9**	**527.4**	**1,004.5**	**889.5**	**850.7**	**13.4**	**1.5**

(1) Include the French loan of €185.7 million with a last maturity in 2026, the Spanish loan of €16.2 million with a last maturity in 2027, the Italian loan of €11.2 million with a last maturity in 2027, the Portuguese loan of €1.6 with a last maturity in 2026 and the Swiss loan of CHF 0.4 million, with a last maturity in 2027.

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

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 €174 million at September 30, 2022 for a maximum term in July 2025. These derivatives are recognized in financial asset for an amount of €7.6 million at September 30, 2022. As of September 30, 2022, 88% of our financial debt has a fixed interest rate.

The majority of our revenue (64% in Q3 2022), expenses and obligations are denominated in euros. However, we are exposed to foreign exchange rate risk, primarily in respect of Norwegian krone, Swedish krona, Czech koruna. Our foreign exchange rate derivative financial instruments as of September 30, 2022 covered current liabilities denominated in Norwegian krone for NOK 565.0 million, Swedish krona for SEK 430.0 million and Czech koruna for CZK 250.0 million.

Critical Accounting Policies and Estimates

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

LOXAM GROUP

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

30 September 2022

CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2022

Statement of financial position

ASSETS (€'000)	Notes	31.12.2021	30.09.2022
Intangible assets and goodwill	4	2,297,191	2,253,643
Property, plant and equipment	5	2,227,420	2,492,013
Investments in associates	6	9,452	-
Financial assets	7	18,771	18,092
Financial derivatives	13	1,175	11,037
Deferred tax assets	22	14,113	10,815
Non-current assets		**4,568,122**	**4,785,601**
Inventories	8	54,058	62,940
Trade and other receivables	9	455,081	526,044
Other current assets	10	55,445	67,624
Corporate income tax receivables	10	12,192	3,807
Cash and cash equivalents	11	470,943	277,647
Current assets		**1,047,719**	**938,062**
Total assets		**5,615,841**	**5,723,662**

LIABILITIES (€'000)	Notes	31.12.2021	30.09.2022
Share capital	12	222,560	222,560
Additional paid-in capital		1,882	1,882
Consolidated reserves		401,721	456,014
Net profit for the year		74,267	48,136
Shareholders' equity (Group share)		**700,429**	**728,591**
Non-controlling interests		5,206	6,233
Total equity		**705,636**	**734,824**
Employee benefits	15	53,339	41,824
Deferred tax liabilities	22	200,227	201,413
Borrowings and financial debt	14	3,403,987	3,755,083
Financial derivatives	13	2,926	190
Non-current liabilities		**3,660,480**	**3,998,509**
Provisions	16	10,243	8,358
Borrowings and financial debt	14	735,210	516,093
Trade and other payables	17	309,058	278,347
Other liabilities	17	187,680	176,393
Corporate income tax liabilities	17	7,535	11,138
Current liabilities		**1,249,726**	**990,330**
Total shareholders' equity and liabilities		**5,615,841**	**5,723,662**

Consolidated income statement and statement of comprehensive income

€'000	Notes	30.09.2021	30.09.2022
Revenue	18	**1,599,826**	**1,781,833**
Other income		36,596	40,336
Operating income		**1,636,422**	**1,822,170**
Purchases consumed		(157,455)	(177,625)
Personnel expenses	19	(427,387)	(460,399)
Other current expenses		(462,638)	(531,668)
Taxes and duties		(13,611)	(14,692)
Depreciation and amortization – Property, plant and equipment		(353,955)	(385,193)
Depreciation and amortization – Intangibles assets		(34,896)	(33,991)
Profit from ordinary operations	18	**186,478**	**218,603**
Other operating incomes	20	0	0
Other operating expenses	20	(1,731)	(39,893)
Operating profit		**184,747**	**178,709**
Interest and financing-related expenses		(108,045)	(112,997)
Other financial income and expenses		(11,356)	5,789
Financial income (expense)	21	**(119,400)**	**(107,209)**
Profit before tax		**65,347**	**71,501**
Share of result in associates and joint ventures	6	837	0
Income tax expense	22	(12,134)	(23,187)
Net profit		**54,050**	**48,314**
Non-controlling interests		1,176	178
Net profit, Group share		**52,875**	**48,136**

	30.09.2021	30.09.2022
Net profit	**54,050**	**48,314**
Exchange gains or losses	13,369	(9,697)
Fair value of derivative instruments	860	4,786
Tax	-	-
Items recycled to profit or loss	***14,229***	***(4,911)***
Remeasurement of liabilities for defined benefit retirement plans	4,822	14,304
Tax	(1,034)	(3,048)
Items not recycled to profit or loss	***3,788***	***11,256***
Other comprehensive income	**18,017**	**6,345**
Comprehensive income	**72,067**	**54,659**

EBITDA (a)	**18**	**575,330**	**637,786**

(a) 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	30.09.2021	31.12.2021	30.09.2022
Net profit		**54,050**	**75,226**	**48,314**
Share of result in associates and joint ventures	6	(837)	(1,275)	0
Income tax expense (including deferred tax)	22	12,134	18,773	23,187
Net finance costs	21	119,400	158,991	107,209
Other operating income and expense		1,015	1,016	9,452
Depreciation and provisions, net of reversals		387,381	519,954	448,837
Capital gains on asset disposals		(30,976)	(42,680)	(32,715)
Cash flow from operations (before cost of financing and tax)		**542,168**	**730,006**	**604,284**
Income tax paid		(14,426)	(15,751)	(19,866)
Financial interest paid		(117,355)	(161,066)	(107,299)
Financial interest received		1,554	2,418	5,827
Change in working capital requirements		(22,774)	50,872	(118,078)
Cash flow from operating activities	**A**	**389,167**	**606,479**	**364,869**
Impact of changes in scope		(30,700)	(38,528)	(44,011)
Acquisitions of fixed assets		(336,234)	(556,688)	(653,532)
Disposals of fixed assets		44,287	61,492	45,248
Cash flow from investing activities	**B**	**(322,646)**	**(533,724)**	**(652,296)**
Dividends paid		(22,482)	(22,482)	(25,479)
Capital movements		-	(12,383)	-
Proceeds from loans and borrowings	14	201,627	298,981	993,554
Repayment of loans and borrowings	14	(275,565)	(497,216)	(877,336)
Cash flow from financing activities	**C**	**(96,420)**	**(233,100)**	**90,739**
Change in cash and cash equivalents	**A+B+C**	**(29,898)**	**(160,345)**	**(196,688)**
Cash and cash equivalents at beginning of period		627,805	627,805	468,439
Cash and cash equivalents at end of period		598,923	468,439	272,554
Impact of exchange rate fluctuations		(1,015)	(978)	(803)
Change in cash and cash equivalents		**(29,898)**	**(160,345)**	**(196,688)**

Other marketable securities		103,057	103,322	104,629
Cash at bank and on hand		498,831	367,621	173,018
Current bank borrowings		(2,965)	(2,505)	(5,092)
Cash and cash equivalents		**598,923**	**468,439**	**272,554**

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 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 (a)……………			(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**
Net profit for the period……..			48,136		48,136	178	48,314
Employee benefits				11,256	11,256	0	11,256
Fair value of derivative instruments………………………..				4,773	4,773	13	4,786
Exchange gains or losses …….				(10,532)	(10,532)	835	(9,697)
Comprehensive income			**48,136**	**5,498**	**53,634**	**1,025**	**54,659**
Dividends…………………………..			(25,479)		(25,479)		(25,479)
Other movements……………..			8		8	1	9
At 30 September 2022	**222,560**	**1,882**	**498,401**	**5,749**	**728,591**	**6,233**	**734,824**

(a) For year 2021, the opening adjustments are linked to:

- IFRIC decision related to configuration costs for SaaS contracts €(1.7) million (net of taxes)
- The change in accounting policy related to the interpretation of IFRS IC for post-employment benefit plans €2.3 million (net of taxes)

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 of September 30, 2022, 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

Situation in Ukraine and Russia

Since February 2022, the war in Ukraine has destabilized the financial and commodity markets, resulting in an uncertain economic situation in Europe in 2022.
The Group has no activity in Ukraine, it operates in Russia through Fortrent, a 50% owned joint venture with Cramo Oy. The Group's stake in this entity is accounted for under the equity method.

Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended September 30, 2022 to:

- reverse the net result of Fortrent (gain of €2.0 million for the nine-month period),
- neutralize the effect of the increase of the rouble as it does not reflect normal currency market conditions (increase of €5.5 million of the value of the investment in associates),
- depreciate the receivable with Fortrent, considering a risk of non-collectability (balance of €0.8 million at end of September 30, 2022),
- record a write-down of €9.5 million, representing the full amount of the carrying value of its investment in Fortrent.

Significant events of the nine-month period

On February 10, 2022, the Group issued a Senior secured bond for a notional amount of €350 million with a maturity date 2027, paying a coupon of 4.5%. The proceeds from this new issue together with cash were used for the early redemption of two bonds for an outstanding amount of €550 million on the same date:

- 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%).

On March 17, 2022, RentSafe Sverige AB, a fully owned subsidiary of Ramirent Group, and ATA Hill & Smith AB have entered into an agreement to acquire ATA's rental and contracting business through the acquisition of assets and the transfer of staff. The acquisition, completed on April 29, 2022, will reinforce Ramirent's expertise in road traffic safety in Sweden.

On May 31, 2022, Ramirent Safe Access AB, a fully owned subsidiary of Ramirent Group, which offers services and solutions in scaffolding, weather protection and fall protection, acquired the assets of Monteringsställningar, based in Sala in Sweden.

On May 20, 2022, Loxam's IT Department detected a cyber-attack. All of the Group's cybersecurity procedures were immediately activated in order to stop the spread of the attack and to protect the company and its affected parties. Despite the temporary shutdown or slowdown of certain functions, commercial activity was maintained. From May 25, 2022, the company was able to resume its normal activity. Following the data theft suffered by Loxam, the incident was declared to the authorities as well as the Group's insurers and other stakeholders (customers, suppliers, and staff).

On July 11, 2022, Hune Rental acquired Talleres Arteixo S.L.U. (Arteixo Maquinaria) which operates 2 branches in Arteixo and Santiago de Compostela, in the north of Spain.

On July 29, 2022, Loxam acquired Sofranel SAS and Société Cominoise de Location SAS (SCL), which operate 2 branches in the north of France.

On August 1st, 2022, Ramirent AS, a fully owned subsidiary of Ramirent Group, acquired the assets of Rolf Wee Transport AS, reinforcing operating activities in the Haugesund region in Norway.

On September 9, 2022, the Group announced the signing of a €130 million loan with the European Investment Bank (EIB), the first in France to be labelled "green loan" by the EIB.

On September 30, 2022, Ramirent Finland, entered into an agreement to acquire the assets of Pekkanista Oy, based in Vantaa.

Also, during the third quarter, the Group completed a total of €16.8 million of bonds buybacks on the 4.5% Senior Subordinated Notes due in 2027.

Post quarter events

In October, the Group continued to complete some buybacks on the 4.5% Senior Subordinated Notes due in 2027 and the 5.75% Senior Subordinated Notes due in 2027, resulting in a further €15 million gross debt reduction.

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 draw 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 8, 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).

Note 2 – Accounting principles

2.1. Basis of preparation and presentation

The interim consolidated financial statements (the "interim financial statements") for the six-month period ended September 30, 2022 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures.

These interim financial statements have been prepared by the Group in a voluntary and non-mandatory basis. They have been prepared in accordance with IAS 34 "Interim financial reporting" and should be read in addition to the latest annual consolidated financial statements of the Group for financial year 2021 ("the latest annual financial statements"). They do not include all the mandatory information for a complete financial report according to IFRS. However, they include a selection of notes explaining significant events and major operations to understand the change in statement of financial position and the Group's performance since the latest annual financial statements.

The Group's consolidated financial statements are prepared in euros, which is the parent company's functional currency. They are prepared on a historical cost basis, with the exception of certain categories of assets and liabilities, measured at fair value, in accordance with IFRS. The categories concerned are mentioned in the following notes. 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. 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.

2.3. Comparability of the financial statements

The Group's consolidated financial statements for the nine-month period ended September 30, 2022 include nine months of activity of JM Trykluft and Maskinslussen, acquired on June 1, 2021 and June 10, 2021 respectively and consolidated as from June 1, 2021, three months of activity of Talleres Arteixo (acquired in July 11, 2022 and consolidated as from June 1, 2022) and two months of activity of Sofranel and Société Cominoise de Location (acquired in July 29, 2022 and consolidated as from August 1, 2022). The purchase price allocations of Arteixo, Sofranel and SCL are not finalized to date.

2.4. 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.

2.5. 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.

2.6. 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 September 30, 2022 (euro vs. currency):

1 EUR =		Closing period rate	Average rate	Opening period rate
AED	Arabic Emirates dirham	3,5068	3,9231	4,1418
BHD	Bahraini dinar	0,3604	0,4028	0,4252
BRL	Brazilian real	5,1606	5,5070	6,4165
CHF	Swiss franc	0,9476	1,0134	1,0358
COP	Colombian peso	4 369,6900	4 343,3133	4 586,4400
CZK	Czech koruna	24,6820	24,6246	24,7820
DKK	Danish krone	7,4368	7,4400	7,4377
GBP	Pound sterling	0,8830	0,8454	0,8363
MAD	Moroccan dirham	10,6076	10,5781	10,4585
NOK	Norwegian krone	10,4823	9,9938	10,0099
OMR	Omani rial	0,3678	0,4114	0,4345
PLN	Polish zloty	4,8188	4,6675	4,5712
QAR	Qatari riyal	3,5159	3,9030	4,1439
SAR	Saudi riyal	3,5932	4,0035	4,2356
SEK	Swedish krona	10,9423	10,5102	10,2725

2.7. 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.

2.8. 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 2.16 (Cash and cash equivalents) and Note 2.17 (Derivative financial instruments).

2.9. 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 2.5.

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.

2.10. 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. Land is 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.

2.11. 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.

2.12. 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.

Inflationary pressures, interest rate rises and increase in raw materials and energy costs have significantly impacted the global macroeconomic environment. In this context, the Group has closely monitored any indications of impairment loss over 2022.
For the nine-month period ended September 30, 2022, the performance of Rapid Access (Middle East) has not improved. Consequently, impairment testing has been performed on this CGU. Considering the revised operating assumptions (based on the business outlook and EBITDA projections), the high sensitivity of the enterprise value to the WACC rate and the economic uncertainties, the Group has recorded an impairment of the goodwill of Rapid Access for an amount of €30,000k. This impairment is presented in other operating expenses (see Note 4 and 20).

2.13. 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.

2.14. 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.

2.15. 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.

The Group is using an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At September 30, 2022, the Group has assessed the expected credit loss considering reasonable and supportable information at the closing date.

2.16. 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.

2.17. 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 2.8.

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).

2.18. 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 Norwegian krone, Swedish krona and Czech Koruna 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.

2.19. 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 into 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.

2.20. 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.

2.21. 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.

2.22. Trade payables and related

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

2.23. 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.

2.24. 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 described 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.

2.25. Other income

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

2.26. 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.

2.27. 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.

2.28. 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	887672137	100%	51%	Full
SAS SOFRANEL	312126824	100%	100%	Full
SAS SOCIETE COMINOISE DE LOCATION	433391422	100%	100%	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
TALLERES ARTEIXO	Spain	100%	100%	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) 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.

(b) 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.

(c) 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 September 30, 2022

€'000	Intangible assets	Goodwill	Total
Net book value at beginning of year	**448,948**	**1,848,244**	**2,297,191**
Changes in scope (a)	36	31,037	**31,072**
Increase	2,699	-	**2,699**
Amortization and depreciation of the period (b)	(33,856)	(30,000)	**(63,856)**
Decrease / disposals	(1)	-	**(1)**
Reclassification	343	-	**343**
Exchange gains or losses (c)	(2,449)	(11,357)	**(13,805)**
Net book value at end of the period	**415,719**	**1,837,924**	**2,253,643**

(a) Preliminary goodwill of Arteixo, Sofranel and SCL before PPA allocation (see calculation below).
(b) Impairment of the goodwill of Rapid Access (Middle East) for €30,000k
(c) Exchange variations mainly concern the Lavendon group.

The preliminary goodwill arising from the acquisitions of Arteixo, Sofranel and Société Cominoise de Location (SCL) has been calculated as following:

€'000	Arteixo	Sofranel	SCL	Total
Consideration transferred	22,039	22,704	3,696	48,439
Net identifiable assets	8,299	7,692	1,411	17,402
Goodwill	**13,740**	**15,012**	**2,285**	**31,037**

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. Goodwill is tested at least once a year and whenever indications of impairment arise.

Inflationary pressures, interest rate rises and increase in raw materials and energy costs have significantly impacted the global macroeconomic environment. In this context, the Group has closely monitored any indications of impairment loss over 2022.

For the nine-month period ended September 30, 2022, the performance of Rapid Access (Middle East) has not improved. Consequently, impairment testing has been performed on this CGU. Considering the revised operating assumptions (based on the business outlook and EBITDA projections), the high sensitivity of the enterprise value to the WACC rate and the economic uncertainties, the Group has recorded an impairment of the goodwill of Rapid Access for an amount of €30,000k. This impairment is presented in other operating expenses.

The key assumptions used were as follows:

	Rapid Access Middle East	
%	**31.12.2021**	**30.09.2022**
Discount rate	8,9%	10,5%
Perpetuity growth rate	3,0%	4,0%

Trademarks and customer relationships at September 30, 2022

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at September 30, 2022:

€'000	Trademarks	Customer Relationships	Total
Lavendon Group	7,544	32,019	39,563
Hune Group	-	1,900	1,900
Loxam Access SRL	-	643	643
Ramirent Group	86,350	270,768	357,119
JMT	469	5,251	5,720
Maskinslussen	214	2,223	2,437
Net value at end of the period	**94,577**	**312,804**	**407,382**

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**

Note 5 – Property, plant and equipment

Change in property, plant and equipment at September 30, 2022

At September 30, 2022, the gross book value of the Group's fleet amounts to € 4,999,805 k.

€'000	Rental equipment	Other (a)	Total
Net value at beginning of year	**1,753,331**	**474,089**	**2,227,420**
Changes in scope	28,689	3,019	**31,708**
Increase	527,045	125,956	**653,001**
Amortization and depreciation of the year	(279,997)	(105,196)	**(385,193)**
Decrease / disposals	(10,821)	(3,407)	**(14,227)**
Reclassification	(826)	(890)	**(1,716)**
Exchange gains or losses	(16,218)	(2,761)	**(18,979)**
Net value at end of the period (b)	**2,001,203**	**490,810**	**2,492,013**

(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 September 30, 2022, 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	252,777	47,031	22,742	**322,550**
Net value at end of the period	256,563	51,325	24,725	**332,614**

(b) Property acquired under finance leases are historically included in the "Rental Equipment" column. The net book value amounted to €527,288k at the end of the period.

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**

Note 6 – Investments in associates

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

Considering the level of uncertainty on its business operations in Russia and the high volatility of the rouble, the Group has decided for the period ended September 30, 2022 to:

- reverse the net result of Fortrent (gain of €2,045k for the nine-month period),
- neutralize the effect of the increase of the rouble as it does not reflect normal currency market conditions (increase of €5,509k of the value of the investment in associates),
- record a write-down of €9,452k representing the full amount of the carrying value of its investment in Fortrent.

€’000	31.12.2021	30.09.2022
Value at beginning of the period	**7,536**	**9,452**
Group share in earnings for the year	1,275	-
Exchange gains or losses	641	-
Write-down	-	(9,452)
Value at end of the period	**9,452**	**-**

Note 7 – Financial assets

Change of Financial assets at September 30, 2022

This heading primarily concerns security deposits paid 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	**13,079**	**5,692**	**18,771**
Change in scope	33	53	86
Increase	733	55	788
Decrease	(448)	(609)	(1,057)
Other movements (a)	(10)	(776)	(785)
Exchange gains or losses	468	(178)	291
Net value at end of the period	**13,855**	**4,237**	**18,092**

(a) Includes the full depreciation of the receivable balance with Fortrent in 2022

Change of Financial assets at December 31, 2021

€'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**

Note 8 – Inventories

€'000 - Net value	31.12.2021	30.09.2022
Spare Parts and consumables	15,797	19,716
Fuel	3,082	3,954
Retail	35,179	39,270
Total inventories	**54,058**	**62,940**

Note 9 – Trade and other receivables

€'000	31.12.2021	30.09.2022
Gross value	547,675	627,478
Impairment	(92,594)	(101,433)
Total trade and other receivables - net	**455,081**	**526,044**

Note 10 – Income tax receivables and other current assets

€'000	31.12.2021	30.09.2022
Income tax receivables	12,192	3,807
Prepaid expenses	24,395	30,076
Other receivables	31,050	37,548
Other current assets	55,445	67,624
Total income tax receivables and other current assets	**67,637**	**71,431**

Note 11 – Cash management assets, cash and cash equivalents

€'000	31.12.2021	30.09.2022
Other marketable securities	103,322	104,629
Cash	367,621	173,018
Total cash and cash equivalents	**470,943**	**277,647**

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 2.16).

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 September 30, 2022. It is fully paid up.

Note 13 – Financial risk management - Financial instruments

Financial instruments relating to interest rate risk:

As indicated in Note 2.17, the interest rate swaps entered into by the Group are classified as derivative financial instruments.
At September 30, 2022, these agreements relate to a notional amount of €173,925 for a maximum term of July 2025.
At September 30, 2022, these derivative instruments are recognized in financial asset for an amount of €7,577k compared to €256k at December 31, 2021. Fair value adjustments are accounted in financial income for an amount of €2,798k and in OCI reserves for €4,786k at September 30, 2022.
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 2.8.

Financial instruments relating to foreign exchange risk:

As indicated in Note 2.18, foreign currency put options entered into by the Group are classified as derivative financial instruments.
At September 30, 2022, Ramirent hold forward contracts on the Norwegian krone for NOK 565,000k, Swedish krone for SEK 430,000k and Czech Koruna for CZK 250,000k at September 30, 2022.
These financial instruments are recognised in financial asset for €3,271k at September 30, 2022, compared to a financial liability for €2,007k at December 31, 2021. Fair value adjustments are recorded in financial income for an amount of €5,278k at September 30, 2022.
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 2.8.

Change in the valuation of financial instruments at September 30, 2022

€'000	Interest Rate swaps	Exchange rate hedging	Financial instruments
Fair value level	Level 2	Level 2	
Value at beginning of year	**(256)**	**2,007**	**1,751**
Value adjustment in OCI	(4,786)	-	(4,786)
Value adjustment in P&L	(2,798)	(5,278)	(8,076)
Exchange gains or losses	263	-	263
Value at end of the period	**(7,577)**	**(3,271)**	**(10,848)**
Derivatives instruments included in the assets			**(11,037)**
Derivatives instruments included in the liabilities			**190**

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**

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	31.12.2021	30.09.2022
Bond (a)	2,541,375	2,627,454
State guarantee loan	183,532	161,266
Bilateral loans	265,517	444,323
Lease debt	169,658	268,140
Lease liability	241,672	253,900
Other financial debt	2,232	-
Non-current financial debt	**3,403,987**	**3,755,083**
Bond	300,000	-
State guarantee loan	53,842	53,975
Short-term bilateral loans	68,650	120,308
Commercial papers	94,000	96,500
Short-term lease debt	96,655	120,916
Short-term lease liability	93,017	91,312
Other financial debt	26,541	27,990
Current bank borrowings	2,505	5,092
Current financial debt	**735,210**	**516,093**
Financial debt	**4,139,197**	**4,271,176**

(a) Net of bond issuance costs.

Breakdown of financial debt by interest rate

€'000	31.12.2021	30.09.2022
Variable-rate debt	224,931	469,688
Fixed-rate debt (a)	3,909,529	3,794,300
Bank overdrafts	2,505	5,092
Other	2,232	2,096
TOTAL	**4,139,197**	**4,271,176**

(a) Including lease liability

Breakdown of financial debt by maturity

€'000	31.12.2021	30.09.2022
< 1 year	735,210	516,093
1 to 5 years	2,912,257	3,678,990
> 5 years	491,730	76,093
TOTAL	**4,139,197**	**4,271,176**

Change in borrowings and financial debt at September 30, 2022

€'000	Beginning of year	Change in scope	Increase	Decrease	Other (a)	Exchanges gains or losses	30.09.2022
Bond issues (b)	**2,841,375**	-	348,098	(566,790)	4,771	-	**2,627,454**
State guarantee loan	**237,374**	-	9,196	(31,370)	-	40	**215,241**
Bilateral loans	**334,167**	1,429	337,750	(102,284)	272	(6,702)	**564,631**
Commercial papers	**94,000**	-	2,500	-	-	-	**96,500**
Lease debt	**266,314**	15,353	199,108	(93,203)	-	1,484	**389,056**
Lease liability	**334,690**	-	96,902	(83,689)	(4)	(2,687)	**345,212**
Other financial debt	**31,278**	(3)	-	-	1,447	360	**33,082**
TOTAL	**4,139,197**	**16,779**	**993,554**	**(877,336)**	**6,486**	**(7,504)**	**4,271,176**

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

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.

Note 15 – Employee benefits

€'000	31.12.2021	30.09.2022
Net Defined Benefit Obligation	**53,339**	**41,824**

Reconciliation of the commitment and the provision		
Commitment	56,110	44,594
Plan assets	(2,770)	(2,770)
Net Defined Benefit Obligation at year-end / period	**53,339**	**41,824**

Movement in Defined Benefit Liability		
Net Defined Benefit Liability at beginning of year	**57,114**	**53,339**
Expense for the financial year	4,232	2,851
Recognition of actuarial gains or losses through OCI (a)	(2,501)	(14,304)
Benefits or contributions paid by the employer	(1,690)	(869)
Exchange gains or losses	(774)	(1,338)
Change in accounting method by OCI (b)	(3,042)	-
Other movements (c)	-	2,145
Net Defined Benefit Obligation at year-end / period	**53,339**	**41,824**

(a) At December 31, 2021 and September 30, 2022, mainly relates to the increase of discount rates used in France and Sweden.
(b) At December 31, 2021, impact of the interpretation IFRIC-IAS 19 modifying the recognition of pension provision in France.
(c) At September 30, 2022, reclassification of "end of service benefits" from current liabilities.

Breakdown of the expense for the financial year	31.12.2021	30.09.2022
Current service cost	3,609	2,177
Other	(50)	19
Interest cost	673	655
Expense for the year / period	**4,232**	**2,851**

The provisions for employee benefits relate to retirement benefits for €40,813k at September 30, 2022 compared to €52,333k at December 31, 2021 and jubilee awards for €1,011k at September 30, 2022 compared to €1,007k at December 31, 2021.

Note 16 – Provisions

Change in provisions at September 30, 2022

€'000	Provisions for restructuring	Other provisions for contingencies	Provisions for charges	Total
Balance at beginning of year	**3,611**	**5,501**	**1,130**	**10,243**
Allocations	60	826	342	1,227
Reversals	(1,659)	(1,107)	(348)	(3,113)
Exchange gains or losses and other	(109)	410	(300)	1
Balance at end of year / period	**1,904**	**5,630**	**825**	**8,358**

Change in provisions at December 31, 2021

€'000	Provisions for restructuring	Other 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**

Note 17 – Trade payables and other current liabilities

€'000	31.12.2021	30.09.2022
Trade payables	202,984	175,708
Payables to fixed asset suppliers	106,074	102,638
Trade payables and related	**309,058**	**278,347**
Corporate income tax liabilities	**7,535**	**11,138**
Tax and social security liabilities	149,938	140,259
Other liabilities	37,577	36,016
Accrued income	164	119
Other liabilities and accruals	**187,680**	**176,393**
Total current liabilities	**504,273**	**465,878**

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	30.09.2021	*% of total*	30.09.2022	*% of total*
France	683,653	*42.7%*	724,270	*40.6%*
Nordic countries	471,313	*29.5%*	536,064	*30.1%*
Rest of the World	444,859	*27.8%*	521,499	*29.3%*
Total Revenue	**1,599,826**	***100.0%***	**1,781,833**	***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	30.09.2021	*% of Revenue*	30.09.2022	*% of Revenue*
France	254,796	*37.3%*	271,617	*37.5%*
Nordic countries	147,972	*31.4%*	166,886	*31.1%*
Rest of the World	172,562	*38.8%*	199,283	*38.2%*
Total EBITDA	**575,330**	***36.0%***	**637,786**	***35.8%***

Profit from ordinary operations by division

€'000	30.09.2021	*% of Revenue*	30.09.2022	*% of Revenue*
France	106,210	*15.5%*	111,361	*15.4%*
Nordic countries	36,181	*7.7%*	46,764	*8.7%*
Rest of the World	44,086	*9.9%*	60,478	*11.6%*
Total Profit from ordinary operations	**186,478**	***11.7%***	**218,603**	***12.3%***

Note 19 – Personnel expenses

€'000	30.09.2021	30.09.2022
Salaries	303,977	333,686
Payroll taxes	93,338	100,416
Other personnel expenses (a)	17,144	12,579
Personal benefits	2,102	1,327
Incentive and employee profit-sharing	10,826	12,391
Total personnel expenses	**427,387**	**460,399**
Average headcount	11,002	11,641

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

Note 20 – Other operating income and expenses

At September 30, 2022, other operating income and expenses amounted to €(39,893)k and related to:
- an impairment of the Goodwill of Rapid Access Middle East for €(30,000)k,
- the write-down of the investment in Fortrent for €(9,452)k,
- the acquisition costs incurred for the M&A transactions for €(441)k.

At September 30, 2021, other operating income and expenses amounted to €(1,731)k and related to the impairment of capitalized costs for non-completed projects in Sweden for €(649)k, acquisition costs for the M&A transactions for €(716)k and the full depreciation of Nacanco's trademark in Loxam Access SRL for €(367)k.

Note 21 – Financial income (expense)

€'000	30.09.2021	30.09.2022
Interest and financing-related expenses (a)	(115,416)	(112,997)
Income from cash and cash equivalents	56	-
Net finance costs	**(115,360)**	**(112,997)**
Foreign exchange gains or losses	(1,085)	(205)
Fair value adjustments of interest rate Swaps	1,260	2,798
Exceptional financial costs (b)	(4,397)	(843)
Net gain on buyback of bonds	-	3,434
Other financial income and expenses	182	604
Financial income (expense)	**(119,400)**	**(107,209)**

(a) At September 30, 2022, includes expenses related to lease financial debt for €(5,258)k and interest related to lease liabilities for €(7,543)k.
At September 30, 2021, includes expenses related to lease financial debt for €(3,301)k and interest related to lease liabilities for €(7,371)k.

(b) At September 30, 2022, includes the full depreciation of the receivable balance with Fortrent for €(776)k and accelerated amortization of issuance fees following the buyback bond of €(68)k.
At September 30, 2021, relates to commissions and consulting fees on new Revolving Credit Facility.

Note 22 – Corporate income tax

Analysis of tax expense

€'000	30.09.2021	30.09.2022
Current tax	(14,426)	(18,268)
Deferred tax	2,292	(4,919)
Total	**(12,134)**	**(23,187)**

Deferred tax assets and liabilities

€'000	31.12.2021	30.09.2022
Opening balance	**(177,614)**	**(186,114)**
Income (expense)	(3,022)	(4,919)
Changes in scope	(3,544)	(1,641)
Own funds allocation	(934)	(2,948)
Other changes	(1,000)	5,025
Closing balance	**(186,114)**	**(190,598)**
Deferred tax assets	14,113	10,815
Deferred tax liabilities	(200,227)	(201,413)

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	31.12.2021	30.09.2022
Guarantee given to banks for payment of real estate rentals	2,398	2,265
Pledging of business assets as collateral	360	360
Total commitments given	**2,758**	**2,625**

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 €21,955k at September 30, 2022 and for €18,827k at December 31, 2021;
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €2,904k at September 30, 2022 and €3,229k at December 31, 2021;
- Guarantee from Loxam SAS relating to the commitments for employee benefits of its subsidiary Ramirent Sweden, capped at SEK 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 €2,100 million of Senior Secured bonds as at September 30, 2022 and €2,300 million of Senior Secured bonds as at December 31, 2021;
- 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 during the period.
- EIB loan of €130 million, pledge of fleet assets for 120 % of the amount drawn as security.

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