# INVESTOR REPORT December 31, 2023

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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” are to EBITDA less the impact of IFRS 16, capital gains on fixed assets and other items, proceeds from disposal of fixed assets, financial income and expense (excluding non-cash financial income and expense), income taxes (excluding deferred taxes), changes in working capital requirements from operations, gross capital expenditure, change in working capital requirements relating to fixed assets and non-recurring items. This definition is used for presentation of financial information only and does not correspond to the term Consolidated Cash Flow.
- “Gross book value” means the total acquisition cost of the fleet equipment;
- “Gross debt” or “total debt” means loans and debt owed to credit institutions, bonds, lease liabilities, bank overdrafts and other financial debt, plus accrued interest on debt, less capitalized debt issuance costs, excluding derivative instruments on the balance sheet;
- “Net debt” means gross debt less cash and cash equivalents (cash plus marketable investment securities);
- “Constant exchange rates” refers to calculations of financial measures applying the prior year’s exchange rates to the most recent period being compared, in order to neutralize the impact of foreign currency translation to the euro;
- “Constant perimeter” means changes for the period indicated compared to the prior comparable period, excluding changes in the scope of consolidation.

## NOTICE

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

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

Further, in this document, we present pro forma revenue and pro forma EBITDA for the twelve months ended December 31, 2023 (the "Pro Forma Financial Information"), which include the estimated additional contribution in euro to our revenue and EBITDA, respectively, of JIAB, Motormac Rental and A Geradora, as if each had been acquired on January 1, 2023.

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.

The consolidated financial statements for the year ended December 31, 2023 include :

- 12 months of activity of HR Aluguer in Portugal, acquired on December 23, 2022 and consolidated from January 1, 2023,
- 12 months of activity of WasaTrade in Finland, acquired on January 16, 2023 and consolidated from January 1, 2023,
- 9 months of activity of Jiab Hyrcenter and its subsidiaries in Sweden, acquired on March 21, 2023 and consolidated from April 1, 2023,
- 7 months of activity of Motormac Rental in Brazil, acquired on June 1st, 2023 and consolidated from June 1, 2023, and
- 4 months of activity of A Geradora Aluguel De Máquinas S.A. ("A Geradora") in Brazil, acquired on September 6, 2023 and consolidated from September 1, 2023.

The purchase price allocation ("PPA") and valuation of intangible assets and goodwill of Motormac and A Geradora are preliminary at the end of December 2023.

Since June 30, 2023, Loxam set up a joint venture ("JV") with GL Events Live called "GL Events-Loxam NRG P24" in which Loxam owns a 35% interest. This joint venture was awarded a contract for the supply of temporary power to the 2024 Paris Olympics and Paralympics games. This JV is accounted for under the equity method in Loxam’s financial statements.

The information provided at constant perimeter for the year ended December 31, 2023 compared to the year ended December 31, 2022 excludes the financial information of HR Aluguer, WasaTrade, Jiab, Motormac and A Geradora.

***Forward-looking statements***

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 “believe”, “estimate”, “aim”, “target”, “anticipate”, “expect”, “intend”, “plan”, “continue”, “ongoing”, “potential”, “product”, “project”, “guidance”, “seek”, “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*.

## SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

| Summary Consolidated Income Statement (IFRS) | Year ended December 31, | |
|---|---|---|
| *(in millions of euros)* | **2022** | **2023** |
| **Revenue** | **2,402.8** | **2,551.8** |
| Other income | 60.6 | 77.7 |
| Purchases consumed | (247.0 ) | (263.4 ) |
| Personnel expenses | (625.8 ) | (673.0 ) |
| Other current expenses | (723.6 ) | (748.7 ) |
| Taxes and duties | (18.8 ) | (18.2 ) |
| Depreciation and amortization | (568.4 ) | (636.5 ) |
| **Profit from ordinary operations** | **279.7** | **289.7** |
| Other operating income and expense | (40.8 ) | 3.3 |
| **Operating profit** | **239.0** | **292.9** |
| Financial income and expense | (146.8 ) | (190.7 ) |
| **Profit before tax** | **92.2** | **102.2** |
| Share of profit of associates | - | - |
| Income tax expense | (30.5 ) | (26.7 ) |
| **Net profit** | **61.7** | **75.6** |
| Non-controlling interests | - | (0.3 ) |
| **Net profit, group share** | **61.6** | **75.9** |

| **Summary Consolidated Statement of Financial Position (IFRS)** | **As of** | |
|---|---|---|
| *(in millions of euros)* | **December 31, 2022** | **December 31, 2023** |
| Intangible assets and goodwill | 2,249.1 | 2,341.9 |
| Property, plant and equipment | 2,627.2 | 2,829.6 |
| Investments in associates | - | - |
| Financial assets | 43.0 | 19.2 |
| Financial derivatives | 7.1 | 0.3 |
| Deferred tax assets | 9.8 | 10.3 |
| **Non-current assets** | **4,936.2** | **5,201.4** |
| Inventories | 60.2 | 63.6 |
| Trade and other receivables | 493.8 | 560.9 |
| Other current assets | 75.4 | 73.7 |
| Cash and cash equivalents | 227.8 | 140.8 |
| **Current assets** | **857.2** | **839.0** |
| **TOTAL ASSETS** | **5,793.4** | **6,040.3** |
| **Shareholders' equity** | **733.5** | **785.2** |
| Provisions for employees benefits | 40.5 | 46.8 |
| Deferred tax liabilities | 208.0 | 208.1 |
| Borrowings and financial debt – long term portion | 3,627.1 | 3,925.2 |
| Financial derivatives | 0.7 | 8.0 |
| **Non-current liabilities** | **3,876.2** | **4,188.1** |
| Provisions | 10.1 | 16.0 |
| Borrowings and financial debt – current portion | 666.6 | 560.2 |
| Supplier and other payables | 325.1 | 261.1 |
| Other current liabilities | 181.9 | 229.6 |
| **Current liabilities** | **1,183.7** | **1,067.0** |
| **TOTAL EQUITY AND LIABILITIES** | **5,793.4** | **6,040.3** |

| **Summary Consolidated Cash Flow Statement (IFRS)** | **Year Ended December 31,** | |
|---|---|---|
| *(in millions of euros)* | **2022** | **2023** |
| Cash flow from operations | 593.2 | 585.4 |
| Cash flow from investing activities | (949.1) | (771.7) |
| Cash flow from financing activities | 107.8 | 100.4 |
| **Change in cash and cash equivalents** | **(248.1)** | **(85.9)** |
| **Cash and cash equivalents at the end of the period [(1)]** | **220.2** | **133.8** |

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

# RISK FACTORS

## Risks Related to Our Industry

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

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

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

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

Changes in these or other factors caused by deterioration in the construction and civil engineering sectors could have a material adverse effect on our financial position, results of operations and cash flows in the future. For example, during the strictest COVID-19 lockdown periods in spring 2020 in certain geographies, particularly in France, we experienced a sudden drop in demand for our products and services. Additionally, we are exposed to the Middle Eastern market (through Rapid Access Middle East, which represented 2.3% of our revenue and 2.2% of our EBITDA in 2023) which is more volatile than the markets in which we have traditionally operated. If in any of our markets the economic conditions deteriorate or a return to economic growth is further delayed, our business, financial position, results of operations and cash flows could be adversely affected.

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

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

In France, we face competition principally from national rental companies as well as from regional and local entities. In our international markets, we similarly face competition from well-established local and national competitors. Some of our competitors outside of France may have greater financial, marketing and other resources than we do. Our competitors may be more specialized or may have greater name recognition in some markets. We also face competition from smaller competitors operating at regional or local levels, many of whom benefit from a strong market presence and local relationships. Over time, our competitors, whether global, national, regional or local, could consolidate their businesses, and the diversified service offerings or increased synergies of these consolidated businesses could increase competition in the sectors in which we operate. Additionally, our customers might choose to use the services of our competitors rather than ours. Given that our top 10 clients at the Group level represented approximately 11% of our revenue for the year ended December 31, 2023, our results might be negatively affected if we lose any of our top 10 clients to our competitors. These or other changes to the competitive landscape of our industry could result in a loss of market share, decreased revenue and a decline in profitability.

From time to time, we or our competitors may attempt to compete aggressively by lowering rental rates or prices. To the extent we lower rental rates or increase our fleet in order to retain or increase market share, our operating margins would be adversely affected. Price pressure can be particularly acute in an inflationary macroeconomic environment where we endeavor to offset increased operating costs by increasing the rental rates and prices that we charge our customers, and we may not always be able to sufficiently raise rates or prices to offset the impact of inflation on our costs. In addition, we may not be able to match a competitors' price reductions or fleet investment, which could cause our customers to reduce their level of business with us. Termination of contractual arrangements by our customers may result in decreased market share and revenue.

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

The cost of new equipment that we purchase for our rental fleet may increase as a result of a number of factors, including increased raw material costs, such as increases in the cost of steel, which is a primary material used in most of our equipment, scarcity of component parts necessary to manufacture our equipment, inflation generally or geopolitical developments and other world events (such as the war between Russia and Ukraine or the tensions in various parts of the world). These increases could materially affect our financial condition or results of operations in future periods to the extent that we are not able to pass such cost increases through to our customers.

In addition, we are subject to risks related to the increases in energy or transportation costs. Energy prices are in turn subject to significant volatility caused by, among other things, inflation, market fluctuations, supply and demand, currency fluctuations, production and transportation disruptions, tariffs, resource availability, geopolitical developments and other world events (such as the war between Russia and Ukraine), as well as climate change related conditions and other factors beyond our control.

Further, Stage V, electric and hybrid equipment have a purchasing cost which is significantly higher than similar equipment using older and less environmentally friendly engines. This more costly equipment could materially affect our financial condition or results of operations in future periods if we are not able to pass the cost increase of such equipment through to our customers. In addition, changes in customer demand due to changed technology, safety or environmental concerns, regulations, or other factors could cause certain of our existing equipment to become obsolete and require us to purchase new equipment, which would increase our costs.

**Future technological development may render our current rental fleet technologically depleted before the end of the initially estimated economic life.**

While technological development in the types of tools and equipment that we have traditionally focused our business on has been relatively slow as compared with other sectors that are characterized by more rapid technological change, the products we rent are increasingly high-tech. Rapid technological evolution and disruptive technologies, failure to upgrade equipment with new technology in time and related changes in laws and regulations (for example, through governments requiring the use of lower emissions technology or by customers actively selecting more sustainable options), may render components of our rental fleet technologically obsolete or redundant prior to the end of its planned useful rental life. An unexpected increase of redundant or obsolete products may have a material adverse effect on us and a secondary market for such products may not exist or may be insufficient for our resale needs. Although we aim to minimize this risk by using a well-diversified supplier base and by investing in up-to-date equipment, technical obsolescence and redundancy may materially adversely affect our business, financial condition, results of operations and cash flows.

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

Public health crises, epidemics or pandemics could materially and adversely affect our business. For example, governments around the world, including in most countries where we operate our activities, imposed restrictive measures to battle the spread of the respiratory disease COVID-19, including travel restrictions, curfews, lockdowns, quarantines and shutdowns of businesses and workplaces. Such measures had a material adverse impact on the global economy, including a downturn in construction, company events, civil engineering and industrial activities, which in turn had a significant impact on our revenue during the year ended December 31, 2020. The outbreak of a new, more virulent variant of the COVID-19 virus or another economic downturn caused by any other public health crisis could materially and adversely affect our business, results of operations or financial condition.

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

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

Moreover, our suppliers may be adversely impacted by unfavorable capital and credit markets, causing disruption or delay of product availability. These events could negatively impact our business, financial position, results of operations and cash flows.

In addition, if the financial institutions that have extended credit commitments to us are adversely affected by the conditions of the capital and credit markets, they may be unable to fund borrowings under those credit commitments, which could have an adverse impact on our financial condition and our ability to borrow funds, if needed, for capital expenditures, working capital, acquisitions and other corporate purposes. Furthermore, the increase in inflation since 2022 has resulted in higher interest rates on our borrowings that are subject to a floating rate of interest but also on our new borrowings, increasing our financial cost. We may not be able to refinance our debt in the future at interest rates that are at the level of our current borrowings.

**Risks Related to Our Business**

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

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

**Our revenue and operating results fluctuate.**

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

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

In addition, we may lose sales and incur various costs when integrating newly acquired businesses or opening new start-up locations, and the profitability of a new location is lower in the initial months of operation. Also, we may incur some penalties in certain sporting events projects if we fail to deliver upon project requirements.

**We may be unable to forecast trends accurately.**

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

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

We have historically expanded our business through organic and external growth. While we have generally focused on small to mid-sized acquisition targets, we have also undertaken more significant, strategic and transformational combinations from time to time. See "*—Management's Discussion And Analysis Of Financial Condition And Results Of Operations—Factors Affecting Comparability Of Results—Recent Acquisitions*." Similar larger transactions may produce pronounced transactional expenses and integration risks. The management of our operations can become more complex if we expand our business into geographic markets in which we have not previously operated.

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

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

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

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

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

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

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

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

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

**We are dependent on our executives, managers and employees.**

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

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

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

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

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

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

We purchase most of our rental equipment from well-known original equipment manufacturers. As we do not manufacture any of the products that we rent to our customers, we rely on third-party suppliers for the provision of the equipment, tools, spare parts and consumables that are essential to our business. However, our suppliers may not be able to fulfill the terms of their agreements with us on a timely basis or at all for logistical or strategic reasons, including issues affecting the global supply chain generally as a result of economic disruption. Further, suppliers may be unwilling to extend contracts that provide favorable terms to us, or they may seek to renegotiate existing contracts with us. As a result, we could face increased costs for our equipment or longer delivery times. Delays in the delivery of new equipment may impair our ability to respond to increases in demand and may cause us to miss opportunities in our markets. For instance, we experienced delays in deliveries of purchased equipment due to supply chain difficulties in 2021 and 2022. We may experience further delays or an inability to source new equipment on a timely basis or at all. We may not be able to find alternative sources of supply for the equipment we purchase in each of our core product categories, and the termination or delay of equipment orders by a major supplier could have a material adverse effect on our business, financial condition or results of operations. It can also contribute to a sudden increase of equipment prices in the industry.

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

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

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

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

- general economic conditions;
- worldwide and domestic demands for used equipment;
- the supply of used equipment on the market;
- the market price for new equipment of the same kind; and
- wear and tear on the equipment relative to its age.

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

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

We rely on information technology systems to track and bill our services, manage our fleet and gather information upon which our management makes decisions regarding our business. Our information technology systems also facilitate our ability to adjust to changing market conditions and customer needs. The administration of our business is increasingly dependent on the use of these systems. The risk of a security breach or disruption, particularly through cyber-attack or cyber intrusion, has risen as the number, intensity and sophistication of attempted attacks and intrusions around the world have increased. For example, in May 2022, we were the victim of a cyberattack which caused us to briefly halt our operations for a short amount of time and deploy our business continuity plans. We can provide no assurance that our information technology systems are fully protected against such third-party intrusions or against viruses, ransom ware, or similar threats. Disruptions resulting from these threats, system crashes or other causes could have a material adverse effect on our business. In particular, we use several ERP systems across our network and any disruption to our ERP systems, or the failure of any of these systems to operate as expected could, depending on the magnitude of the problem, adversely affect our operating results. We back-up most of our data daily and have a disaster recovery plan in place for most of our systems, including our ERP system. However, our disaster recovery plan does not cover all of our systems. Our back-up systems may fail and any recovery of our data may be incomplete or subject to delay.

In addition, because our systems sometimes contain information about individuals and businesses, our failure to appropriately safeguard the security of the data we hold, whether as a result of our own error or the malfeasance or errors of others, could harm our reputation or give rise to legal liabilities. In certain of the regions in which we operate, the processing of personal data is subject to governmental regulation and legislation. Any failure to comply with such regulations or legislation could lead to governmental sanctions, including fines or the initiation of criminal or civil proceedings.

In the European Union, we must comply with strict data protection and privacy laws that restrict our ability to collect and use personal information relating to customers and potential customers, including the marketing use of that information. In particular, Regulation (EU) 2016/679 of April 27, 2016 (known as the “General Data Protection Regulation” or “GDPR”), which became applicable on May 25, 2018, increased both the number of and the restrictive nature of the obligations binding on us for the collection and processing of personal data. Although we collect and store a limited amount of personal data, failure to comply with the provisions of GDPR could adversely affect our business, results of operations or financial condition.

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

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

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

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

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

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

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

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

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

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

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

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

On February 24, 2022, Russian military forces commenced a war against Ukraine, and sustained conflict and disruption in the region is likely. Although the length, impact and outcome of the ongoing military conflict in Ukraine is highly unpredictable, this conflict has led and could continue to lead to significant market and other disruptions, including significant volatility in commodity prices and the supply of energy resources, instability in financial markets, supply chain interruptions, political and social instability as well as an increase in cyber-attacks.

We previously operated in Russia through Fortrent LLC ("Fortrent"), a 50% owned joint venture that we shared with Cramo Oy, and which generated a net result of €2.6 million as of the year ended December 31, 2022. Considering the level of uncertainty facing our business operations in Russia and the high volatility of the Russian ruble, the net result of Fortrent was reversed in 2022 and the carrying value of our investment in Fortrent was written-down for €9.5 million. Fortrent Russia was disposed of on November 13, 2023, a capital gain was recognized, and the depreciation of the receivable was reversed. The impact on net income as at December 31, 2023, was a profit of €6.8 million.

While we have disposed of our interest in Fortrent, we remain subject, either directly or indirectly, to the additional or heightened risks associated with Russia's military conflict in Ukraine, including risks related to sanctions, export or capital controls and currency exchange limitations, including risks associated with our compliance with evolving international sanctions and potential reputational harm as a result. The situation is rapidly evolving as a result of the conflict in Ukraine, and the United States, the European Union, the United Kingdom and other countries may implement additional sanctions, export controls or other measures against Russia or other countries, regions, officials, individuals or industries in the respective territories. Such sanctions and other measures, as well as any potential responses from Russia or other countries to such sanctions, tensions and military actions, could adversely affect the global economy and financial markets and could adversely affect our business, financial condition and results of operations.

We are actively monitoring the situation in Ukraine and Russia and assessing its impact on our business. We have no way to predict the progress or outcome of the war in Ukraine or its impacts in Europe as the conflict, and any resulting government reactions, are beyond our control. The extent and duration of the military action, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. As we have activities or operations in Poland and the Baltic States, if the conflict intensifies or expands beyond Ukraine, it could have an adverse impact on our business.

In addition, although we have a limited exposure to the Middle Eastern market (through Rapid Access Middle East, which represented 2.3% of our revenue and 2.2% of our EBITDA in 2023), the intensity, duration and outcome of the ongoing tensions in the Middle East is uncertain and may have a material adverse effect on our business and operations. The risk of cybersecurity incidents may also increase in connection with the political instability and world tensions. These attacks may impact critical infrastructure and financial institutions globally, which in turn could adversely affect our operations.

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

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

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

In particular, European and French tax laws and regulations are extremely complex and are subject to varying interpretations. For example, the current implementation into French tax law of the Organization for Economic Cooperation and Development's (the "OECD") principles related to base erosions and profit shifting ("BEPS") included in the final reports released by the OECD as well as the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent BEPS signed in Paris on June 7, 2017, ratified by France on September 26, 2018, and effective as of January 1, 2019, may increase the administrative efforts within our business and impact existing structures. Prospective investors should consult their own tax advisors on the impact of the Multilateral Convention and BEPS' final reports prior to making an investment decision in respect of the Notes. Furthermore, the

European Union continues to harmonize the tax legislation of the member states. In this respect, the Council of the European Union (the "Council of the European Union") adopted a Directive "laying down rules against tax avoidance practices that directly affect the functioning of the internal market" on July 12, 2016 (Council Directive 2016/1164) (the "ATAD"). The ATAD was later amended on May 29, 2017, by the Council Directive (EU) 2017/952 (the "ATAD II"), which, *inter alia*, extends the scope of the ATAD to hybrid mismatches involving third countries and provides that its provisions shall apply (subject to certain exceptions), as from January 1, 2020. Among the set of proposed measures, the ATAD provides, for a general interest limitation rule pursuant to which the tax deduction of net financial expenses is limited to 30% of the taxpayer's tax adjusted earnings before interest, tax, depreciation and amortization (EBITDA) or to a maximum amount of €3 million per year, whichever is higher (subject to several exceptions). Such rules apply since January 1, 2019, following their transposition into French tax law by Article 34 of the French Finance Law for 2019 (Law 2018-1317 of December 28, 2018) (the "French Finance Law for 2019"). The French Finance Law for 2020 (Law 2019-1479 of December 28, 2019) (the "French Finance Law for 2020") also introduced under French tax law the provisions of the ATAD II and thus introduced new anti-hybrid rules, as set forth in Article 205 B *et seq*. of the French Tax Code (in lieu of the former French anti-hybrid rules, as set forth in Article 212-I-b of the French *code général des impôts* (the "French Tax Code")). Under French law, the anti-hybrid rules took effect on January 1, 2020, while the reverse hybrid provision applies as from January 1, 2022. See "*—Risks Related to the Notes and Our Capital Structure—French tax legislation may restrict the deductibility, for French tax purposes, of all or a portion of the interest on our indebtedness incurred in France, thus reducing the cash flow available to service our indebtedness"* for more details on this rule.

In addition, Article 108 of the French Finance Law for 2019 introduced under French tax law, with effect as from January 1, 2019, the anti-abuse provision provided for by the ATAD with respect to French corporate income tax, which aims to address abusive tax practices that are not dealt with by specifically targeted provisions. Pursuant to this provision, which is set forth by Article 205 A of the French Tax Code, the French tax authorities may ignore, for the determination of corporate income tax, an arrangement, or a series of arrangements, which, having been put into place for the main purpose or one of the main purposes of obtaining a tax advantage that defeats the object or purpose of the applicable tax law, are not genuinely taking into account all relevant facts and circumstances. The condition relating to the absence of genuineness of the arrangement or series of arrangements would be met if such arrangement or series of arrangements were established for invalid commercial reasons.

The European Commission also published a corporate reform package proposal on October 25, 2016, including three proposals that aim at (i) relaunching the Common Consolidated Corporate Tax Base ("CCCTB"), which is a single set of rules to compute companies' taxable profits in the EU, (ii) avoiding loopholes associated with profit-shifting for tax between EU countries and non-EU countries, and (iii) providing new dispute resolution rules to relieve problems with double taxation for businesses. On May 18, 2021 the European Commission communicated a new plan called Business in Europe: Framework for Income Taxation ("BEFIT") which aims to replace the CCCTB in the European tax policy proposals. BEFIT is based mainly on the framework of the OECD's international tax reform project, and would involve the consolidation of the profits of the EU members of a multinational group into a single tax base, which will then be allocated to member states using a formula and be taxed at national corporate income tax rates. On September 12, 2023, the European Commission adopted the BEFIT Directive proposal. Should this Directive be adopted, Member States shall adopt and publish the laws, regulations and administrative provisions necessary to comply with this Directive by January 1, 2028. Alongside BEFIT, the European Commission also announced, among other things, that it would (i) table a legislative proposal setting out union rules to neutralize the misuse of shell entities for tax purposes (ii) adopt a recommendation on the domestic treatment of losses and (iii) make a legislative proposal creating a Debt Equity Bias Reduction Allowance ("DEBRA"), noting however that in December 2022, the Council of the European Union stated that negotiations relating to DEBRA would be temporarily suspended and reassessed at a later stage in the broader context of other upcoming reforms in the area of corporate taxation. These new regulations could impact our tax position in the future.

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

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

Pillar Two puts a floor on tax competition on corporate income tax through the introduction of a global minimum corporate tax at a rate of 15% that countries can use to protect their tax bases (the GloBE rules). On December 20, 2021, the OECD published the pillar two model rules (the "Model Rules") for the domestic implementation of the 15% global minimum tax rate agreed upon in October 2021. The new Model Rules aim to assist countries to bring the GloBE rules into domestic legislation. They provide for a coordinated system of interlocking rules that (i) define the MNEs within the scope of the minimum tax; (ii) set out a mechanism for calculating an MNE's effective tax rate on a jurisdictional basis, and for determining the amount of top-up tax payable under the rules; and (iii) determine the member of the MNE group which will be required to pay the top-up tax.

On December 22, 2021, the European Commission published a legislative proposal for a Directive setting forth rules to ensure a global minimum level of taxation for multinational groups. The draft Directive aims at consistently implementing among all 27 member states the Model Rules that include an Income Inclusion rule ("IIR") and an Under Taxed Payment Rule ("UTPR"). However, it also extends its scope to large-scale purely domestic groups, in order to ensure compliance with the European Union fundamental freedoms. In addition, the draft Directive makes use of an option contemplated by the Inclusive Framework whereby the member state of a low-taxed income entity (referred as constituent entity) applying the IIR is required to ensure effective taxation at the minimum agreed level not only for foreign subsidiaries but also for all constituent entities' residents in that member State.

On December 15, 2022, the Council of the European Union unanimously adopted the Directive implementing Pillar Two. The member states shall transpose the Directive into their national laws by December 31, 2023 for the rules to come be applicable for fiscal years starting on or after December 31, 2023 (with the exception of the UTPR, which is to be applicable for fiscal years starting on or after December 31, 2024). On September 27, 2023, the French National Assembly published a finance bill for 2024, which included provisions on the transposition of Council Directive (EU) 2022/2523 for the implementation of the Pillar Two global minimum tax.

On December 22, 2021, the European Commission released a Directive proposal to neutralize the misuse of shell entities (following the announcement of the European Commission as mentioned above) for improper tax purposes within the European Union which has been adopted on January 17, 2023, by the European Parliament and which must now be adopted unanimously by the Council of the European Union, initially with a view to transposition by June 30, 2023 for an entry into force as of January 1, 2024. However, as of the date of this investor report, the schedule has not been respected, because this Directive has not yet been transposed, and the exact timing for the vote and the Directive's implementation by Member States remains unclear.

On September 12, 2023, the European Commission published a proposal for a Council Directive on transfer pricing (which is part of the BEFIT package) aiming at incorporating the arm's length principle into European Union law, harmonizing the key transfer pricing rules, clarifying the role and status of the OECD Transfer Pricing Guidelines and creating the possibility to establish, within the European Union common binding rules on specific transfer pricing subjects. Should this Directive be adopted, Member States are to apply those provisions from January 1, 2026.

Due to the international scope of our business, we are subject to the tax law and regulations of several jurisdictions, in particular with regard to transfer pricing rules that apply in certain jurisdictions. Pursuant to such rules, related enterprises must conduct any inter-company transactions on an arm's-length basis and must provide sufficient documentation thereof, subject to the applicable rules of the relevant jurisdiction.

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

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

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

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

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

We must comply with certain anti-corruption laws, sanctions or other similar regulations in each of the jurisdictions in which we operate. For instance, the U.S. Foreign Corrupt Practices Act of 1977, the U.K.

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

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

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

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

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

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

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

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

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

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

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

## INDUSTRY

### Industry Overview

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

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

### Equipment Rental Business Model

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

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

- Rental of equipment is part of the larger developing circular economy, where an equipment is rented by many customers over its life cycle while the rental company keeps control over its good functioning order through a program of maintenance and regular inspections;
- Equipment rental helps customers to fulfill their duties towards their objectives in terms of quality, safety and the environment;
- Rental of equipment reduces the amount of capital required in comparison to purchasing equipment and allows companies to preserve their capital for other investments;
- Rental of equipment allows customers to exchange fixed costs for variable costs on an as-needed basis so that rental costs are only incurred when there is a predictable source of revenue; in contrast, ownership costs are fixed and include a number of ongoing costs in addition to the cost of initial purchase, such as insurance, maintenance, in-service inspection, repair, transportation and storage and depreciation costs; these costs tend to increase over the life of the machine, and are only marginally related to its actual use;
- Rental of equipment minimizes costs related to idle equipment during project downtimes and provides flexibility to deal with unexpected events such as equipment failure or changes in planning;
- Rental of equipment can be used to supplement owned equipment, thereby increasing the range and number of tasks that can be performed and allowing customers to take advantage of opportunities without undermining the financial strength of their business;
- Rental of equipment transfers the residual value risk and the management of the equipment at the end of its useful life to the rental equipment provider;
- Rental of equipment allows customers to select the most appropriate piece of equipment for the task at hand, which can improve safety, efficiency and quality of work, especially since the safety of the equipment is typically verified by the rental companies prior to any new contract; and

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

**Our Principal Customer End Markets**

We primarily serve construction, industrial and specialist customers, from small businesses and craftsmen to large international groups as well as public administration. The construction end markets represent the largest portion of our business and accounted for approximately 58% of our revenue for the year ended December 31, 2023. We have also developed a strong offering for the rental services segment through addressing the needs of both construction and non-construction end users (such as local authorities and companies managing events) requiring services such as risk protection, business support, planning, logistics and onsite support, training and merchandise sales in addition to equipment rentals. Although the different industries and customer sectors we address are exposed to cyclical fluctuations, our diversified geographic and end-market exposure allows us to benefit from different growth patterns.

**European Construction Market**

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

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

After a year of growth in 2022, most of European construction markets followed by Euroconstruct recorded in 2023 declined because of poor residential construction markets. Among the largest market, the French market decreased by 2.2%, the United Kingdom by 1.6%. The Spanish market was among the few growing markets in Europe in 2023 with a growth of 2.8%. The inflationary context and the high level of interest rate should maintain the construction market in a lower trend in 2024, while the return to growth is expected in the early of 2025. The table below presents the estimated total construction output in billions of euros covering some of the largest construction markets in Europe where we are present, together with historical and forecast growth rates, in each case based on information from the 96th Euroconstruct country report dated November 2023.

| **Construction Market** | | |
|---|---|---|
| **Country** | **Market size (2022) (€ billions)** | **Market growth** |
| ***France***  | €255.0 | 2022: +2.1%<br>2023: -2.2%<br>2024: -0.8%<br>2025: +0.8% |

| Construction Market | | |
|---|---|---|
| **Country** | **Market size (2022) (€ billions)** | **Market growth** |
| ***United Kingdom*** | €268.5 | 2022: +6.1%<br>2023: -1.6%<br>2024: -2.1%<br>2025: +4.4% |
| ***Spain*** | €152.0 | 2022: +3.3%<br>2023: +2.8%<br>2024: +1.4%<br>2025: +1.2% |
| ***Sweden*** | €62.3 | 2022: +1.7%<br>2023: -10.6%<br>2024: -5.7%<br>2025: -5.7% |
| ***Norway*** | €54.4 | 2022: -2.3%<br>2023: -2.8%<br>2024: -0.4%<br>2025: +7.0% |
| ***Finland*** | €41.2 | 2022: +1.1%<br>2023: -10.1%<br>2024: -1.4%<br>2025: +3.4% |

**Our Primary Geographic Markets**

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

***European Equipment Rental Market Size and Trends***

Based on data provided by the ERA, the total size of the European equipment rental market (defined as total rental turnover, including rental-related revenue, merchandise and sale of used equipment) was estimated at €29.7 billion in 2023. The largest equipment rental markets in Europe in 2023 were the United Kingdom (€7.8 billion in 2023), Germany (€5.6 billion in 2023) and France (€4.3 billion in 2023).

The European rental market is expected to have grown by 4.0% in 2023. The ERA also estimates that the European rental market is projected to continue its growth by 3.0% in 2024. In the medium-term, the European rental market is expected to benefit from the economic uncertainty as rental will replace demand for equipment due to the increasing price pressures.

The table below presents the estimated turnover and estimated and forecast market growth rates for each of the years in the period from 2022 to 2024 for 15 European markets covered by the ERA.

| Equipment Rental Market | | |
|---|---|---|
| **Market** | **Estimated rental turnover (2023) (€ millions)[(1)]** | **Market growth** |
| ***United Kingdom*** | 7,821 | 2022: +7.8%<br>2023: +3.4%<br>2024: +2.7% |
| ***France*** | 4,315 | 2022: +5.2%<br>2023: +4.8%<br>2024: +2.2% |
| ***Sweden*** | 1,723 | 2022: +7.2%<br>2023: +1.0%<br>2024: +3.0% |
| ***Spain*** | 1,634 | 2022: +11.1%<br>2023: +5.9%<br>2024: +6.0% |
| ***Norway*** | 888 | 2022: +15.6%<br>2023: +4.0%<br>2024: +3.6% |
| ***Finland*** | 741 | 2022: +9.2%<br>2023: +3.2%<br>2024: +3.7% |

(1) All local currency values converted to Euro at the average exchange rate over 2023.

***European Competitive Landscape***

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

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

***French Equipment Rental Market***

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

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

***Global Competitive Landscape***

Based on a ranking published by International Rental News in June 2023, we were the fourth-largest equipment rental company in the world in terms of 2022 revenue, behind United Rentals, Ashtead Group and Herc Rentals.

***European Powered Access Equipment Rental Market***

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

Thanks to our successive transformational and bolt-on acquisitions, we have solidified our market leading position as the largest MEWP rental operator in Europe. Loxam's fleet size of approximately 71,000 pieces of powered access equipment is significantly larger than the fleet of the next largest European operator, Mateco.

***French Equipment Rental Market***

Based on ERA data, the French equipment rental market is expected to be the third largest market in Europe, behind the United Kingdom and Germany, with an estimated size of €4.3 billion in 2023.

The challenging economic climate in France following the 2008 financial crisis affected the equipment rental industry until 2014, when the industry stabilized. The equipment rental market in France has historically displayed stronger growth than the French construction market since 2010, primarily due to good economic conditions, a strong technical level of local specialists and high degree of market concentration between two players. In 2020, the French market was severely impacted by the COVID-

19 pandemic, due in particular to strict lockdown measures limiting construction activity. The market is expected to have grown in value by 5.2% in 2022 and should continue to grow in 2023, 2024 and 2025 by 4.8%, 2.2% and 2.6% respectively.

Based on our revenue, we believe that we and Kiloutou are the two largest players in the French equipment rental market.

***Swedish Equipment Rental Market***

The Swedish equipment rental market is the fifth largest market in Europe, with an estimated size of €1.7 billion in 2023 according to the ERA, representing growth of 7.2% in 2022. The market is forecast to grow by 1.0% in 2023, as the construction market should continue to be affected by the contraction of the new residential construction market, before an expected rebound and growth by 3.0% in 2024 and 4.8% in 2025.

We believe that Loxam and Cramo (a subsidiary of Boels) are the two largest players in the Swedish equipment rental market.

***Norwegian Equipment Rental Market***

The Norwegian equipment rental market is the nineth largest market in Europe, with an estimated size of €888 million in 2023 according to the ERA, representing growth of 15.6% and 4.0% over 2022 and 2023, respectively. The market is forecast to grow by 3.6% and 7.1% in 2024 and 2025, respectively.
For the coming years, infrastructure and industrial projects should fuel the demand while new residential construction will be affected by the rise of interest rates.

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

***Finnish Equipment Rental Market***

The Finnish equipment rental market is the eleventh largest market in Europe, with an estimated size of €741 million in 2023 according to the ERA, representing growth of 9.2% and 3.2% over 2022 and 2023, respectively. The market is forecast to grow by 3.7% and 5.8% in 2024 and 2025, respectively.

After the market recovery in 2022 following the pandemic, with both the construction and industrial sectors driving the market growth, the Finnish market was affected in 2023 by a contraction of the new house construction market.

***Other European Equipment Rental Markets***

Our other primary markets in Europe are the United Kingdom, where we specialize in powered access equipment, as well as the Netherlands, Spain, Denmark, Germany, Italy, Belgium, Switzerland, Poland, the Baltic States, Czech Republic and Slovakia. The United Kingdom is the largest equipment rental market in Europe, with an estimated revenue of €7.8 billion in 2023 and Germany is the second largest, with an estimated revenue of €5.6 billion in the same year.

# BUSINESS

## Overview

The Loxam Group is the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2022.

The Group has operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended December 31, 2023, the Group generated €2,600 million in pro forma revenue and €946 million in pro forma EBITDA.

Our activities are conducted in three principal geographies:

- ***France*,** in which we had 491 branches as of December 31, 2023. In France, we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. We generated 40% of our pro forma revenue for the year ended December 31, 2023 from France.
- ***Nordic countries*,** which consist of Denmark, Norway, Sweden and Finland. As of December 31, 2023, our network in the Nordic countries comprised 224 branches. We provide both generalist and specialist equipment in the Nordic countries primarily through our Ramirent and Loxam Access brands. We generated 27% of our pro forma revenue for the year ended December 31, 2023 from the Nordic countries.
- ***Rest of the world*,** which includes all other international countries where we provide generalist and specialist equipment: the United Kingdom, Spain, Italy, the Benelux, Germany, Poland, Slovakia, Czech Republic as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of December 31, 2023, we had a network of 417 branches in these countries and our business in these countries generated 33% of our pro forma revenue.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 600,000 pieces (excluding accessories) with a gross book value of €5.5 billion as of December 31, 2023. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2023, we provided these services through our various brands such as Loxam Rental, Ramirent, Loxam Hune and Nationwide Platforms. As of December 31, 2023, we had 1,070 European branches, more than any other rental network in Europe.

## Competitive Strengths

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

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

Following the Ramirent acquisition in 2019, we became the undisputed leader in the European equipment rental market. We continue to hold this position based on our revenue for the year ended December 31, 2023. We also had an unmatched network of 1,070 branches across 21 European countries as of December 31, 2023. Based on our revenue for the year ended December 31, 2022, we estimate that we had market-leading positions in eight key European markets (France, the United Kingdom (for the powered access market), Spain, Norway, Sweden and Finland), Central Europe and Baltic States. We also estimate we were the second-largest player in Denmark, Portugal, Italy and Belgium, and the third-largest player in the Netherlands, in each case based on our revenue for the year ended December 31, 2022.

We have established our leadership in the European market through developing and expanding our network, both organically and through a series of successful acquisitions. Both Loxam and Ramirent have strong brand recognition epitomizing our high quality of service, dense network and large, high quality fleet. Our fleet totalled approximately 600,000 pieces of equipment, which is the largest in the European market based on its gross book value of €5.5 billion as of December 31, 2023.

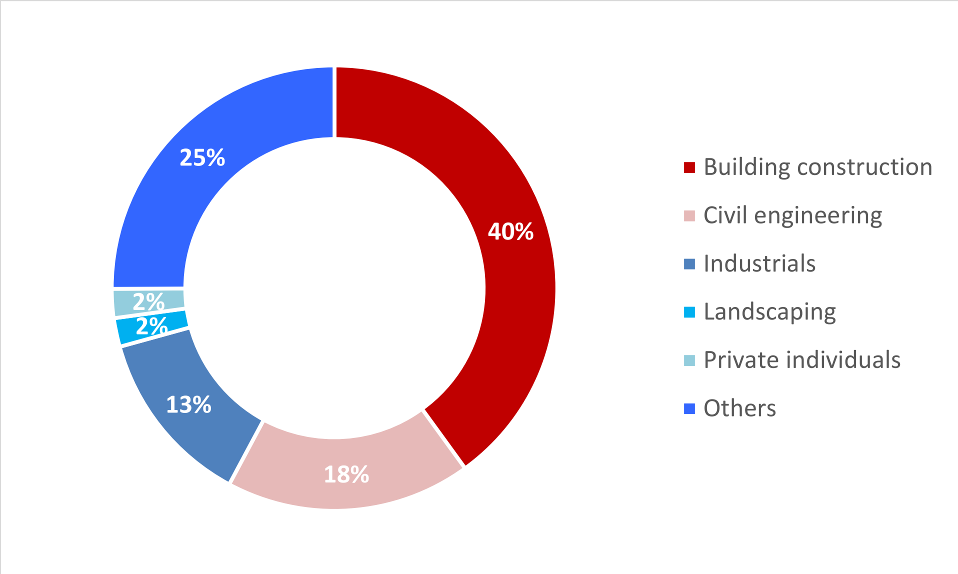
We believe that we will benefit from strong fundamental market drivers supporting long-term growth prospects for the equipment rental markets, due to a structural shift towards equipment rental in lieu of ownership. The European Rental Association (“ERA”) estimates that the revenue of European rental companies grew by 4.0% in 2023 and will grow by 3.0% in 2024 and 4.6% in 2025. In France, our largest market, the rental market had an estimated value of €4.3 billion in 2023. The French equipment rental market is expected to increase by 2.2% in 2024 and by 2.6% in 2025, according to the ERA. The UK equipment rental market grew by 3.4% in 2023 and is expected to grow 2.7% in 2024 and 4.5% in 2025, according to the ERA.

As the market leader in France and the leading European equipment rental company, we believe we are well positioned to capitalize on these positive trends. For more information on the trends impacting our markets, see “*Industry*”.

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

We owned a fleet of approximately 600,000 pieces of equipment as of December 31, 2023 and we served over 500,000 customer accounts over the year ended December 31, 2023 in 30 countries. Our portfolio of clients mostly includes construction and industrial customers, from small businesses and craftsmen to large international groups, and our customers operate within different economic and construction cycles. The construction end markets represent the largest portion of our business and accounted for approximately 58% of our revenue for the year ended December 31, 2023. In recent years, we have diversified the source of our revenue across industries and we now increasingly support the day-to-day activities or occasional needs of customers engaged in the broader services sector, such as events, training and facility management. As a result of these efforts, the portion of our revenue generated by non-construction end markets reached approximately 42% during the twelve months ended December 31, 2023.

The chart below shows the percentage of our revenue for the year ended December 31, 2023 generated from customers in different sectors.




Our customer diversification efforts are continuing, towards small business customers through our branches or through rental corners (of which we had more than 600 across France, Germany, Spain and Belgium as of December 31, 2023). As a result, we are less dependent on the revenue generated from our top 10 customers, which accounted for approximately 11% of our revenue for the year ended December 31, 2023.

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

Client service is a central element of our policy and we seek to provide an outstanding service throughout the rental process. This is why we have developed in-house training programs to train our staff from the moment they are hired. The Loxam School near Paris, where most new recruits spend some time for an induction training, offers our employees training on sales skills and the safe use of our equipment so that our employees are able to advise our clients more effectively in their choice and use of rented equipment. We perform quarterly customer satisfaction surveys covering approximately 30,000 customers. Our Net Promoter Score has continuously improved over the last years and goes up at 67 at the end of 2023 (66 in 2022). In France, in 2023, we were recognized as the client service provider of the year in the rental equipment category by ESCDA (Élection Service Client de l'Année) for the seventh consecutive year.

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

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

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

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

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

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

We believe that our ability to manage our operating costs and our fleet according to market conditions is a competitive advantage that has contributed to our historically high level of profitability. We are able to efficiently manage our capital expenditure based on our market expectations. In a growth cycle, we invest in our rental fleet to enhance our product offering and expand into new products and markets. In a downturn, we can rapidly reduce capital expenditures, streamline our network and pay down debt with our cash flows. We notably were able to quickly adapt our cost base in 2020 in response to the COVID-19 pandemic, taking actions to preserve our liquidity and focusing on maintaining our existing fleet through reduced capital expenditure. Once conditions stabilized and our liquidity was ensured in the second half of 2020 and in the first half of 2021, we resumed capital expenditure.

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

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

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

**Strategies**

The key elements described below form the base of our business strategy.

***Further diversify our customers within and beyond the construction industry***

We will continue our strategy of diversifying our customer pool in order to capture the most active segments of the construction market. For example, we have strengthened our focus on more resilient sectors such as renovation, which has been particularly active in recent years. The expansion of our access equipment business through the acquisition of Lavendon has diversified our customer base even further as powered access equipment reaches a broader range of market sectors. Additionally, the Ramirent acquisition has contributed to the diversification of our customer base beyond the construction market and reduced the significance of the top 10 customers in our revenue due to the absence of significant of overlap among our respective customers.

We have also increased our exposure to other end markets, such as manufacturing, local authorities, event organizers, landscaping, retail, petro chemical, training, demolition and facilities management. The customers in some of these sectors often have higher expectations in terms of access to service (24 hours a day/7 days a week) and appreciate the high standard of service and equipment quality we provide across our business.

We are also targeting additional client categories, such as small and medium enterprises (SME) or craftsmen who need smaller equipment and tools. Additionally, we are broadening our customer base through the development of partnerships with major do it yourself retail chains, sometimes based on a co-branding model. We also continue to open Loxam City shops in Paris to offer our customers proximity to their sites.

We also further develop our activity in the events business line by serving large international sports events (Rugby World Cup 2023, Paris 2024 Olympic and Paralympic Games) and developing ad-hoc partnerships where needed (joint venture created with GL Events for a temporary power supply market).

***Maintain our high-quality fleet of rental equipment***

We will continue to actively monitor the size, quality, age, composition and efficiency of our rental fleet. As of December 31, 2023, our fleet had a gross book value of €5.5 billion. We are committed to the disciplined management of our fleet to optimize utilization and profitability through the following strategies:

- Leveraging our scale to negotiate fleet purchase prices and develop customized services and bespoke equipment addressing our requirements in terms of quality, safety and low maintenance costs. Our long lasting relationships with key equipment suppliers will allow us to obtain useful information on new product innovations and assess market demand.

- Using our comprehensive information systems and market knowledge to increase our utilization rate and yield. We will continue redeploying assets within our branch network, optimizing pricing, adjusting our fleet mix on a real time basis and maintaining fleet quality and diversification. We will focus our primary investments in the most active markets where our fleet has a higher utilization rate and where we expect stronger market trends.

- Maintaining our fleet to rigorous standards by tracking the servicing history of each piece of equipment.

- Seeking to remove older or idle equipment from our fleet at optimal times, and rejuvenating our fleet so as to be well-positioned to serve customers and meet higher demands as a result of a strengthening market while seeking to minimize the carbon footprint of our activities through investing in an increasing amount of hybrid and/or electric-powered equipment. For example, for the twelve months ended December 31, 2023, 22% of our capital expenditure was allocated towards green investments.

- Optimizing recycling of equipment through repair and salvage. For example, fleet equipment that leaves our active rental fleet at the end of its lifecycle in France is sent to a reprocessing facility near Alençon. This facility evaluates the equipment and helps us to determine whether to sell such equipment to third parties or to recycle it for spare parts for our fleet. These recycling efforts allow us to take advantage of lower costs for certain replacement parts for our rental fleet.

We believe that these strategies have helped us develop a reputation for quality and reliability that will continue to make us an attractive choice for our customers while optimizing our operating costs and making the most of our fleet-related capital expenditures.

***Lead market consolidation and further strengthen market position through successful integration of acquisitions***

We believe that our acquisition track record has established us as a unique market consolidator and has helped to strengthen our market leadership by acquiring scale, particularly in Europe. Historically, through our acquisition strategy, which is supported by our extensive familiarity with the markets we serve and our ability to anticipate customer needs and new market opportunities, we have aimed to complement our organic growth, strengthen our leading market positions, increase the density of our network and reach a critical size to run profitable operations at a local level. Our acquisition strategy has included both significant transformational acquisitions, such as those of the Lavendon and Hune Groups in addition to the Ramirent acquisition, and bolt-on acquisitions, such as those of JM Trykluft in Denmark, JIAB and Maskinslussen in Sweden, UK Platforms Limited ("UK Platforms") through our subsidiary Nationwide Platforms Limited, Sofranel and SCL in France, Arteixo Maquinaria in Spain and A Geradora and Motormac Rental in Brazil. In 2023, we continued to strengthen our market position by seizing opportunities to complete profitable acquisitions. See "Risk Factors—Risks Related to Our Business—We may not be able to execute our growth strategy by identifying or completing transactions with attractive acquisition candidates, and future acquisitions may result in significant transaction expenses and integration risks."

***Continue to adapt our disciplined and responsive financial model***

We intend to continue managing our operations with a clear focus on EBITDA growth and cash flow generation to fund our future investments and service our debt. Our management's experience in equipment rental gives us a long-term vision of the construction and public works industries and thus of demand for our equipment. Our responsive business model has enabled us to maintain high EBITDA margins while also giving us the flexibility to quickly adjust our capital expenditure investments to match demand in order to protect cash flow generation. This strategy relies on strong financial discipline implemented across our platform. Our resilience through economic downturns, including most recently during the height of the COVID-19 pandemic, is an evidence of our success in delivering on this discipline in the past.

We plan to continue using this experience to help us recognize key inflection points in the cyclical construction market and to guide our decisions on deployment of capital, be it to further invest to meet growing market demand or reduce capital expenditure and instead apply cash to debt repayment. For example, given the uncertainty in certain of our key markets and the potential for a macroeconomic slowdown, we engaged in a lower level of capital expenditure in 2023 compared with 2022. Our approach helps us to maintain profitability and meet the evolving needs of our customers, avoiding either excess fixed costs related to over investment during periods of decreased demand or lost revenue opportunities and customer dissatisfaction due to under investment during periods of increased demand.

***Maintain our commitments to safety, quality, corporate sustainability and responsibility***

We intend to remain at the forefront of our industry as a leader for safety, quality, responsibility, sustainability.

Safety is a top priority for us. We provide safety-related trainings for both our employees and our customers. As a result in 2023, we recorded a sharp reduction of the Lost Time Injury Frequency rate by 22% of our staff, which measure absenteeism caused by injuries. We have also developed and implemented workshops and regular security briefings at the branch level and introduced a new motto throughout our branches: “safety, anytime and anywhere.” Additionally, we hold ISO 9001, ISO 14001, ISO 45001 and MASE certifications. These certifications recognize the policies implemented by all of our teams to reduce the risk of accidents, comply with legislation and improve safety and working conditions. In 2019, we signed a partnership convention with the OPPBTP (French Building Industry Accident Prevention Organization) to promote good practices in accident prevention and safety towards all construction industry stakeholders. Finally, to further our commitment to the health and safety of its employees and clients, we deployed a plan to obtain ISO 45001 certification which aims at reducing occupational injuries and diseases, including promoting and protecting physical and mental health. We believe we were the first equipment rental company in the world to receive certification on this scale.

Our customers benefit from similar safety-driven training and solutions. For example, our powered access customers in the UK benefit from Lavendon’s BlueSky Solutions, which develops innovative solutions to reduce the risk of accidents associated with working at high heights. We also seek feedback from our customers about their experience using our equipment so that we can adjust our offerings to provide what will be most safe, reliable and adaptable to our customers’ wide range of needs. For example, through a collaboration between Bouygues Construction, our Group and Manitou, we now offer a safety pack, “LoxSafe”, deployed on our telescopic handlers, to help reduce common and potentially serious accidents. If a dangerous situation is detected (such as not wearing a seatbelt or moving loads causing a risk of tipping), the driver of the machine is alerted. The alert is also transmitted externally, including by SMS. Our long-standing relationships with our suppliers also make us well-positioned to help our customers use equipment safely and to relay their feedback to the manufacturers so that our customers can benefit from improved machine designs.

We are committed to promoting corporate sustainability and responsibility. We seek to build on the efforts that have already earned us recognition from large, independent rating agencies to pursue further ambitious ESG initiatives. We fully intend to be a driving force and become a reference in our sector for ESG to move forward and guarantee a sustainable and supportive future that protects the environment and is open to all forms of diversity. Committed to sustainable development to protect the environment and biodiversity, we aim to be exemplary in our regional presence, including by encouraging all employees to take initiatives to contribute, at their level, to better preservation of resources. For example, we have recently pledged to cut, by 2030, our direct emissions by 50% and our indirect emissions by 30% compared with 2019. In line with the Paris Climate Agreement, these targets enable us to contribute to keep global warming within the ambitious target of 1.5℃. Further, as a committed employer, we are renewing our promises and continuing our initiatives with company employees in the fields of diversity, training, promotion and safety.

As part of our commitment to corporate responsibility, we also prioritize the professional development of our employees throughout their careers. The Loxam School in Bagneux, near Paris, has been open to all our employees across our three divisions and has offered sessions to both beginners and experienced staff since 2008 with the aim of improving key skills. Training is provided by experienced professionals from our network and covers a variety of fields including knowledge of equipment, safety, environment (waste processing, energy savings, etc.) sales skills and team management, among others. The Loxam School also plays a key role in the integration of employees from acquired companies. For a further description of our ESG initiatives, see “Business—ESG”.

***Further develop digitalization efforts***

We intend to continue to embrace digital transformation, which we believe is key to improving both our internal processes and efficiency as well as the level of customer service we are able to offer. We have developed websites and deployed digital tools to enhance the experience of both our customers and our employees. For example, our MyLoxam customer portal allows customers to access a personalized, secure portal available 24 hours a day, seven days a week, through which they can manage their rental contracts and save time, make the most of their rentals and complete more tasks themselves. We also have rolled out a synchronization system between our customers’ procurement management applications and our ERP, which allow customers to manage their contracts directly through their procurement tool and allows them to make modifications to deal with issues that are common in the equipment rental industry (such as inclement weather, contract extensions and service monitoring). We believe that these types of digital initiatives will be a source of significant productivity gains for both us and our clients. Moreover, we believe that the digital tools we have deployed and will continue to roll out for the benefit of our teams has improved and will further boost their efficiency while also reducing our carbon footprint. We plan to continue developing and promoting digital offerings in the future in order to further set ourselves apart from our competitors.

**History and Development**

Our company was founded in 1967 in Hennebont (Brittany), France under the name “SAM Location” and focused initially on generalist equipment rentals. In 1994, the company was the subject of a management buy-out following the acquisition of our main shareholder by Holderbank, a building materials company, which had decided to exit the equipment rental sector in order to refocus on its core business. In 2011, private equity investors 3I plc and Sparring Capital each took a minority stake in the Issuer. In December 2016, the funds managed by 3I plc tendered their shares as the Issuer effected a buyback on 11% of its share capital to optimize its capital structure. In November 2021, Sparring Capital sold the balance of its stake in the Issuer’s share capital in the context of a new share buyback the Issuer’s share capital. As a result, the Issuer is fully owned by Mr. Déprez and his family, together with our management and employees.

***French expansion***

We began expanding nationally in France over 30 years ago, both organically and through a number of small and large strategic acquisitions. We began developing activities in specialist markets as early as the 1980s in order to address our clients’ needs for large quantities of specific equipment, such as access equipment, or very specialized needs, such as high access with operators, assembled modular constructions, temperature control, high end power and large capacity compressors, which we believed presented targeted opportunities for growth. In 1988, we acquired LMI (since named Loxam Power), which specializes in air compressors and generators. In 2001, we solidified this division by establishing three business units to address the increasing demand for specialist equipment: Loxam

Access, which specializes in powered-access equipment, Loxam TP, which specializes in heavy equipment for civil engineering and demolition, and Loxam Module, which specializes in modular shelters. We continued to strengthen our presence in France by acquiring Sofranel and SCL, two major equipment rental companies which operate in Lille and have about 70 employees.

***International development***

Most of our recent development has occurred outside of France. In 2017, we acquired the Lavendon Group, specialized in renting out powered access equipment through 70 branches located in the United Kingdom, Germany, Belgium and the Middle East, and acquired the Hune Group (37 branches) which operates in Spain, Portugal, and has two joint ventures in Saudi Arabia and Colombia. During that year, we also acquired the Danish equipment rental operations of Cramo Plc, the activities of the Italian powered access equipment rental company Nacanco SpA, through a newly created subsidiary Loxam Access SRL, and the Irish company Swan Plant Hire, with 2 branches in Dublin.

In June 2018, Loxam Access SRL acquired 100% of the Italian powered access rental company No.Ve ("Nove") from Haulotte Group S.A. Nove operates 6 branches in Italy. On July 24, 2019, we acquired Ramirent, a leading service company offering equipment rental for construction and other industries. The Ramirent acquisition enabled us to increase our geographical presence in Europe, confirm our position as the undisputed European equipment rental leader and the fourth-largest provider in the world.

We have continued to consolidate our position in the Nordic countries through two strategic bolt-on acquisitions. On June 1, 2021, Loxam Denmark acquired JM Trykluft, a general equipment rental player with a network of nine branches located throughout Jutland. In 2020, JM Trykluft generated revenues of over €18 million and employed approximately 70 people. On June 10, 2021, Ramirent Sweden acquired Maskinslussen, a leading general equipment rental player in the Västra Götaland county (western part of Sweden), where it operates three branches. During its 2019/2020 fiscal year, Maskinslussen generated revenues of approximately €9 million and employed 44 people.

Most recently, we continued our strategic bolt-on acquisitions in significant markets such as Spain and Portugal. For example, on July 11, 2022, we acquired Arteixo Maquinaria, a leading equipment rental player in Galicia, Spain, that employs approximately 50 people in two branches. Additionally, on December 23, 2022, we acquired HR-Aluguer de Equipamentos, a leading general equipment rental player in Portugal, where it operates three branches and employs approximately 40 people. On 2023, we have acquired JIAB Hyrcenter in Northern Sweden, strengthening our presence in the country and adding 5 branches. We have also expanded in Brazil where we have recently acquired Motormac Rental, a major player in the equipment rental in the south of Brazil, and A Geradora, a leader in the Brazilian temporary power generation rental market.

Our geographical diversification through our various international acquisitions, including the acquisitions of Lavendon and Ramirent, has allowed us to reduce the relative share of the French market in our business from 60% for the year ended December 31, 2018 to 40% of our pro forma revenue for the year ended December 31, 2023.

**Products and Services**

Our principal activity is equipment rental, which accounted for approximately 68% of our revenue for the year ended December 31, 2023. As of December 31, 2023, we offered approximately 2,000 different types of equipment and tools for rent (excluding accessories). Most of our generalist rentals are short-term (often less than one week). We also provide rental services (approximately 27% of our revenue for the year ended December 31, 2023), such as transportation of equipment and assembly related to modular rentals, that complement and support our rental offerings and, to a lesser extent, engage in retail activity at our branches (approximately 5% of our revenue for the year ended

December 31, 2023). We maintain a business model that has kept EBITDA margins above 30% through economic cycles, primarily through our ability to quickly adapt our fixed costs to our level of business activity.

We have organized our business into three segments based on our geographical footprint:

- France, in which we provide both generalist equipment for construction, industrial use, landscaping, local authorities and the service sector, as well as specialist equipment such as aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering. Our French segment generated €1,042 million in revenue and €390 million in EBITDA for the year ended December 31, 2023, representing an EBITDA margin of 37.5%.
- Nordic countries, provide both generalist and specialist equipment in the four Nordic countries of Europe, primarily through our Ramirent and Loxam brands. Our Nordic segment generated €706 million in revenue and €217 million in EBITDA for the year ended December 31, 2023, representing an EBITDA margin of 30.7%.
- Rest of the world, which includes all other international countries where we provide generalist and specialist equipment, mainly the United Kingdom, Spain, Italy, the Benelux, Germany, Poland, Slovakia, the Czech Republic as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. This segment generated €804 million in revenue for the year ended December 31, 2023, and €319 million in EBITDA for the year ended December 31, 2023, representing a record EBITDA margin of 39.7%.

***Rental products***

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

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

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

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

- powered-access elevation equipment, with or without operators, includes truck-mounted booms, telescopic and articulated booms and other platforms for reaching significant heights, used in construction, landscaping, events and by utilities and media customers;
- modular buildings include portable accommodation, workspaces and containers, often used on major construction or civil engineering sites, for special events, schools, administrative offices and for other applications;
- large compressors, generators and temperature control units include air compressors used to provide power to construction machinery and electrical generators that convert mechanical energy into electrical energy to power heavy machinery or to provide electricity where the grid is not available, as well as welding and pumping equipment;
- heavy civil engineering equipment is used for excavating, grading and compacting, principally for earthworks, road and railway construction, landscaping and demolition;
- equipment such as forklifts, super-silent generators and platforms for use in the production and logistical coordination of cultural, sporting and public events, concerts, exhibitions and television productions;
- temporary suspended platforms, mobile and fixed scaffolding, modular portable formwork and lifting equipment, and
- fall protection systems, road safety equipment, fences and gates, guardrails, edge protection systems.

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

***Rental services and retail***

We offer a variety of services that complement and support our rental offerings. Rental services, which accounted for approximately 27% of our revenue for the year ended December 31, 2023, include transportation of equipment to a site and assembly of modular equipment, damage waivers, which act like a product warranty against theft and breakage, and rebilling of other services such as equipment maintenance and fuel. The cost of providing these services is passed on to customers. Our rental services activity supports our core rental business and is not a separate division.

We also sell supplies, work site accessories and tools at our branches, including replacement parts, safety equipment and cleaning tools used by our end-customers. Retail activity accounted for approximately 5% of our revenue for the year ended December 31, 2023. We consider retail to be an activity that supports our primary rental activity.

**Customers**

We have a broad customer base ranging from large international companies to craftsmen. Our customers operate in many sectors, including residential, industrial, commercial construction, civil engineering such as transportation and infrastructure, utilities, building renovation, distribution, logistics, retail, environmental, events and media. During the year ended December 31, 2023, we provided services for over 500,000 customer accounts.

A significant portion of our customers are large construction and civil engineering groups with national operations. These customers operate through a large number of divisions with whom our relationships are established locally at the branch level by our branch managers and sales executives (and supported by key accounts managers within our headquarters), providing multiple entry points in our contacts with customers and contributing to the diversification and stability of our customer base. In 2023, business with construction and civil engineering customers represented approximately 40% and 18% of our revenue, respectively.

Our network of branches and our specialist equipment offerings enable us to provide tailored and attentive service to local and regional customers, while our developed full-service infrastructure allows us to effectively service large national and international customers. These large and diversified groups are significant operators in the construction and civil engineering sectors, as well as in road building, industrial maintenance and electrical works. They operate through hundreds of companies who we serve through our network of 1,132 branches worldwide.

Our top 10 customers, all of which operate in the civil engineering, construction or utilities sectors, accounted for about 11% of our revenue for the year ended December 31, 2023 and our top three customers accounted for 5% of our revenue over the same time period. In 2023, as a result of our diversification efforts, we have continued to increase the percentage of our revenue generated from smaller customers, including small- and medium-sized enterprises (SMEs) and craftsmen.

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

We monitor counterparty risk, particularly in respect of our smaller customers, and are attentive to signs of liquidity problems among our customers so that we can react quickly if needed, leveraging our internal recovery and collection teams to follow up on any overdue bills. Our bad debt ratio (which we define as provisions for overdue receivables, plus irrecoverable amounts, as a percentage of revenue) remained low at 0.79% of our revenue at December 31, 2023 albeit slightly increasing from 2022.

**Sales and Marketing**

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

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

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

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

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

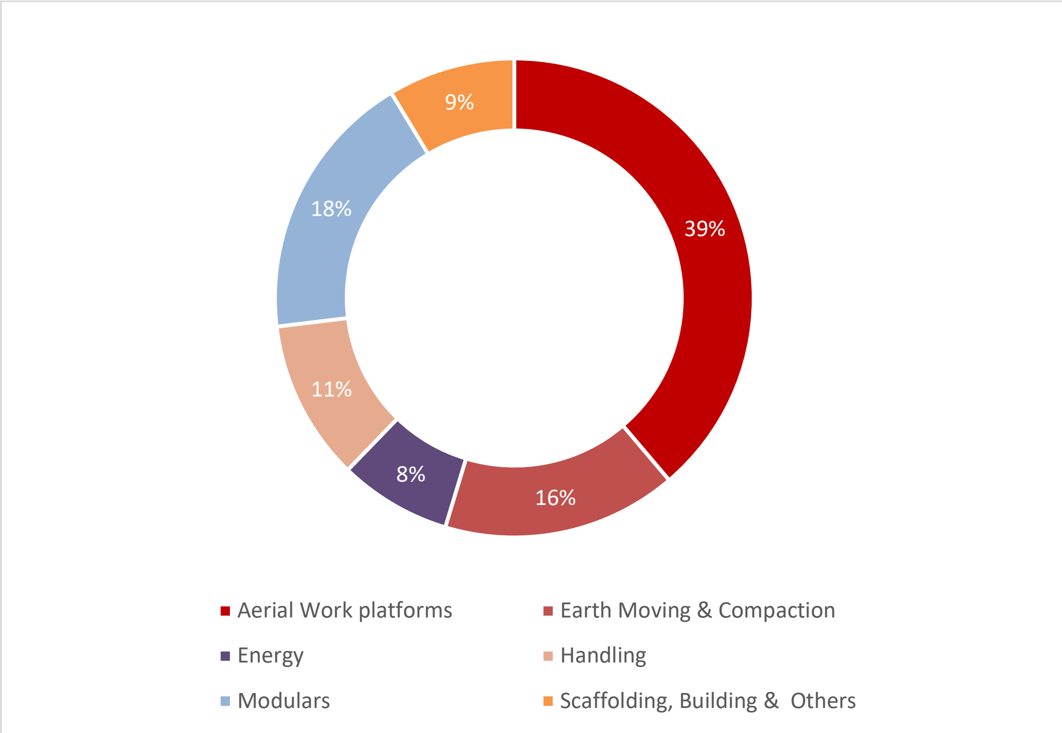
**Rental Fleet**

We have a well-maintained fleet consisting of approximately 600,000 pieces of equipment (excluding accessories) as of December 31, 2023. We strive to offer a large variety of equipment and we believe that our rental fleet is one of the most extensive fleets in the European market, representing approximately 2,000 different types of generalist and specialist equipment and tools (excluding accessories). All of the equipment in our fleet is either branded and painted in Loxam corporate colors or those of the relevant business unit. As of December 31, 2023, our fleet had a gross book value of €5.5 billion.

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

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

A breakdown of our fleet's replacement value by type of equipment as of December 31, 2023 is presented below.




**Fleet management**

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

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

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

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

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

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

**Suppliers**

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

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

**Our Network of Branches**

As of December 2023, we had a network of 1,132 branches, primarily located in Western Europe. The table below shows the number of branches we operate in each country or region:

| Country | Branches |
|---|---|
| France | 491 |
| Sweden | 94 |
| Finland | 60 |
| Spain | 56 |
| Poland | 49 |
| Brazil(1) | 44 |
| Germany | 44 |
| The Netherlands | 43 |

| | |
|---|---|
| Denmark | 38 |
| Norway | 32 |
| United Kingdom | 31 |
| Latvia | 19 |
| Estonia | 18 |
| Italy | 17 |
| Belgium | 17 |
| Lithuania | 17 |
| Czech Republic | 14 |
| The Middle East(2) | 13 |
| Slovakia | 12 |
| Switzerland | 7 |
| Morocco(3) | 4 |
| Portugal | 7 |
| Ireland | 3 |
| Colombia | 1 |
| Luxembourg | 1 |
| **Total** | **1,132** |

(1) We are present in Brazil through Degraus, which operates primarily in the state of São Paulo, and the recent acquisitions of Motormac (9 branches) and A-Geradora (14 branches) acquired by Degraus. We currently have a 89.9% stake in Degraus.

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

(3) We are present in Morocco through our wholly-owned subsidiary Atlas Rental.

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

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

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

Most of our branches are located in France. Of our 491 branches in France as of December 31, 2023, 413 were generalist branches and 78 were specialist branches. Our branches are typically located in industrial zones in or near medium and large metropolitan areas. Our broad geographical coverage in France reduces our exposure to regional variations in economic activity. Our Generalist branches in France operate under the Loxam Rental name. Our Specialist branches operate under the names Loxam Access (43 branches), Loxam Power (15 branches), Loxam Module (10 branches), Loxam Laho TEC (2 branches), Loxam TP (6 branches), Loxam Access PL (1 branch) and Event (1 branch).

In the Nordic countries, we operate a dense network, with 224 generalist and specialist branches as of December 31, 2023, including 94 branches in Sweden, 60 branches in Finland, 38 in Denmark and 32 branches in Norway. This coverage has contributed to our market-leading positions in Finland, Norway and Sweden and a number two position in Denmark. We operate in these countries under the Loxam and Ramirent brands.

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

**Employees**

Over the year ended December 31, 2023, we had on average 12,307 employees, nearly all of which were salaried personnel, including 4,857 employees in France, 2,776 employees in the Nordic countries and 4,673 employees in the rest of the world.

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

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

**Information Technology**

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

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

Our digital innovations, which aim to reinforce our status as a preferred supplier, have been gathered in a three-year plan in order to establish a list of priority topics to reinforce the satisfaction of our customers.

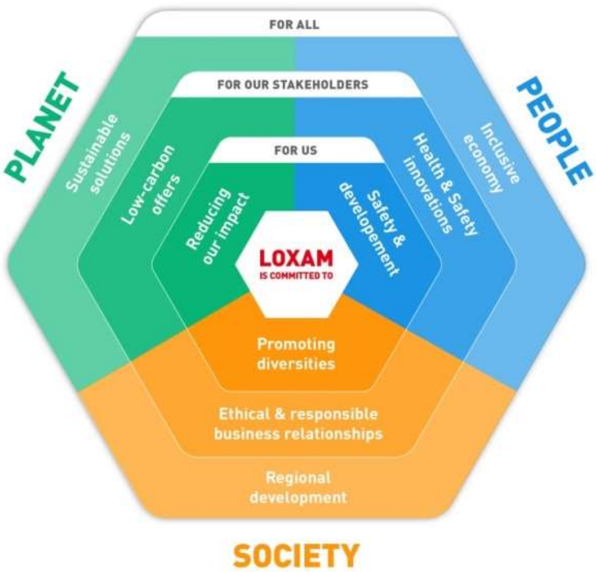
Moreover, our websites have improved to offer new content and become more user-friendly, for example by now allowing users to book their equipment online. By creating a personal and secure space for clients available 24/7 (MyLoxam), customers can place their orders and seamlessly monitor their contracts. Finally, an EDI (electronic data Interchange) allows us to send paperless invoices directly into the client's system. In France, almost 1.8 million paperless invoices were sent in 2023, representing approximately 71% of the total number of invoices issued. In addition, we have also expanded our certifications, including the ISO27001 for cybersecurity for our Powered Accessed Division.

**Intellectual Property**

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

**ESG**

Corporate social responsibility is at the core of our operations and we believe that our achievements and level of commitment in this area set us apart from our competitors. The CSR strategy we deploy is based on a precise analysis of our main non-financial risks and opportunities identified from materiality analyses. In 2021, we were able to consolidate our ESG strategy, which was drawn up by the members of our CSR Committee, supported by an independent consulting firm.




***People, at the heart of our priorities***

*Contributing to the development of our people*

Equipment rental is a service business based on the human qualities of our staff and the relations we maintain with our clients. Today, we are committed to strengthening the foundations of our social policy for all employees, thus providing each Loxam team member with the framework for real well-being at work, which is more important than ever. Because we firmly believe in the wealth of diversity, we act in favor of the inclusion of all profiles in our various job disciplines. Our commitment aims to (i) support our employees from their onboarding until their departure, by deploying the appropriate appraisal, advancement processes and proper trainings, (ii) guarantee jobs in the long term, include employees in the financial results of the company and promote their quality of life at work and (iii) promote social dialogue in all countries in which we operate and conduct employee satisfaction and engagement surveys. In 2023, 20 out of 31 of our business units received a certification from "Great Place to Work", an international organization specializing in the study of human resources and, in particular, the quality of work life.

*Guarantee safety anytime and anywhere*

Through our activity of temporarily supplying professional equipment, our employees, subcontractors and clients are faced with several at-risk situations which should be anticipated to guarantee their protection. It is a commitment on which we never compromise, and which revolves around three values: (i) exemplarity by everyone and for everyone, (ii) rigorous processes evidenced by our Group-wide ISO 45001 certification and (iii) regular and adequate training with protective equipment.

For more than 50 years, we have been keenly aware of how crucial of an issue safety is in the equipment rental sector by its very nature. In addition to focusing on raising awareness and training our teams, we pay continuous attention to the safety problems encountered and adopt a proactive attitude to anticipate risks and stimulate innovation. At the same time, we place our know-how at the disposal of our clients and suppliers, as illustrated by our annual Safety Meetings. Our approach therefore consists of making safety one of the fundamental elements of our commitments, in accordance with a very specific rule and motto applied throughout our Group: "Safety, anytime and anywhere."

We seek to guarantee the safety of our employees through a safety policy based on:

- a robust process for the welcoming and induction of new employees;
- the provision of PPE to all, renewed as frequently as necessary to meet legal safety standards;
- user-friendly work tools suited to the tasks to be performed;
- clear work procedures to enable people to work in total safety;
- the continuous training of employees in machinery use, working rules and safety rules applicable in branches, on the road and on our clients' worksites;
- an assessment by each of our branches of occupational risks, translated into local safety plans to continuously improve our employees' and our subcontractors' working conditions;
- the formulation of a risk prevention plan for each our duties on the worksites of our clients;
- periodical technical inspections performed by trusted and certified third-party technicians;
- monthly quarter-hour safety meetings in every branch;
- dedicated safety-based communication;
- established partnerships with industry safety organizations such as the International Powered Access Federation (IPAF) or the French building industry occupational health and safety agency (OPPBTP);
- close cooperation with our suppliers on the use of our equipment; and
- requiring our subcontractors to adhere to our safety rules.

In 2023, our workplace accident frequency rate, measured by the Loss Time Injury Frequency ratio, which is defined as the number of accidents in the workplace divided by the number of hours exposed to risk, multiplied by 1,000,000, reduced by 22% to 11.0, our lowest rate ever recorded which underlines our improvement, thanks to our dedication, in terms of employees' safety.

We also seek to offer ever safer and more reliable equipment through collaborative innovation with our suppliers. If we detect new equipment needs, we suggest to manufacturers that they incorporate new options. When requested by our suppliers, we place our user experience at their disposal to improve their machines.

*Innovating for our clients' safety*

As a service company at the heart of the sharing economy, it is our duty to support our partners, clients and suppliers in promoting a genuine safety culture, while continuing to innovate with a view to offering them ever safer equipment.

This commitment revolves around two values: (i) we raise our partners' awareness through the implementation of communication initiatives, training and meetings in all our countries and (ii) we work every year with our clients and suppliers to improve the safety of our equipment. We do so by testing new equipment, specifying certain requirements in a co-innovation approach, and supplying documented returns on experience. For example, we seek to ensure our customers' safety by keeping them informed as to how our equipment works, including through notices, safety recommendations that are regularly posted in branches or freely available video tutorials on the Loxam Corporate YouTube channel. In addition, we increased the use of IoT (Internet of Things) such as deploying sensors on all our equipment.

*Promote an inclusive economy*

We wish to contribute to the inclusion of everyone in society and promote the rental sector to make it attractive to everyone, including people who are traditionally at a disadvantage in the job market.

We therefore collaborate with our ecosystem to bring about change in practices through partnerships with schools, vocational integration organizations and our trade associations. We also support organizations working in aid of social inclusion through employment and social development.

***Society: Loxam, a responsible firm with local ties***

*Promoting diversity*

Embracing all forms of diversity is both a legal requirement and a powerful vector to attract and retain talent. Our policy in favor of diversity revolves around three values: objectivity in our recruitment and talent management, (ii) promotion by offering the same advancement opportunities, irrespective of career path, age, origin or gender and (iii) inclusion thorough, by prioritizing local new hires and helping fragile populations into work.

*Guaranteeing ethical and responsible relations*

With a very decentralized and locally established network, our employees are required to manage multiple commercial relationships with our partners, clients and suppliers. Business ethics is of critical importance to our Group and revolves around three strong values shared by all our people: (i) honesty, ethics and transparency in our business dealings, with the healthy management of our contracts, a code of ethics, and ethics training common to all the Group and provided to all our employees, (ii) relationships of trust with our clients and suppliers to fully control our supply chain, without however dispensing with controls under legal provisions such as "Sapin II" in France and connected with the duty of care and (iii) integrity, notably in the management of commercial and personal data, in accordance with the General Data Protection Regulation (GDPR).

As part of our duty of vigilance, to secure the control of our supply chain as a whole, we have introduced a formal process for the evaluation of our suppliers through the signature of a partnership with Ecovadis. Launched in 2020, this partnership was implemented in 2021 and extended to our

Ramirent business unit. We now have a shared platform to create synergies in terms of evaluating our suppliers, as most of them are common to all our business units.

We published our first vigilance plan in 2022. The vigilance plan is the cornerstone of the law on the corporate duty of vigilance designed to identify risks and prevent severe impacts on human rights and fundamental freedoms, on people's health and safety and on the environment resulting from the activities of the company, those of its subsidiaries or those of the subcontractors or suppliers with whom they have an established business relationship. Corporate governance around the duty of vigilance has been established, including the creation of a Vigilance Committee with the Chairman and Chief Executive Officer of the company as member. The purpose of the Committee is to validate the vigilance plan and the risks covered therein, to follow up on performance and action plans and to review potential alerts.

*Making our widespread establishment an opportunity for local communities*

Through our dense network of branches open to all the stakeholders in the community, we have an important role to play to promote regional development, staying true to our values: (i) local establishment and proximity to serve growth in communities and (ii) contribution to the public interest, through corporate philanthropy and donations to non-profits.

We seek to support the development of the local economy by giving our branches plenty of latitude to promote and make use of skills available locally. Our business revolves around a dense network of branches open to a wide variety of clients: companies, local authorities, private companies of all sizes, non-governmental organizations, young people, jobseekers and others. We strive to give leeway to our branches, both in terms of recruitment and in the use of local suppliers for certain services (for example, for logistics, equipment repair and other on-site services) to help support a special and close relationship with local communities while providing an excellent quality of service.

We also seek to contribute to the general interest of the communities in which we are present. We support actions that have a social, community and environmental benefit through initiatives sponsored by our network. Our corporate patronage policy is centered around two themes: the development of professional culture (such as teaching and apprenticeships) and the preservation of heritage. For example, in 2020, we contributed to the reconstruction of Notre Dame cathedral in Paris through a corporate patronage agreement to equip the storage center for its works of art. We also entered into a partnership agreement with the Rugby World Cup France 2023 to federate our employees and become involved in ESG initiatives that are particularly close to our values.

***The Environment: setting a course for 2030***

*Taking action to protect the environment*

Our business model, based on the sharing economy, is intrinsically formed around the principles of the circular economy. Beyond the business model, ecological attention is paid to each of our operating phases: from facility and waste management to the recovery of machines at the end of their technical life, without forgetting our transport logistics and the choice of the equipment that makes up our fleet. In 2020, with the help of the Carbone4 consultancy, we calculated the carbon footprint for all our emissions, both direct and indirect. This exercise reinforced two priorities: our ambition to build a path to reduce all of our emissions in order to be in line with the Paris Climate Agreement, and the will to be motivational and to propose, as of now, equipment with alternative energy to our customers. In furtherance of these priorities, we have recently pledged to cut our direct emissions by 50% and our indirect emissions by 30% by 2030 compared with 2019. In step with the Paris Climate Agreement, these targets enable us to contribute to keep global warming within the ambitious target of 1.5℃. Our aim is to be acknowledged by our stakeholders as a leading player in our market.

*Offering low-carbon options*

The environmental impact of our fleet of more than 600,000 items of equipment available for hire worldwide is by far our largest source of emissions, representing more than 50% of our carbon footprint. It is essential to adapt our equipment fleet to anticipate the future needs of our clients, who themselves have made voluntary undertakings and are sometimes constrained by regulations.

Our strategy is based on two factors: (i) offering the most recent alternatives in terms of both equipment and digital technology to reduce superfluous use (IoT) and (ii) supporting sustainable transformation developed by research initiatives and contributing to awareness among our clients. In 2023, 22% of our capital expenditure were allocated to green investments (electrical, hybrid, gas or hydrogen powered equipment).

*Providing sustainable solutions*

At the heart of the sharing economy, equipment rental is by nature a virtuous practice for the environment. By pooling the use of the same piece of equipment by a large number of clients, we can make the most of our equipment's capacities. Promoting rental as a responsible practice is therefore a real opportunity for our Group.

**Insurance**

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

**Legal Proceedings**

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

## MANAGEMENT - GOVERNANCE

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

### Chairman and Chief Executive Officer

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

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

### Managing Director

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

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

### Executive Committee

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

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

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

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

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

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

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

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

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

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

The business address of the members of the Executive Committee is Loxam, 256, rue Nicolas Coatanlem, CS 90592, 56850 Caudan, France.

**Strategic Committee**

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

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

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

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

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

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

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

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

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

*Audit Committee*

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

*Remuneration and Appointment Committee*

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

*Ethics Committee*

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

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

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

### Overview

The Loxam Group is the leading equipment rental company in Europe and the fourth largest equipment rental company in the world, in each case based on our revenue for year ended December 31, 2023.

The Group has operations in 30 countries on four continents with a large and well-established presence in Europe, serving the construction, industry, public works, services and events sectors. During the twelve months ended December 31, 2023, the Group generated €2,600 million in pro forma revenue and €946 million in pro forma EBITDA.

The Group activities are conducted in three principal geographies:

- France, with a network of 491 branches as of December 31, 2023. 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 40% of group's pro forma revenue for the year ended December 31, 2023.
- Nordic countries, which consist of Denmark, Norway, Sweden and Finland. As of December 31, 2023, the network in Nordic countries comprised 224 branches and provided both generalist and specialist equipment primarily through Ramirent and Loxam Access brands. Nordic countries generated 27% of group's pro forma revenue for the year ended December 31, 2023.
- Rest of the World, which includes all other international countries where the Group provides generalist and specialist equipment: the United Kingdom, Spain, Italy, the Benelux, Germany, Poland, Slovakia, Czech Republic as well as the Baltic States, the Middle East, Brazil, Colombia and Morocco. As of December 31, 2023, the Group operated in the Rest of the World with a network of 417 branches and generated 33% of group's pro forma revenue.

We rent approximately 2,000 different types of equipment and tools in our fleet (excluding accessories), which consisted of approximately 600,000 pieces (excluding accessories) with a gross book value of €5.5 billion as of December 31, 2023. Our generalist offering is focused on equipment principally used in construction and civil engineering projects. These projects encompass a wide range of activities, including new buildings in the residential, industrial, commercial and governmental sectors, renovation, utilities, roadwork and infrastructure. Our specialist equipment offerings serve specific client needs in terms of performance (such as power or reach) or quantity of equipment and can include aerial work platforms, generators, portable accommodation and heavy equipment for civil engineering.

We also provide services such as transportation, refueling, damage waiver and retail consumable products to complement and support our rental business. Over the course of the year ended December 31, 2023, we provided these services for our clients through our various brands such as Loxam Rental, Ramirent, Loxam Hune and Nationwide Platforms. As of December 31, 2023, we had 1,070 branches in Europe, more than any other European competitor.

**Key Factors Affecting Results of Operations**

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

***Cyclicality, seasonality and economic conditions***

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

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

Following the rise of interest rates in Europe since 2022, construction markets slowed down in Europe because demand for residential construction fell heavily. In 2023, a majority of construction markets declined because of a level of residential construction output. However, civil engineering work and infrastructure work have continued to be sustained and supported our operations.

***Investment in new equipment and asset sales***

The management of our level of capital expenditure by increasing or decreasing the amount of investment in our fleet is an important factor in our results of operations and cash flow. Decisions about investment in new equipment are based on the condition and remaining useful life of our existing equipment as well as on our views of future demand. We sell assets in our fleet when we believe that these assets have reached the end of their useful life because they have become obsolete or when the cost of maintaining them in proper condition for customer use is too high. We may also sell assets in our fleet before the end of their useful life if we believe a decline in demand in a given market is likely to last for a significant period of time.

The allocation of investments in our rental fleet is determined by the type of equipment and the requirements of our business units. In 2022, we accelerated and increased our investments as we expected demand for rental services to be strong while construction markets recovered from the COVID-19 pandemic. Overall, during the year ended December 31, 2022, we increased our fleet capital expenditures to €738.4 million from €402.1 million during the year ended December 31, 2021. Given the slowdown of construction markets, we engaged  a lower level of capital expenditure in 2023 to €516.5 million in line with our perception of the demand.

### *Operating expenses*

Our business, like that of all equipment rental groups, is capital-intensive with a predominantly fixed cost structure that principally relates to the depreciation of our equipment fleet, as well as other operating expenses that are fixed for short or long periods of time, such as certain personnel charges and rent on real estate. The management of our costs is an important factor in our results of operations and cash flow. To the extent possible we seek to deploy our fleet so as to match increases and decreases in demand rather than relying on renting equipment from a third party to then rent it out to our own customers or other more costly measures to meet the needs of our customers. In 2024, we intend to continue our cost-cutting measures to align our operating expenses to the potential slowdown in the markets in which we operate.

### *Acquisitions*

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

During the year ended December 31, 2023, we made the following acquisitions :

- On March 21, 2023, Ramirent AB acquired JIAB Hyrcenter AB and its subsidiary JIAB Boden AB (together, "JIAB"), a leading general equipment rental player in northern Sweden operating five branches in Luleå, Piteå, Boden, Kiruna and Gällivare, and employing approximately 55 employees.
- On June 1, 2023, Degraus acquired Vellopar Participações Ltda., SPP Participações Ltda. and TPA Participações Ltda., thus gaining the full control of Motormac Rental Locação Equipamentos S.A. ("Motormac Rental"), a major player in the equipment rental market in the south of Brazil and employing approximately 170 employees.
- On June 15, 2023, we set up "GL Events-Loxam NRG P24" as a joint venture with our partner GL Events Live. We hold a 35% interest in the joint venture. This joint venture was awarded a contract for the supply of temporary power to the 2024 Paris Olympics and Paralympics games. Our stake in this entity is accounted for in our consolidated financial statements under the equity method.
- On July 11, 2023, we acquired 49% of Atlas Rental in Morocco from its minority shareholders, bringing our total stake in this company to 100%. Atlas Rental was already fully consolidated in our financial statements.
- On September 6, 2023, Degraus acquired Geradora Aluguel De Máquinas S.A. ("A Geradora"), a leader in the temporary power generation rental market in Brazil employing approximately 650 people. This acquisition, along with the acquisition of Motormac Rental, is expected to reinforce Degraus' position in the Brazilian equipment rental market.

During the year under review, we carried out the following disposal:

- On November 13, 2023, Fortrent Oy disposed of its share position in Fortrent LLC, its Russian subsidiary for an amount of 1.6 billion Rubles (€15.6 million). Fortrent Oy is a 50%-owned subsidiary of Ramirent Oy.

### *Factors Affecting Comparability Of Results*

The change in the scale of our rental network as a result of acquiring new branches and closing existing ones affects the comparability of our results during those periods by increasing both revenue and expenses.

### *Impact of Recent Acquisitions on Financial Statements*

Our consolidated financial statements for the year ended December 31, 2023 include twelve months of activity of HR Aluguer and Wasa Trade Oy which were respectively acquired on December 23, 2022 and January 16, 2023, four months of activity of A Geradora, which was acquired on September 6, 2023, seven months of activity of Motormac Rental, which was acquired on June 1, 2023 nine months of activity of JIAB, which was acquired on March 21, 2023. As of December 31, 2023, we recorded a preliminary purchase price allocation for the Brazilian acquisitions.

### *Constant Perimeter Information*

The information provided at constant perimeter for the year ended December 31, 2023 compared to the year ended December 31, 2022 excludes the financial information of HR Aluguer, WasaTrade, JIAB, Motormac Rental and A Geradora.

### *Constant Exchange Rate Information*

In order to neutralize the impact of foreign currency conversion to euro, we present certain information at constant exchange rate by applying the comparative previous period’s exchange rates to the most recent period being compared.

### Explanation of Key Line Items from the Income Statement

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

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

- ***Taxes and duties*** relate mainly to property and local taxes (including the CET or *Contribution Economique Territoriale* paid in France).
- ***Depreciation and amortization*** principally include depreciation of fixed assets (fleet and non-fleet). Depreciation and amortization also include depreciation of intangible assets (trademarks and customer relationships). Under IFRS 16, as a lessee, the Group accounts for right-of-use assets associated with leases and recognizes amortization in respect thereof on a straight-line basis over the lease term.
- ***Other operating income and expense*** includes a limited number of unusual, abnormal, and uncommon items, with significant amounts, which are disclosed separately in the income statement to make it easier to appreciate the Group's current operating performance.
- ***Financial income*** primarily includes interest income on cash balances, while financial expense comprises interest charges on bank loans and bonds and hedging expenses. It also includes changes in the fair value of derivatives instruments and the interest cost related to the lease liability generated by the application of the IFRS 16 standard.
- ***Income tax*** consists of current and deferred taxes calculated in accordance with the relevant tax laws in force in the jurisdictions in which we operate. As of December 31, 2023, 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 our results of operations for the years and 4th quarters ended December 31, 2022 and 2023.

| **Consolidated Income Statement according to IFRS** | **Year ended December 31,** | | **Quarter ended December 31,** | |
|---|---|---|---|---|
| *(in millions of euros)* | **2022** | **2023** | **2022** | **2023** |
| **Revenue** | **2,402.8** | **2,551.8** | **620.9** | **662.1** |
| Other income (1) | 60.6 | 77.7 | 20.2 | 26.0 |
| Purchases consumed | (247.0) | (263.4) | (69.4) | (75.2) |
| Personnel expenses | (625.8) | (673.0) | (165.4) | (175.9) |
| Other current expenses | (723.6) | (748.7) | (192.0) | (199.7) |
| Taxes and duties | (18.8) | (18.2) | (4.1) | (4.6) |
| Depreciation and amortization | (568.4) | (636.5) | (149.2) | (167.2) |
| **Profit from ordinary operations** | **279.7** | **289.7** | **61.1** | **65.5** |
| Other operating income and expense (2) | (40.8) | 3.3 | (0.9) | 5.7 |
| **Operating profit** | **239.0** | **292.9** | **60.2** | **71.3** |
| Financial income and expense | (146.8) | (190.7) | (39.6) | (58.5) |
| **Profit before tax** | **92.2** | **102.2** | **20.7** | **12.7** |
| Share of profit of associates | - | - | - | (1.5) |
| Income tax expense | (30.5) | (26.7) | (7.3) | (4.4) |
| **Net profit** | **61.7** | **75.6** | **13.4** | **6.8** |
| Non-controlling interests | - | (0.3) | (0.1) | (0.1) |
| **Net profit, group share** | **61.6** | **75.9** | **13.5** | **7.0** |

Notes:

(1) Other income includes capital gains on fleet disposals amounting to €49.5 million in 2022 and €60.1 million in 2023, and €17.4 million and €17.9 million in the quarters ended December 31, 2022 and 2023, respectively.

(2) Other operating income and expense in 2023 includes net capital gain on the disposal of Fortrent for €5.8 million, acquisition costs of €(1.8) million and impairment costs of €(0.7) million.
In 2022, operating income and expense 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, an impairment of capitalized costs in Sweden for €(0.7) million and acquisition costs for €(0.6) million

**Consolidated Condensed Income Statement Data**

We consider revenue and EBITDA to be key measures in analyzing our business. EBITDA is a non-IFRS measure but we believe that it and similar measures are widely used by certain investors as supplemental measures of performance and liquidity.

The following table sets out these key figures in each of the main geographies for the years ended December 31, 2022 and 2023 and the quarters ended December 31, 2022 and 2023.

| | **Year Ended December 31,** | | **Quarter ended December 31,** | |
|---|---|---|---|---|
| *(in millions of euros)* | **2022** | **2023** | **2022** | **2023** |
| **Revenue** | | | | |
| France | 976.9 | 1,041.7 | 252.6 | 265.9 |
| Nordic Countries | 722.5 | 705.7 | 186.4 | 182.5 |
| Rest of the World | 703.3 | 804.4 | 181.8 | 213.6 |
| **Total Revenue** | **2,402.8** | **2,551.8** | **620.9** | **662.1** |
| **EBITDA** | | | | |
| France | 363.5 | 390.2 | 91.9 | 99.3 |
| Nordic Countries | 217.6 | 216.8 | 50.8 | 51.0 |
| Rest of the World | 267.0 | 319.2 | 67.7 | 82.4 |
| **Total EBITDA** | **848.1** | **926.2** | **210.3** | **232.8** |
| *EBITDA margin* | *35.3%* | *36.3%* | *33.9%* | *35.2%* |

**Year ended December 31, 2023 compared to year ended December 31, 2022**

***Revenue***

Revenue increased by 6.2% to €2,551.8 million in 2023 compared to revenue of 2,402.8 million in 2022. At constant perimeter and at constant exchange rates, revenue increased by 5.3% in the year ended December 31, 2023.

Revenue from activities in France increased by 6.6% to €1,041.7 million in 2023 from €976.9 million in 2022. The increase in revenue was supported by activity in the civil engineering and non-residential construction markets and by the development of revenue of the specialist operations.

Revenue of activities in Nordic countries decreased by 2.3% to €705.7 million in 2023 from €722.5 million in 2022, due primarily to the weakening of the Swedish krona and the Norwegian krone against the euro. At constant exchange rates, revenue increased by 3,0%, thanks to the acquisition of JIAB and to the demand from industrial and new infrastructure projects.

In the Rest of the World, revenue increased by 14.4% to €804.4 million from €703.3 million, predominantly thanks to the organic growth in Southern Europe, Baltic countries, the Middle East and Brazil. At constant perimeter and exchange rates, revenue increased by 9.0%.

In 2023, 41% of our revenue was generated in France (stable compared to 2022), 28% was generated in Nordic countries (down from 30% in 2022), and the Rest of the world contributed to 31% (up from 29% in 2022).

***Other income***

Other income increased by 28.3% from €60.6 million in 2022 to €77.7 million in 2023. This increase was mainly driven by a catch-up on fleet disposals.

***EBITDA***

We generated an EBITDA of €926.2 million in 2023, representing an increase of 9.2% compared to €848.1 million in 2022. Our EBITDA margin increased from 35.3% of our revenue in 2022 to 36.3% of our revenue in 2023.

France EBITDA increased by 7.4% to €390.2 million in 2023 from €363.5 million in 2022 stimulated by the growth of our specialist business. France EBITDA margin increased slightly from the level of 37.2% in 2022 to 37.5% in 2023.

Nordic countries EBITDA decreased by 0.4% to €216.8 million in 2023 from €217.6 million in 2022 as a result of the weakening of the Swedish krona and the Norwegian krone against the Euro. At constant perimeter and at constant exchange rates, the EBITDA of Nordic countries increased by 0.6%. EBITDA margin increased from 30.1% in 2022 to 30.7 % in 2023.

In the Rest of the World, EBITDA increased by 19,6% to €319.2 million in 2023 from €267.0 million in 2022 as a result of the good revenue growth and the contribution from the acquisitions of Motormac and A Geradora in Brazil. At constant perimeter and at constant exchange rates, the EBITDA in the Rest of the world increased by 12.7%. The EBITDA margin increased from 38.0% in 2022 to 39.7% in 2023.

***Purchases consumed***

Purchases consumed increased by 6.6% from €247.0 million in 2022 to €263.4 million in 2023 in line with the rise of our revenue.

***Personnel expenses***

Personnel expenses increased by 7.5% to €672.9 million in 2023 from €625.8 million in 2022 as a result of the increase in wages and the number of our employees in most of our geographies.

***Other current expenses***

Other current expenses increased only by 3.5% to €748.7 million in 2023 from €723.6 million in 2022 thanks to a control on outsourcing haulage and maintenance. External expenses also increased by 2.7% in 2023 compared to 2022.

***Depreciation and amortization***

Depreciation and amortization for property, plant and equipment (excluding depreciation of right-of-use assets) increased from €412.0 million in 2022 to €465.3 million in 2023, due in particular to the significant increase of our fleet capital expenditures in 2022.

The amortization expense of intangible assets increased slightly to €47.6 million in 2023 compared to €46.0 million in 2022 mainly impacted by the purchase price allocation to trademarks and customer relationships of our recent acquisitions.

The depreciation of right-of-use assets amounted to €123.6 million in 2023, compared to €110.4 million in 2022 due to the renewals and new lease contracts across 2023.

***Other operating income and expense***

Other operating income and expense was a net income of €3.2 million in 2023 compared to a net expense of €(40.8) million in 2022. In 2023, the non-recurring items included net capital gain on the disposal of Fortrent of €5.8 million, acquisition costs of €(1.8) million and impairment costs of €(0.7) million.

In 2022, the non-recurring costs included the impairment of the goodwill of Rapid Access Middle East for €(30.0) million, the write-down of our investment in Fortrent for €(9.5) million, the impairment of intangible assets for €(0.7) million and acquisition costs for €(0.6) million.

***Financial income and expense***

Our net financial expense increased at €(190.7) million in 2023 compared to €(146.8) million in 2022.

Our interest expenses on other financial debt, including IFRS 16 lease liabilities, increased by €35.4 million as we drew down new bilateral loans and finance leases to finance capital expenditures.

As a result of bonds refinancing that closed in May 2023 and December 2023, interest expenses on our outstanding debt securities increased by €4.9 million. This 1bn€ refinancing of new bonds yielding 6.375% has not yet fully impacted our financial costs for 2023.

***Income tax***

Profit before tax increased to €102.2 million in 2023 compared to €92.2 million in 2022. Income tax expense decreased from €(30.5) million in 2022 to €(26.7) million in 2023 because, excluding non-recurring costs, profit before tax decreased.

***Net profit, group share***

As a result of the factors detailed above, the group share of net profit increased from €61.6 million in 2022 to €75.9 million in 2023.

**Quarter ended December 31, 2023 compared to quarter ended December 31, 2022**

***Revenue***

Revenue increased by 6.6% to €662.1 million in the fourth quarter of 2023 from €620.9 million in the fourth quarter of 2022. At constant perimeter and at constant exchange rates, revenue increased by 3.0%.

Revenue in France increased by 5.3% to €265.9 million in the fourth quarter of 2023 compared to €252.6 million in the fourth quarter of 2022, reflecting a steady growth at the generalist operations and continuous opportunities for the specialist activities.

Revenue from activities in Nordic countries decreased from €186.4 million to €182.5 million, mainly due to a slowdown in the residential construction market in Scandinavian countries. At constant exchange rates, revenue in Nordic countries increased by 2.1%, thanks to the contribution of the Jiab acquisition.

Revenue at the Rest of the world division pursued a double-digit growth reporting an increase of 17.5% at €213.6 million. The division was driven by strong activity in the Middle East, Baltics and Brazil as well as by the contribution for a full quarter for the first time from the two Brazilian acquisitions.

***Other income***

Other income increased by 28.4% to €26.0 million in the quarter ended December 31, 2023 thanks to sustained level of asset disposals and recharges to third parties.

***Purchases consumed***

Purchases consumed increased by 8.3% to €75.2 million for the quarter ended December 31, 2023, compared to €69.4 million for the quarter ended December 31, 2022. The increase was mainly caused by higher volume of fuel and spare parts purchased for third party reinvoicing.

***Personnel expenses***

Personnel expenses increased by 6.4% to €175.9 million in the quarter ended December 31, 2023, from €165.4 million in the quarter ended December 31, 2022. At constant perimeter, the increase of personnel expenses amounted to 3.7% while staff number increased by 1%.

***Other current expenses***

Other current expenses rose by 4.0% to €199.7 million in Q4 2023 from €192.0 million in Q4 2022, primarily due to indices on expenses such as real estate and administration costs.

***Depreciation, amortization***

Depreciation and amortization for property, plant and equipment increased by 12.0% to €121.3 million in the quarter ended December 31, 2023, due to the high level of Capex in 2022 and in 2023.
The amortization expense of intangible assets increased slightly to €12.6 million in Q4 2023 compared to €12.0 million in Q4 2022.
The depreciation of the right-of-use assets amounted to €33.4 million in Q4 2023 compared to €29.0 million in Q4 2022.

***Other operating income and expense***

Other operating income and expense amounted to €5.7 million in Q4 2023 because of the capital gain on the Fortrent Russia disposal. In Q4 2022, other operating income and expense amounted to €(0.9) million, which included acquisition costs of €(0.2) million and intangible assets impairment of €(0.7) million.

***Financial income and expense***

Net financial expense increased from €(39.6) million in Q4 2022 to €(58.5) million in Q4 2023 due to the increase of interest costs for bilateral debts and finance leases for €11.4 million and the increase in bonds cots of €2.7 million, due to the refinancings completed in May 2023 and December 2023.

***Income tax***

Profit before tax amounted to €12.7 million in the quarter ended December 31, 2023 versus €20.7 million in the quarter ended December 31, 2022.

Income tax was an expense of €(4.4) million in the quarter ended December 31, 2023, compared to an expense of €(7.3) million in the quarter ended December 31, 2022.

***Net profit, group share***

We recorded a net profit, group share of €7.0 million in the quarter ended December 31, 2023 compared to a profit of group share of €13.5 million in the quarter ended December 31, 2022.

*EBITDA*

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

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

| | Year ended December 31, | | Quarter ended December 31, | |
|---|---|---|---|---|
| *(in millions of euros)* | **2022** | **2023** | **2022** | **2023** |
| **EBITDA** | **848.1** | **926.2** | **210.3** | **232.8** |
| Depreciation and amortization | (568.4) | (636.5) | (149.2) | (167.2) |
| **Profit from ordinary operations** | **279.7** | **289.7** | **61.1** | **65.5** |
| Other operating income and expense | (40.8) | 3.3 | (0.9) | 5.7 |
| **Operating profit** | **239.0** | **292.9** | **60.2** | **71.3** |
| Financial income and expense | (146.8) | (190.7) | (39.6) | (58.5) |
| Share of profit of associates | - | - | - | (1.5) |
| Income tax expense | (30.5) | (26.7) | (7.3) | (4.4) |
| **Net profit** | **61.7** | **75.6** | **13.4** | **6.8** |

EBITDA increased to €926.2 million in 2023 from €848.1 million, with an EBITDA margin of 36.3% in 2023 and 35.3% in 2022.

In France, EBITDA amounted to €390.2 million in 2023, compared to €363.5 million in 2022. Our EBITDA margin was satisfying at 37.5% in 2023 compared to 37.2% in 2022. EBITDA amounted to €99.3 million in the quarter ended December 31, 2023, compared to €91.9 million in the quarter ended December 31, 2022.

In Nordic countries, EBITDA amounted to €216.8 million in 2023, compared to €217.6 million in 2022. Due to strict cost cutting measures the EBITDA margin increased from 30.1% in 2022 to 30.7% in 2023. EBITDA amounted to €51.0 million in the quarter ended December 31, 2023, compared to €50.8 million in the quarter ended December 31, 2022.

In the Rest of the world, EBITDA amounted to €319.2 million in 2023, compared to €267.0 million in 2022. Our EBITDA margin increased significantly at 39.7% in 2023 compared to 38.0% in 2022. EBITDA amounted to €82.4 million in the quarter ended December 31, 2023, compared to €67.7 million in the quarter ended December 31, 2022.

*Cash flow*

The following is a discussion of our cash flow from operations, cash flow from investing activities and cash flow from financing activities for the years ended 2023 and 2022.

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

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

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

**Year ended December 31, 2023 compared to year ended December 31, 2022**

The following table presents a summary of our cash flow for the year ended December 31, 2023 as compared to the year ended December 31, 2022:

| | **Year Ended December 31,** | |
|---|---|---|
| *(in millions of euros)* | **2022** | **2023** |
| Cash flow from operations | 593.2 | 585.4 |
| Cash flow from investing activities | (949.1) | (771.7) |
| Cash flow from financing activities | 107.8 | 100.4 |
| **Change in cash and cash equivalents** | **(248.1)** | **(85.9)** |
| **Cash and cash equivalents at the end of the period (1)** | **220.2** | **133.8** |

Note: (1) net of bank overdrafts

***Cash flow from operations***

Net cash provided by operations decreased from €593.2 million in 2022 to €585.4 million in 2023. Excluding the impact of IFRS 16 and before changes in working capital requirements and variations in other financial debts and in accrued interest on debt, net cash provided by operations was €555.6 million in 2023, compared to €529.0 million in 2022, mainly due to a higher EBITDA excluding capital gains on disposals. Changes in working capital had a negative impact of €85.0 million in 2023, mainly caused by a decrease of fixed assets payables as capex deliveries were significantly higher in Q4 2022.

***Cash flow from investing activities***

Net cash used in investing activities decreased significantly from €949.1 million in 2022 to €771.7 million in 2023, mainly due to lower investments in our rental fleet in 2023 compared to a high level of investments in 2022. Excluding IFRS 16 impact, purchases of fixed assets decreased to €581.1 million in 2023 (of which our rental fleet accounted for €516.5 million) from €792.5 million in 2022 (of which our rental fleet accounted for €738.4 million). Cash from fixed asset disposals, most of which related to the sale of old rental fleet, increased from €69.9 million in 2022 to €88.5 million in 2023. Cash used for acquisitions totaled €187.8 million in 2023 compared to € 88.7 million in 2022.

***Cash flow from financing activities***

Net cash provided by financing activities decreased from a net inflow of €107.8 million in 2022 to a net inflow of €100.4 million in 2023.

In 2023, we issued €1,601 million of debt (excluding IFRS 16 lease liabilities), which consisted of €400.0 million of 2028 Senior Secured Notes and of €600.0 million of 2029 Senior Secured Notes, €378.0 million of new bilateral facilities and €226.0 million of new finance leases. We redeemed €300.0 million of 2024 Senior Secured Notes and €700.0 million of 2025 Senior Secured Notes, €2.8 million of July 2027 Senior Subordinated Notes, €2.0 million of April 2027 Senior Subordinated Notes and repaid €54.2 million of state-guaranteed loans (mainly €46.3 million for France, €5.7 million for Spain and 2.0 million for Italy), €260.0 million of bilateral facilities, €12.0 million of commercial paper and €163.2 million of finance leases.

***Capital expenditures***

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

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

| | **Year Ended December 31,** | |
|---|---|---|
| *(in millions of euros)* | **2022** | **2023** |
| Purchases of rental equipment | 738.4 | 516.5 |
| Purchases of non-rental equipment[(1)] | 54.1 | 64.5 |
| Gross capital expenditures | 792.5 | 581.1 |
| Proceeds from disposals of rental equipment | 66.2 | 84.3 |
| Proceeds from disposals of non-rental equipment | 3.7 | 4.2 |
| Proceeds from disposals of fixed assets | 69.9 | 88.5 |
| Net fleet capital expenditures[(2)] | 672.2 | 432.2 |
| Net capital expenditures[(3)] | 722.6 | 492.6 |

Notes:

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

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

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

Our gross capital expenditures amounted to €581.1 million in 2023, of which €516.5 million were fleet capital expenditures compared to €792.5 million in 2022, of which €738.4 million were fleet capital expenditures.

In 2023, the gross book value of disposed rental equipment was €275.0 million, compared to €203.4 million in 2022.

***Free cash flow***

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

In 2023, Loxam had a negative recurring free cash flow of €(22.0) million, improving from the €(209.1) million negative recurring free cash flow recorded in 2022. This improvement was due to higher EBITDA and lower capex in 2023. However, in 2023 Loxam faced a negative impact from the change in WCR on fixed assets (as some 2022 capex were delivered late in the year) and higher financial expenses.

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

| | **Year ended December 31,** | | **Quarter ended December 31,** | |
|---|---|---|---|---|
| *(in millions of euros)* | **2022** | **2023** | **2022** | **2023** |
| **EBITDA** ........................................ | **848.1** | **926.2** | **210.3** | **232.8** |
| Rents IFRS 16 impact [1] ........................................ | (119.6) | (133.3) | (31.2) | (35.2) |
| Capital gains on fleet disposals and other items........................ | (50.1) | (54.1) | (16.7) | (10.1) |
| Proceeds from disposals of fixed assets.................................... | 69.9 | 88.5 | 24.7 | 28.0 |
| Financial income and expense [2] ........................................ | (125.7) | (161.9) | (32.9) | (51.1) |
| Income taxes [3] ........................................ | (23.6) | (21.3) | (3.8) | (4.7) |
| Change in working capital requirement relating to operations [4] | (49.5) | 1.8 | 27.8 | 40.6 |
| **Free Cash Flow from operations [5]** ........................................ | **549.5** | **645.8** | **178.2** | **200.3** |
| Gross capital expenditure ........................................ | (792.5) | (581.1) | (232.9) | (127.9) |
| Change in working capital requirement relating to fixed assets [4] | 33.9 | (86.8) | 47.3 | (12.8) |
| **Cash Flow from capital expenditures** ........................................ | **(758.6)** | **(667.9)** | **(185.6)** | **(140.7)** |
| Non-recurring items [6] ........................................ | (27.4) | - | - | - |
| **Free cash flow[7]** ........................................ | **(236.5)** | **(22.0)** | **(7.4)** | **59.6** |
| Acquisitions [8] ........................................ | (88.7) | (187.8) | (27.9) | - |
| Dividends ........................................ | (25.5) | (25.5) | - | - |
| Issue costs amortization and currency variations .................... | (0.0) | (10.2) | (0.6) | (2.8) |
| Change in IFRS 16 lease liability........................................ | (46.9) | (33.2) | (36.4) | (1.9) |
| **Change in net debt [9]** ........................................ | **(397.6)** | **(278.7)** | **(72.3)** | **54.9** |

Notes:

(1) Corresponds to the impact of operating lease expense as if IFRS 16 was not applied.
(2) Corresponds to financial income and expense immediately payable (i.e. excluding non-cash items).
(3) Corresponds to taxes immediately payable (i.e. excluding deferred taxes).
(4) Excludes change in accrued interests on loans and change in other financial debt, which together totaled a net decrease of €5.6 million in 2023 compared to a net decrease of €2.0 million in 2022.
(5) We define free cash flow from operations as our reported cash flow from operations plus our change in working capital requirements relating to fixed assets, our proceed from disposal of fixed assets and our change in working capital requirements relating to accrued interest.
(6) In 2022, non-recurring items correspond to a one-off payment as part of a change in VAT payment rules in France that occurred in the first quarter of 2022.
(7) before payment of dividends, capital increases and acquisitions.
(8) Corresponds to the impact on net debt in connection with: the acquisitions of Sofranel and SCL in France, Arteixo in Spain and HR Aluguer in Portugal for the year ended December 31, 2022 and the acquisitions of JIAB, Motormac Rental and A Geradora for the year ended December 31, 2023.
(9) 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, 2022** | **December 31, 2023** |
| Senior Secured Notes | 2,100.0 | 2,100.0 |
| Senior Subordinated Notes | 522.1 | 517.4 |
| Issuance costs related to notes | (7.8) | (6.0) |
| Bank loans on bilateral credit facilities | 576.2 | 722.4 |
| Commercial papers | 75.0 | 63.0 |
| State guarantee loans | 188.7 | 134.5 |
| Accrued interest on debt securities and loans | 22.5 | 16.8 |
| Lease debt | 423.3 | 515.4 |
| IFRS 16 lease liabilities | 381.6 | 414.8 |
| Other financial debt | 4.4 | - |
| Bank overdrafts | 7.7 | 7.0 |
| **Loans and financial debt (gross debt)** | **4,293.7** | **4,485.3** |
| Cash | (149.1) | (113.9) |
| Marketable investment securities | (78.7) | (26.8) |
| **Cash and cash equivalents** | **(227.8)** | **(140.8)** |
| **Net debt** | **4,065.9** | **4,344.5** |

Net debt increased by €278.7 million in 2023, from €4,065.9 million as of December 31, 2022 to €4,344.5 million as of December 31, 2023, as a result of a negative free cash flow of €22.0 million, the impact on net debt of the acquisitions of Jiab, Motormac et A Geradora for a total amount of €187.8 million, dividends paid of €25.5 million and the increase in IFRS 16 lease liability for €33.2 million corresponding mostly to new contracts and renewals.

***Liquidity and Capital Resources***

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

Our sources of financing consisted mainly of the following:

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

As of December 31, 2023, our gross debt amounted to €4,485.3 million, compared to €4,293.7 million as of December 31, 2022. Our net debt as of December 31, 2023 amounted to €4,344.5 million, an increase of €278.7 million compared to December 31, 2022. The debt includes lease liabilities under IFRS 16 for €414.8 million as at December 31, 2023 compared to €381.6 million as at December 31, 2022.

On May 5, 2023, the Group completed the full redemption of its €300 million 4.25% Senior Secured Notes due 2024 together with the exchange of €101.6 million of its 3.25% Senior Secured Notes due 2025 and issued a total of new €400 million of its new 6.375% Senior Secured Notes due 2028.

On December 20, 2023, the Group issued a new senior secured bond for an amount of €600 million due 2029, at fixed rate of 6.375% and proceeded to the early repayment of €597 million Senior Secured Bond due 2025 (3.25%).

Also, during the period, the Group completed bonds buybacks (the 3.25% Senior Subordinated Notes due in 2025, 4.5% Senior Subordinated Notes due in 2027 and the 5.75% Senior Subordinated Notes due in 2027), which has led to the cancellation of €6.2 million of related debt.

As of December 31, 2023, we had €2,611.4 million of outstanding bond debt, after deduction of €6.0 million of issuance costs. Our bond debt of €2,617.4 million comprised €119.6 million of senior subordinated notes due in April 2025, €300.0 million of senior secured notes due in April 2026, €167.1 million of senior subordinated notes due in April 2027, €450.0 million of senior secured notes due in July 2026, €230.7 million of senior subordinated notes due in July 2027, €350.0 million of senior secured notes due in February 2027, €400.0 million of senior secured notes due in May 2028 and €600.0 million of senior secured notes due in May 2029.

We also had €722.4 million outstanding debt under bilateral facilities from banks, €515.4 million of finance leases, €134.5 million of State guarantee loans (of which a €116.4 million in France) and €63.0 million of commercial papers at Ramirent.

Cash and cash equivalents net of bank overdrafts on our balance sheet amounted to €133.8 million as of December 31, 2023.

### *Debt maturity profile*

The table below provides the maturity profile of our outstanding indebtedness, as of December 31, 2023.

| *(in millions of euros)* | Total | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | 2031 and later |
|---|---|---|---|---|---|---|---|---|---|
| Bilateral loans .......................................... | 722.4 | 155.3 | 92.2 | 83.5 | 92.8 | 163.9 | 24.6 | 59.1 | 51.0 |
| Commercial papers.................................. | 63.0 | 63.0 | - | - | - | - | - | - | - |
| State guarantee loans [(1)] .......................... | 134.5 | 55.4 | 51.4 | 25.5 | 1.7 | 0.5 | - | - | - |
| Lease debt................................................ | 515.4 | 143.9 | 124.8 | 110.8 | 88.5 | 39.6 | 7.6 | 0.2 | - |
| **Loans and financial debt owed to credit institutions............................................** | **1,435.3** | **417.6** | **268.4** | **219.8** | **183.1** | **204.1** | **32.2** | **59.3** | **51.0** |
| 2017 senior subordinated notes due 2025 | 119.6 | - | 119.6 | - | - | - | - | - | - |
| 2019 senior secured notes due 2026........ | 299.8 | - | - | 299.8 | - | - | - | - | - |
| 2019 senior subordinated notes due 2027 | 166.7 | - | - | - | 166.7 | - | - | - | - |
| 2019 senior secured notes due 2026........ | 449.2 | - | - | 449.2 | - | - | - | - | - |
| 2019 senior subordinated notes due 2027 | 229.7 | - | - | - | 229.7 | - | - | - | - |
| 2022 senior secured notes due 2027........ | 348.8 | - | - | - | 348.8 | - | - | - | - |
| 2023 senior secured notes due 2028........ | 397.6 | - | - | - | - | 397.6 | - | - | - |
| 2023 senior secured notes due 2029........ | 600.0 | - | - | - | - | - | 600.0 | - | - |
| **Total debt [(2)] ...........................................** | **4,046.7** | **417.6** | **388.0** | **968.8** | **928.3** | **601.7** | **632.2** | **59.3** | **51.0** |

Notes:

(1) Includes the French loan of €116.4 million with a last maturity in 2026, the Spanish loan of €8.5 million with a last maturity in 2026, the Italian loan of €8.9 million with a last maturity in 2028, the Portuguese loan of €0.4 million with a last maturity in 2026 and the Swiss loan of CHF 0.3 million, due in 2027.

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

### Off-balance sheet commitments

We are a party to various customary off-balance sheet arrangements, including guarantees given to financial institutions for payment of real estate rentals, guarantees on our subsidiaries’ borrowings and security granted in connection with the Existing Senior Secured Notes. See note 23 to our IFRS consolidated financial statements for the year ended December 31, 2023.

### 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.

As of December 31, 2023, the Group owned a portfolio of derivative financial instruments hedging interest rate variations for a notional amount of €355.7 million. These derivatives are recognized in financial assets for an amount of €0.3 million and in financial liabilities for an amount of €4.8 million at December 31, 2023, of which Ramirent for €(0.3) million (for a notional amount of €50.0 million), Nationwide Platforms for €0.5 million (for a notional amount of £90 million) and Loxam for €4.3 million (for a notional amount of €200.0 million). As of December 31, 2023, 87% of our financial debt has a fixed interest rate compared to 88% at the end of 2022.

The majority of our revenue (65% in 2023), 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, Polish zloty and Brazilian real. Our foreign exchange rate derivative financial instruments as of December 31, 2023 covered current liabilities denominated in Norwegian krone for NOK 430.0 million, Swedish krona for SEK 468.0 million, Czech koruna for CZK 180.0 million and Polish zloty for PLN 47.0 million.

**Critical Accounting Policies and Estimates**

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

# LOXAM GROUP

# CONSOLIDATED FINANCIAL STATEMENTS

# 31 December 2023

# CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023

## Statement of financial position

| ASSETS (€'000) | Notes | 31.12.2022 | 31.12.2023 |
|---|---|---|---|
| Intangible assets and goodwill | 4 | 2,249,069 | 2,341,877 |
| Property, plant and equipment | 5 | 2,627,235 | 2,829,627 |
| Investments in associates | 6 | - | 33 |
| Financial assets | 7 | 43,035 | 19,203 |
| Financial derivatives | 13 | 7,087 | 344 |
| Deferred tax assets | 22 | 9,776 | 10,294 |
| **Non-current assets** | | **4,936,202** | **5,201,377** |
| Inventories | 8 | 60,151 | 63,550 |
| Trade and other receivables | 9 | 493,847 | 560,873 |
| Other current assets | 10 | 68,077 | 65,069 |
| Corporate income tax receivables | 10 | 7,317 | 8,668 |
| Cash and cash equivalents | 11 | 227,812 | 140,793 |
| **Current assets** | | **857,203** | **838,952** |
| **Total assets** | | **5,793,405** | **6,040,330** |

| LIABILITIES (€'000) | Notes | 31.12.2022 | 31.12.2023 |
|---|---|---|---|
| Share capital | 12 | 221,560 | 221,560 |
| Additional paid-in capital | | 1,882 | 1,882 |
| Consolidated reserves | | 442,811 | 476,382 |
| Net profit for the year | | 61,633 | 75,924 |
| **Shareholders' equity (Group share)** | | **727,886** | **775,747** |
| Non-controlling interests | | 5,603 | 9,483 |
| **Total equity** | | **733,489** | **785,230** |
| Employee benefits | 15 | 40,500 | 46,835 |
| Deferred tax liabilities | 22 | 207,957 | 208,099 |
| Borrowings and financial debt | 14 | 3,627,051 | 3,925,155 |
| Financial derivatives | 13 | 684 | 8,008 |
| **Non-current liabilities** | | **3,876,192** | **4,188,097** |
| Provisions | 16 | 10,107 | 16,042 |
| Borrowings and financial debt | 14 | 666,615 | 560,187 |
| Trade and other payables | 17 | 325,121 | 261,128 |
| Other liabilities | 17 | 172,340 | 215,669 |
| Corporate income tax liabilities | 17 | 9,542 | 13,976 |
| **Current liabilities** | | **1,183,724** | **1,067,002** |
| **Total shareholders' equity and liabilities** | | **5,793,405** | **6,040,330** |

## Consolidated income statement and statement of comprehensive income

| €'000 | Notes | 31.12.2022 | 31.12.2023 |
|---|---|---|---|
| **Revenue** | 18 | **2,402,756** | **2,551,759** |
| Other income | | 60,577 | 77,698 |
| **Operating income** | | **2,463,333** | **2,629,458** |
| Purchases consumed | | (247,009) | (263,404) |
| Personnel expenses | 19 | (625,762) | (672,950) |
| Other current expenses | | (723,646) | (748,676) |
| Taxes and duties | | (18,782) | (18,227) |
| Depreciation and amortization – Property, plant and equipment | | (522,411) | (588,971) |
| Depreciation and amortization – Intangibles assets | | (46,020) | (47,551) |
| **Profit from ordinary operations** | 18 | **279,703** | **289,679** |
| Other operating incomes | 20 | - | 5,752 |
| Other operating expenses | 20 | (40,752) | (2,486) |
| **Operating profit** | | **238,951** | **292,944** |
| Interest and financing-related expenses | | (153,023) | (190,570) |
| Other financial income and expenses | | 6,225 | (134) |
| **Financial income (expense)** | 21 | **(146,798)** | **(190,703)** |
| **Profit before tax** | | **92,153** | **102,241** |
| Share of result in associates and joint ventures | 6 | - | 29 |
| Income tax expense | 22 | (30,480) | (26,664) |
| **Net profit** | | **61,672** | **75,606** |
| Non-controlling interests | | 39 | (318) |
| **Net profit, Group share** | | **61,633** | **75,924** |

| | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Net profit** | **61,672** | **75,606** |
| Exchange gains or losses | (22,487) | 6,098 |
| Fair value of derivative instruments | 2,890 | (4,372) |
| ***Items recycled to profit or loss*** | ***(19,597)*** | ***1,725*** |
| Remeasurement of liabilities for defined benefit retirement plans | (10,199) | (4,356) |
| Tax | (2,888) | 877 |
| ***Items not recycled to profit or loss*** | ***11,237*** | ***(3,478)*** |
| **Other comprehensive income** | **(8,360)** | **(1,753)** |
| **Comprehensive income** | **53,312** | **73,853** |

| | Notes | 31.12.2022 | 31.12.2023 |
|---|---|---|---|
| **EBITDA (a)** | **18** | **848,134** | **926,201** |

(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 | 31.12.2022 | 31.12.2023 |
|---|---|---|---|
| **Net profit** | | **61,672** | **75,606** |
| Share of result in associates and joint ventures | 6 | - | (29) |
| Income tax expense (including deferred tax) | 22 | 30,480 | 26,664 |
| Net finance costs | 21 | 146,798 | 190,703 |
| Other operating income and expense | | 10,146 | 1,101 |
| Depreciation and provisions, net of reversals | | 599,641 | 640,045 |
| Capital gains on asset disposals | | (50,839) | (62,104) |
| **Cash flow from operations (before cost of financing and tax)** | | **797,899** | **871,985** |
| Income tax paid | | (23,628) | (21,319) |
| Financial interest paid | | (149,264) | (190,328) |
| Financial interest received | | 11,077 | 10,120 |
| Change in working capital requirements | | (42,926) | (85,039) |
| **Cash flow from operating activities** | **A** | **593,158** | **585,419** |
| Impact of changes in scope | | (69,008) | (135,048) |
| Acquisitions of fixed assets (a) | | (950,059) | (725,130) |
| Disposals of fixed assets | | 69,942 | 88,512 |
| **Cash flow from investing activities** | **B** | **(949,126)** | **(771,666)** |
| Dividends paid | | (25,479) | (25,479) |
| Capital movements | | - | - |
| Proceeds from loans and borrowings | 14 | 1,158,889 | 1,751,313 |
| Repayment of loans and borrowings | 14 | (1,025,568) | (1,625,458) |
| **Cash flow from financing activities** | **C** | **107,842** | **100,375** |
| **Change in cash and cash equivalents** | **A+B+C** | **(248,127)** | **(85,872)** |
| Cash and cash equivalents at beginning of period | | 468,439 | 220,155 |
| Cash and cash equivalents at end of period | | 220,155 | 133,774 |
| Impact of exchange rate fluctuations | | 157 | 509 |
| **Change in cash and cash equivalents** | | **(248,127)** | **(85,872)** |

| | | | |
|---|---|---|---|
| Other marketable securities | | 78,706 | 26,847 |
| Cash at bank and on hand | | 149,106 | 113,946 |
| Current bank borrowings | | (7,657) | (7,019) |
| **Cash and cash equivalents** | | **220,155** | **133,774** |

(a) Corresponds to the increase of intangible assets for €10,063 k (see Note 4), the increase of tangible assets for €569,926 k and right of use assets for €144,062 k (see Note 5), and the increase of financial assets for €1,079 k (see Note 7).

## 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 2021** | **222,560** | **1,882** | **475,737** | **251** | **700,429** | **5,206** | **705,636** |
| Net profit for the period | | | 61,633 | | 61,633 | 39 | 61,672 |
| Employee benefits | | | | 11,158 | 11,158 | 79 | 11,237 |
| Fair value of derivative instruments | | | | 2,877 | 2,877 | 14 | 2,890 |
| Exchange gains or losses | | | | (22,819) | (22,819) | 331 | (22,487) |
| **Comprehensive income** | | | **61,633** | **(8,784)** | **52,849** | **463** | **53,312** |
| Capital movements | (1,000) | | 1,000 | | - | | - |
| Dividends | | | (25,479) | | (25,479) | | (25,479) |
| Other movements | | | 87 | | 87 | (66) | 21 |
| **At 31 December 2023** | **221,560** | **1,882** | **512,977** | **(8,533)** | **727,886** | **5,603** | **733,489** |
| Net profit for the period | | | **75,924** | | **75,924** | **(318)** | **75,606** |
| Employee benefits | | | | (3,451) | (3,451) | (28) | (3,478) |
| Fair value of derivative instruments | | | | (4,366) | (4,366) | (6) | (4,372) |
| Exchange gains or losses | | | | 6,277 | 6,277 | (180) | 6,098 |
| **Comprehensive income** | **-** | **-** | **75,924** | **(1,540)** | **74,384** | **(531)** | **73,853** |
| Capital movements [(a)] | | | | | - | 3,823 | 3,823 |
| Dividends | | | (25,479) | | (25,479) | - | (25,479) |
| Change in perimeter[(b)] | | | (1,720) | | (1,720) | 587 | (1,134) |
| Other movements | | | 677 | | 677 | 1 | 678 |
| **At 31 December 2023** | **221,560** | **1,882** | **562,379** | **(10,072)** | **775,747** | **9,483** | **785,230** |

(a) Related to Degraus capital increase realized by minority shareholder.
(b) Related to the redemption of non-controlling interest in Atlas Rental for €1,720 k .

# 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 €221,559,930 as December 31, 2023, 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 French and European leader in the rental of equipment and tools for public works, industry, landscaping, events and services. Fourth largest player in the world, with a consolidated turnover of almost €2.6 billion in 2023, the Group relies on the know-how and commitment of its 12,800 employees spread across more than 1,130 branches in across 30 countries.

### 1.2. Highlights

**Highlights of the period ended December 31, 2023**

On January 16, 2023, Ramirent Finland Oy completed the acquisition of WasaTrade, a construction equipment rental company operating through 3 branches in Ostrobothnia and the Helsinki metropolitan area.

On March 20, 2023, Ramirent AB (Sweden) completed the acquisition of JIAB, a rental company based in the North of Sweden.

On May 5, 2023, Loxam SAS completed the full redemption of the €300 million 4.25% Senior Secured Notes due 2024 together with the exchange of € 101.6 million 3.25% Senior Secured Notes due 2025 and issued a total of new €400 million 6.375% Senior Secured Notes due 2028.

On June 1, 2023, Degraus finalized the acquisition of Motormac Rental, a major player in the equipment rental market in the South of Brazil, focusing on powered access, power generation and lighting towers equipment ranges.

On June 15, 2023, Loxam set up a joint venture with GL Events Live "GL Events-Loxam NRG P24" to respond to the "TEMPORARY ENERGY" supply and services contract for the Paris Olympic and Paralympic Games.

On July 11, 2023, Loxam SAS acquired 49% of Atlas Rental in Morocco from minority shareholders bringing Atlas Rental’s total stake to 100%.

On September 6, 2023, Degraus completed the acquisition in Brazil of A Geradora Aluguel De Máquinas S.A. (“A Geradora”) from its shareholders. A Geradora is a national leader in the temporary power generation rental market in Brazil operating through a network of 15 branches.

On November 13, 2023, Fortrent Oy, the JV 50% owned by Ramirent Oy has sold its Russian subsidiary Fortrent LLC (*see Note 6 – “Investment in associates and joint ventures*”).

On December 20, 2023, the Group issued a new senior secured bond for an amount of €600 million due 2029, at fixed rate of 6.375% and proceeded to the early repayment of €597 million Senior Secured Bond due 2025 (3.25%).

Also, during the period, Loxam SAS completed bonds buybacks (the 3.25% Senior Subordinated Notes due in 2025, 4.5% Senior Subordinated Notes due in 2027 and the 5.75% Senior Subordinated Notes due in 2027), which has led to the cancellation of €6.2 million of related debt.

**Post closing events**

On March 13, 2024, the Group completed the early redemption of the 6.0% Senior Subordinated Notes due in 2025, for an outstanding amount of €119.6 million.

**Highlights of the period ended December 31, 2022**

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.

On December 23, 2022, Loxam announced the acquisition of HR Aluguer de Equipamentos SA (HR Aluguer),leading general equipment rental player in Portugal, where it operates three branches and employs approximately 40 people. HR Aluguer is a subsidiary of Loxam SAS non-consolidated as at December 31,2022.

On December 30, 2022, Ramirent Finland Oy has signed the acquisition of WasaTrade Oy shares. The deal has been closed on January 16, 2023. The entity is non-consolidated as at December 31,2022.

Furthermore, Loxam SAS completed bonds buybacks which has led to the cancellation of €31,9 million of related debt as at December 31, 2022. The operation generated a net capital gain of €6.4 million recorded in financial income.

## Note 2 – Accounting principles

### 2.1. Basis of preparation and presentation

The consolidated financial statements for the twelve-month period ended December 31, 20233 include Loxam SAS and its subsidiaries (together "the Group" or "Loxam Group"), including the Group's share in equity affiliates and joint ventures. The closing date of each subsidiary and each entity of the Group is December 31. The list of consolidated companies is presented in Note 3.

The consolidated financial statements are prepared and presented in euros, which is the parent company's functional currency. They are prepared in the historical value excepted for some assets or liabilities items evaluated, in compliance with IFRS rules, to fair value or to their amortized cost.
All the financial data are presented in thousands of euros, rounded to the nearest thousand euros. The total amounts indicated in the tables may differ from the sum of the various items due to rounding.

### 2.2. Declaration of compliance

The Loxam Group has prepared its consolidated financial statements at December 31, 2023, approved by the Chairman on March 5, 2024, in accordance with IFRS (International Financial Reporting Standards) as adopted by the European Union at December 31, 2023, with mandatory compliance at this date, with comparative information presented for 2021, established with the same reporting standards. These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS), as well as the interpretations of the Standing Interpretations Committee (SIC) and the International Financial Reporting Standards Interpretations Committee (IFRS IC).
These standards are available on the website of the European Commission:
https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting_en

### 2.3. Application and interpretation of standards and regulations

**New standards and interpretations adopted by the European Union and with a mandatory application to financial years beginning as at January 1, 2023**

The following standards and interpretations mandatorily applicable from January 1, 2023 have a non-significant impact on the Group Financial statements:

- IFRS 17 "Insurance Contracts", which establishes principles for the recognition, measurement presentation and disclosure of insurance contracts;
- Amendments to IAS 8 – "Definition of Accounting Estimates", which clarify the differences between accounting policies and accounting estimates. The latter are now defined as "monetary amounts in financial statements that are subject to measurement uncertainty";
- Amendments to IAS 12 – "Deferred Tax related to Assets and Liabilities arising from a Single Transaction", which introduce an exception to the initial recognition exemption for transactions that give rise to equal and offsetting amounts of taxable and deductible temporary differences.
- Amendment to IAS 12 "International Tax Reform - Pillar Two Model Rules", endorsed in the European Union on November 8, 2023, introduces a mandatory and temporary exception to the recognition of deferred tax associated with the Pillar Two tax reform (see *Note 2.25 "Tax"*).

**New standards and interpretations adopted by the European Union applicable in advance to financial years beginning as at January 1, 2023**

The Group has not applied early the following standards and interpretations that could concern the Group and of which application was not mandatory at 1 January 2023:

- Amendments to IAS 1 “Presentation of Financial Statements: Classification of Liabilities as Current or Non-current”
- Amendments to IFRS 16 Leases” Lease Liability in a Sale and Leaseback”.

### 2.4. Consolidation principle

A subsidiary is an entity controlled by Loxam SAS. An entity’s control is based on three criteria:

- Power over the entity, i.e. the ability to direct the activities with the greatest impacts on its profitability;
- Exposure to the entity’s variable returns, which may be positive, based on dividends or any other economic benefits, or negative;
- Link between power and these returns, i.e. the ability to exercise power over the entity to influence the returns achieved.

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

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

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

### 2.5. Comparability of the financial statements

The Group’s consolidated financial statements ended December 31, 2023, include:

- 12 months of activity of HR Aluguer In Portugal, acquired on December 23, 2022 and consolidated from January 1, 2023,
- 12 months of activity of Wasa Trade (Finland), acquired on January 16, 2023
- 9 months of activity of JIAB Hyrcenter (Sweden), acquired on Mars 21, 2023
- 7 months of activity of Motormac (Brazil), acquired on June 1, 2023
- 4 months of activity of A Geradora (Brazil), acquired on September 6, 2023

The purchase price allocation (“PPA”) of Brazilian entities is preliminary as at December 31, 2023.

### 2.6. Accounting judgments and estimates

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

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

- Impairment tests for intangible assets with an indefinite useful life (primarily goodwill);
- Purchase price allocation related to the acquisitions;
- Measurement of obligations relating to defined benefit plans;

- Measurement of financial instruments at fair value;
- Qualification of lease contracts and enforceable period of these contracts.

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

### 2.7. Business combinations

a) Business combinations:

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

Goodwill represents the fair value of the consideration transferred (including the fair value of any interest previously held in the company acquired), plus the amount recognised for any non-controlling interest in the company acquired, less the net amount recognised (generally at fair value) for the identifiable assets and liabilities assumed.

When the difference is negative, this is badwill, representing a profit resulting from acquisitions under preferential conditions. Badwill is recognised immediately in profit or loss.

The costs relating to the acquisition are expensed as incurred.

Corrections or adjustments may be made to the fair value of the assets and liabilities assumed and the consideration transferred within 12 months of the acquisition. As a result, the goodwill may be revised.

Contingent consideration relating to business combinations is measured at fair value on the acquisition date and subsequently measured at fair value at each future reporting date. After a one-year period from the acquisition date, any change in the fair value of the contingent consideration classified as a financial liability will be recognised in profit or loss. During this one-year period, any changes to this fair value explicitly related to events occurring after the acquisition date will also be recognised in profit or loss. Other changes will be recognised as adjustments to goodwill.

Goodwill is not amortized. In accordance with IAS 36 Impairment of Assets, it is subject to impairment tests at least once a year and more frequently if there are any indications of impairment.

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

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

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

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

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

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

## 2.8. Foreign currency translation methods

a) Transactions in foreign currencies

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

b) Financial statements in foreign currencies

The assets and liabilities of subsidiaries presented in foreign currencies are converted into euros based on the exchange rate at the reporting date. Income and expenses for these companies are converted into euros at the average exchange rate for the year. The resulting exchange gains or losses are recognised directly in other comprehensive income.

Exchange rates applied at December 31, 2023 (euro vs. currency):

| 1 EUR = | | Closing period rate | Average rate | Opening period rate |
|---|---|---|---|---|
| AED | Arabic Emirates dirham | 4,0832 | 3,9693 | 3,9287 |
| BHD | Bahraini dinar | 0,4191 | 0,4074 | 0,4032 |
| BRL | Brazilian real | 5,3677 | 5,4077 | 5,6545 |
| CHF | Swiss franc | 0,9335 | 0,9722 | 0,9846 |
| COP | Colombian peso | 4 242,5100 | 4 687,0550 | 5 188,5900 |
| CZK | Czech koruna | 24,6890 | 24,0020 | 24,1460 |
| DKK | Danish krone | 7,4549 | 7,4506 | 7,4364 |
| GBP | Pound sterling | 0,8676 | 0,8699 | 0,8839 |
| MAD | Moroccan dirham | 10,9254 | 10,9634 | 11,1695 |
| NOK | Norwegian krone | 11,2189 | 11,4082 | 10,5017 |
| OMR | Omani rial | 0,4281 | 0,4160 | 0,4114 |
| PLN | Polish zloty | 4,3283 | 4,5464 | 4,6801 |
| QAR | Qatari riyal | 4,0536 | 3,9454 | 3,9093 |
| SAR | Saudi riyal | 4,1694 | 4,0551 | 4,0044 |
| SEK | Swedish krona | 11,0369 | 11,4729 | 11,1169 |

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

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

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

## 2.10. Fair value of financial assets and liabilities

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

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

## 2.11. Intangible assets and goodwill

a) Goodwill

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

b) Trademarks and customer relationships

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

c) Other intangible assets

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

## 2.12. Property, plant and equipment

Property, plant and equipment are recognised at their acquisition cost, after deducting accumulated depreciation and impairment losses. They are not revalued.
The cost includes the expenditure directly attributable to the asset's acquisition.
Depreciation charges for property, plant and equipment are calculated on a straight-line basis over the useful lives indicated below.

| | |
|---|---|
| - 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 |

Lands are not depreciated. Property, plant and equipment are depreciated from the moment they are brought into service. A residual value is applied to some categories of equipment, in order to take into account the resale value of this equipment at the end of its life.

### 2.13. Leases

Leases contracts are governed by IFRS 16 since January 1, 2019. The standard has removed the distinction previously made between simple leases and finance leases for the lessee; the lessee recognises a right-of-use asset and a financial debt representing the rental obligation.
The Group presents the right-of-use within “Property, plant and equipment” on the same line as the underlying assets of same nature of which it has full ownership (see Note 5) and the lease liabilities within "Borrowings and financial debts" in the statement of financial position (see details in Note 14).
The Group applies the two exemptions proposed by the IFRS 16 standard: short-term contracts (whose initial duration is less than or equal to 12 months) and those whose new value of the underlying asset is less than 5,000 euros. These rental contracts are presented as off-balance sheet commitments (see Note 23) and an expense is recognized in the “external purchases”.

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

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

Goodwill is tested annually and whenever indications of impairments arise.

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

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

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

Impairments recorded for goodwill are irreversible.

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

As at December 31, the Group carried out impairment tests for all CGU and did not identify any need for impairment of intangible and tangible assets.

### 2.15. Financial assets

Financial assets include:

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

Financial assets are measured and recognised in accordance with IAS 32 and IFRS 9.
Financial assets are initially recognised at their fair value.

Financial assets maturing in under one year are classified as current financial assets.

## 2.16. Inventories

Inventories primarily include trade products, parts and consumables. Inventories are measured using the weighted average cost method.
An impairment is recognised when the realisable value, less costs of disposal, is lower than the book value.

## 2.17. Trade receivables and other current assets

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

The Group has also adopted an expected credit loss impairment model following the simplified method allowed by the IFRS 9 standard (use of a provision matrix). At December 31, 2023, the Group has assessed the expected credit loss taking into account reasonable and supportable information at the closing date.

## 2.18. Cash management assets and Cash and cash equivalents

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

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

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

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

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

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

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

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

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

### 2.21. Employee benefits

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

a) Defined contribution plans

For defined contribution plans, the Group has no obligations other than the payment of contributions. The contributions paid 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.

**French pensions reform**
The law for the reform of French social security financing, which was enacted on April 14, 2023, will gradually increase the retirement age in France to 64. This change to the pension system has no impact in the French retirement benefit obligations of the Group which already integrate retirement assumptions above 64.

### 2.22. Provisions

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

### 2.23. Borrowings and financial debt

The Group regularly issues loans on the bond market in order to finance its acquisitions. 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.

### 2.24. Trade payables and related

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

### 2.25. Tax

Income tax includes both current and deferred tax.

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

Deferred tax is recorded, using the accrual method, generally for temporary differences on the reporting date between the taxable base for assets and liabilities and their book value on the balance sheet.
Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the assets will be realized or the liabilities settled, based on the tax rates (and tax regulations) that have been enacted or substantively enacted at the reporting date.
In the event of deductible temporary differences and tax losses, deferred tax assets are recognised for the amount of the deferred tax liabilities whose repayment will make it possible to allocate these tax losses, and beyond that if it is likely that the Group will have future taxable profits.
Deferred taxes are recorded for each entity. Deferred tax assets and liabilities are offset on the balance sheet when taxes are levied by the same tax authority and they relate to the same taxable entity.
Taxes relating to elements recorded in other comprehensive income are recognised in other comprehensive income and not in profit or loss.

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

**International Tax Reform - Pillar Two Model Rules**
The Loxam group is under the scope of the new GLOBE rules and the global minimum tax of 15% (Pillar 2) adopted by 140 OECD countries on December 20, 2021 and transposed into French law by article 33 of the Finance Law for 2024. These new rules came into effect on January 1, 2024.

Preliminary works were carried out using the Country-by-Country Reporting data for fiscal year 2022. The objective was to identify the legal entities falling under Pillar 2, gather the required data to calculate the effective tax rate by country, and simulate the impacts of additional taxation by jurisdiction with regard to the transitional simplification rules that apply from January 1, 2024 to December 31, 2026 ("Safe Harbors"). The additional tax charge estimated by the Group is not significant.

### 2.26. Revenue

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

*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 new equipment is recognised upon delivery to the customer.

### 2.27. Other income

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

### 2.28. Other current expenses

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

### 2.29. Other operating income and expenses

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

### 2.30. Financial income and expenses

Financial income primarily concerns interest on investments.
Financial expenses primarily concern interest on bonds, bilateral loans and leasing, amortized cost related to bonds, as well as changes to the fair value of financial instruments. It also includes the interest cost related to the lease liability since the first-time application IFRS 16.
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 [a] | 312126824 | 100% | 100% | Full |
| SAS SOCIETE COMINOISE DE LOCATION [a] | 433391422 | 100% | 100% | Full |
| GL EVENTS-LOXAM NRG P24 | 953641727 | 35% | 35% | Equity |
| | | | | |
| LOXAM GMBH | Germany | 100% | 100% | Full |
| LOXAM AG | 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% | 100% | 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 LTDA | Brazil | 100% | 89.9% | Full |
| MOTORMAC RENTAL Locações Equipamentos SA | Brazil | 100% | 89.9% | Full |
| A GERADORA Aluguel De Máquinas | 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 SNC | 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 |
| HR ALUGUER DE EQUIPAMENTOS S.A. | Portugal | 100% | 100% | Full |
| | | | | |
| LAVENDON GROUP LTD | United Kingdom | 100% | 100% | Full |
| LAVENDON HOLDINGS LTD [b] | United Kingdom | 100% | 100% | Full |
| ZOOOM HOLDINGS LTD | United Kingdom | 100% | 100% | Full |
| ACCESS SOLUTIONS LTD [b] | 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 [b] | United Kingdom | 100% | 100% | Full |
| BLUESKY TOPCO LTD [b] | United Kingdom | 100% | 100% | Full |
| BLUESKY SOLUTIONS LTD [b] | United Kingdom | 100% | 100% | Full |
| RAPID ACCESS BV | Netherland | 100% | 100% | Full |
| RAPID ACCESS LLC [c] | 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 [d] | Oman | 100% | 70% | Full |
| RAPID ACCESS MIDDLE EAST LLC | United Arab Emirates | 100% | 100% | Full |
| RAPID ACCESS TRADING WLL [e] | Bahrain | 100% | 49% | Full |
| LOXAM ACCESS SRL | Italia | 100% | 80% | Full |
| SWAN PLANT HIRE | 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 |
| 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 [f] | Russia | 50% | 50% | Equity |
| RAMIRENT AS | Norway | 100% | 100% | Full |
| RAMIRENT BALTIC AS [g] | Estonia | 100% | 100% | Full |
| RAMIRENT MODULAR FACTORY AS | Estonia | 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 |
| WASATRADE OY | Finland | 100% | 100% | Full |
| JIAB HYRCENTER AB | Sweden | 100% | 100% | Full |

(a) Sofranel and SCL were merged by the transfer of all assets and liabilities into Loxam SAS as of July 1, 2023.

(b) Entities under liquidation process.

(c) 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.

(d) Rapid Access Holding SPC 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.

(e) 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.

(f) Disposal of Fortrent LLC (Russia) as at November 13, 2023

(g) Ramirent Baltics hold branches Ramirent AS Vilniaus in Lituania and Ramirent AS Rigas in Latvia. Thus, they don't appear anymore in the consolidation scope.

## Note 4 – Intangible assets and goodwill

**Changes in intangible assets and goodwill between January 1, 2023 and December 31, 2023**

| €'000 | Intangible assets | Goodwill | Total |
|---|---|---|---|
| **Net book value at beginning of year** | **422,941** | **1,826,128** | **2,249,069** |
| Changes in scope (b) | 16,420 | 107,251 | **123,671** |
| Increase | 9,986 | 77 | **10,063** |
| Amortization and depreciation of the period | (47,551) | (100) | **(47,651)** |
| Reclassification | 2,510 | - | **2,510** |
| Exchange gains or losses (a) | 964 | 3,252 | **4,216** |
| **Net book value at end of the period** | **405,269** | **1,936,608** | **2,341,877** |

(a) Exchange variations mainly concern the Lavendon group (GBP).
(b) Effect of change in scope on the goodwill as at December 31, 2023 :

**Effect of change in scope on the goodwill:**

| €'000 | Total |
|---|---|
| Sofranel | 236 |
| SCL | 258 |
| HR Aluguer | 9,584 |
| WasaTrade | 495 |
| Jiab | 5,580 |
| Motormac – Preliminary Goodwill | 41,897 |
| A Geradora – Preliminary Goodwill | 49,200 |
| **Year 2023** | **107,251** |

**The goodwill arising from the acquisitions of Arteixo, Sofranel and SCL has been calculated as following:**

| €'000 | HR Aluguer | WasaTrade | Jiab | Motormac | A Geradora |
|---|---|---|---|---|---|
| Intangible assets (including trademarks and customer relationships) | 6,760 | - | 9,515 | 9 | 136 |
| Tangible assets | 8,846 | 2,223 | 25,113 | 25,570 | 31,659 |
| Other non current assets | 99 | - | 47 | 566 | 10,113 |
| Current assets | 11,542 | 771 | 6,596 | 4,659 | 20,912 |
| Non current liabilities | (9,072) | (300) | (14,012) | (9,474) | (26,397) |
| Current liabilities | (2,759) | (822) | (6,254) | (10,758) | (13,250) |
| **Fair value of net assets** | **15,416** | **1,872** | **21,006** | **10,572** | **23,173** |
| Non controlling interests | | | | | |
| **Share of net identifiable assets** | **15,416** | **1,872** | **21,006** | **10,572** | **23,173** |

| €'000 | HR Aluguer | WasaTrade | Jiab | Motormac | A Geradora |
|---|---|---|---|---|---|
| Consideration transferred | 25,000 | 2,367 | 26,586 | 52,469 | 72,373 |
| Net identifiable assets | 15,416 | 1,872 | 21,006 | 10,572 | 23,173 |
| **Goodwill** | **9,584** | **495** | **5,580** | **41,897** | **49,200** |

**Trademarks and customer relationships at December 31, 2023**

The purchase price for the following acquisitions was allocated to intangible assets and valued as follows at December 31, 2023:

| €'000 | Trademarks | Customer Relationships | Total |
|---|---|---|---|
| Lavendon Group | 5,306 | 26,333 | 31,640 |
| Hune Group | 234 | 5,988 | 6,223 |
| Loxam Access SRL | - | 396 | 396 |
| Ramirent Group | 74,191 | 255,493 | 329,685 |
| JM Trykluft | 308 | 4,482 | 4,791 |
| Sofranel / SCL | 280 | 8,669 | 8,948 |
| HR Aluguer | 209 | 5,686 | 5,895 |
| **Net value at end of the period** | **80,529** | **307,048** | **387,577** |

**Changes in intangible assets and goodwill between January 1, 2022 and December 31, 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) | 17,574 | 19,716 | **37,290** |
| Increase | 4,916 | - | **4,916** |
| Amortization and depreciation of the period (b) | (46,713) | (30,000) | **(76,713)** |
| Decrease / disposals | (1) | - | **(1)** |
| Reclassification | 804 | - | **804** |
| Exchange gains or losses (c) | (2,587) | (11,833) | **(14,419)** |
| **Net book value at end of the period** | **422,941** | **1,826,128** | **2,249,069** |

(a) Preliminary goodwill of Arteixo €10,454 k, Sofranel €8,365 k and SCL €898k.
(b) Impairment of the goodwill of Rapid Access (Middle East) for €30,000k
(c) Exchange variations mainly concern the Lavendon group.

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

Allocation of goodwill for each CGU group:

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| France | 849,192 | 849,663 |
| International | 976,936 | 1,086,945 |
| **Total** | **1,826,128** | **1,936,608** |

Goodwill is tested at least once a year and whenever indications of impairment arise.
These tests are performed at the lowest level at which goodwill is monitored, which is the country level.

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

Following the result of this impairment test for the financial year ended December 31, 2023, the Group did not record any impairment since the recoverable value exceeded the book value for each CGU.

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

| | 31.12.2022 | | 31.12.2023 | |
|---|---|---|---|---|
| % | Perpetuity growth rate | Discount rate | Perpetuity growth rate | Discount rate |
| France | 1.5% | 7.50% | 1.5% | 7.16% |
| International | 1.5% to 7% | 6.2% to 17.1% | 1.5% to 7% | 5.6% to 16.5% |

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

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

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

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

| | 31.12.2022 | | 31.12.2023 | |
|---|---|---|---|---|
| % | Perpetuity growth rate | Discount rate | Perpetuity growth rate | Discount rate |
| France | -1.5% | 9.6% | -3.9% | 10.7% |
| International | -1.7% | 10.3% | -1.6% | 10.4% |

## Note 5 – Property, plant and equipment

**Change in property, plant and equipment between January 1, 2023 and December 31, 2023**

At December 31, 2023, the gross book value of the Group's fleet amounts to € 5,480,741k.

| €'000 | Rental equipment (a) | Right-of-use (b) | Other | Total |
|---|---|---|---|---|
| **Net value at beginning of year** | **2,092,154** | **368,393** | **166,689** | **2,627,235** |
| Changes in scope | 92,408 | 8,492 | 1,200 | **102,100** |
| Increase | 516,529 | 144,062 | 53,398 | **713,988** |
| Amortization and depreciation of the year | (429,618) | (123,633) | (35,715) | **(588,967)** |
| Decrease / disposals | (24,255) | 117 | (441) | **(24,579)** |
| Reclassification | (3,770) | 6 | (1,089) | **(4,853)** |
| Exchange gains or losses | 3,266 | 865 | 570 | **4,702** |
| **Net value at end of the period** | **2,246,714** | **398,301** | **184,612** | **2,829,627** |

(a) Property acquired under finance leases are historically included in the "Rental Equipment" column. The net book value amounted to €686,195k at the end of the period.

(b) Asset related to Right-of-use. At December 31, 2023, 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** | **287,533** | **54,610** | **26,250** | **368,393** |
| **Net value at end of the period** | **303,429** | **60,120** | **34,751** | **398,301** |

**Change in property, plant and equipment between January 1, 2022 and December 31, 2022**

At December 31, 2022, the gross book value of the Group's fleet amounts to € 5,096,580k.

| €'000 | Rental equipment (a) | Right-of-use (b) | Other | Total |
|---|---|---|---|---|
| **Net value at beginning of year** | **1,753,331** | **322,550** | **151,538** | **2,227,420** |
| Changes in scope | 27,813 | 2,558 | 1,984 | **32,355** |
| Increase | 738,381 | 157,534 | 51,470 | **947,385** |
| Amortization and depreciation of the year | (379,940) | (110,397) | (32,075) | **(522,412)** |
| Decrease / disposals | (16,718) | 129 | (4,467) | **(21,056)** |
| Reclassification | (2,160) | (14) | (1,205) | **(3,379)** |
| Exchange gains or losses | (28,553) | (3,967) | (556) | **(33,076)** |
| **Net value at end of the period** | **2,092,154** | **368,393** | **166,689** | **2,627,235** |

(a) Property acquired under finance leases are historically included in the "Rental Equipment" column. The net book value amounted to €557,213k at the end of the period.

(b) Asset related to Right-of-use

## Note 6 – Investment in associates and joint ventures

Following the disposal of Fortrent Russia on November 13, 2023, a capital gain was recognized and the depreciation of the receivable was reversed. As a reminder, the ownership in the venture had been completely depreciated for €9,452k at the end of 2022. The impact on the net income as at December 31, 2023, is an income of €6,770k coming from a capital gain on sale of €6,186k, the reversal of the provision on receivables for €1,015k and the recycling of the cumulative translation adjustment reserve of €(431)k.

GL Events-Loxam NRG P24 (“GLOX”) is consolidated using the equity method since June 30, 2023. The share of result was a profit of €1,750 k as at December 31, 2023. However, the Group only recognizes over the period the turnover and operating expenses related to the testing of preliminary installation carried out, as of a share of result of €29k as at December 31,2023. The share of the result relating to the planning of the construction sites’ of Paris JOP 2024, which is recognized according to project progress milestones, has been accrued in order to be recognized during the financial year 2024, according to the significant amendments’ made to the initial contract.

| €’000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| **Value at beginning of the period** | **9,452** | **-** |
| Change in scope | - | 4 |
| Group share in earnings for the year | - | 1,750 |
| Write-down (a) | (9,452) | (1,721) |
| **Value at end of the period** | **-** | **33** |

(a) As at December 31, 2022 : write-down of the investment in Fortrent Oy for €(9,452)k.
As at December 31, 2023 : share in earnings of GLOX not recognized in 2023.

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

## Note 7 – Financial assets

### Change of Financial assets between January 1, 2023 and December 31, 2023

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

| €’000 | Deposits and guarantees | Loans and other non-current financial assets | Non-consolidated shares | Total |
|---|---|---|---|---|
| **Net value at beginning of period** | **13,983** | **4,052** | **25,000** | **43,035** |
| Changes in scope | 345 | 108 | (25,000) | **(24,547)** |
| Increase (a) | 1,012 | 66 | - | **1,079** |
| Decrease | (609) | (1,157) | - | **(1,766)** |
| Other movements (b) | 325 | 939 | - | **1,264** |
| Exchange gains or losses | 136 | 3 | - | **139** |
| **Net value at end of the period** | **15,192** | **4,011** | **-** | **19,203** |

(a) Related to the shares of HR Aluguer, consolidated from January 1, 2023
(b) Includes the reversal of depreciation of the receivable balance with Fortrent following the disposal

### Change of Financial assets between January 1, 2022 and December 31, 2022

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

| €'000 | Deposits and guarantees | Loans and other non-current financial assets | Non-consolidated shares | Total |
|---|---|---|---|---|
| **Net value at beginning of period** | **13,079** | **5,692** | **-** | **18,771** |
| Changes in scope | 33 | 53 | | **86** |
| Increase (a) | 1,126 | 202 | 25,000 | **26,328** |
| Decrease | (665) | (734) | | **(1,399)** |
| Other movements (b) | 158 | (939) | | **(781)** |
| Exchange gains or losses | 252 | (221) | | **31** |
| **Net value at end of the period** | **13,983** | **4,052** | **25,000** | **43,035** |

(a) Related to the shares of HR Aluguer, non-consolidated entity as at December 31, 2022
(b) Includes the full depreciation of the receivable balance with Fortrent in 2022

## Note 8 – Inventories

| €'000 - Net value | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Spare Parts and consumables | 21,524 | 24,753 |
| Fuel | 4,187 | 5,131 |
| Retail | 34,439 | 33,666 |
| **Total inventories** | **60,151** | **63,550** |

## Note 9 – Trade and other receivables

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Gross value | 591,819 | 664,618 |
| Impairment | (97,973) | (103,745) |
| **Total trade and other receivables - net** | **493,847** | **560,873** |
| Not due | 73% | 70% |
| Due < 30 days | 15% | 19% |
| Due from 30 to 60 days | 4% | 4% |
| Due > 60 days | 8% | 8% |

## Note 10 – Income tax receivables and other current assets

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Income tax receivables | 7,317 | 8,668 |
| Prepaid expenses | 30,320 | 27,646 |
| Other receivables | 37,757 | 37,423 |
| Other current assets | 68,077 | 65,069 |
| **Total income tax receivables and other current assets** | **75,394** | **73,737** |

## Note 11 – Cash management assets, cash and cash equivalents

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Other marketable securities | 78,706 | 26,847 |
| Cash | 149,106 | 113,946 |
| **Total** | **227,812** | **140,793** |

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

## Note 12 – Shareholders' equity

The share capital amounts to €221,559,930 split into 21,255,993 shares with a par value of €10 at December 31, 2023. It is fully paid up.

## Note 13 – Financial risk management - Financial instruments

**Financial instruments relating to interest rate risk:**

As indicated in Note 2.19, the interest rate swaps entered into by the Group are classified as derivative financial instruments.
At December 31, 2023, these agreements relate to a notional amount of €355,734 with a last maturity date in November 2026 (mainly concern Loxam for €200,000k, Nationwide Platforms for £90,000k and Ramirent for €50,000k).
At December 31, 2023, these derivative instruments are recognized in financial asset for an amount of €344k and a financial liability of €4,801k compared to financial asset for an amount of 5,831k and a financial liability of €305k at December 31, 2022. Fair value adjustments are accounted in financial expense for an amount of €(5,672)k and in OCI reserves for €(4,372)k at December 31, 2023.
The fair value is estimated based on forecasts of observable interest rates on the derivatives market and classified as Level 2 in accordance with the classification presented in Note 2.10.

**Financial instruments relating to foreign exchange risk:**

As indicated in Note 2.20, foreign currency put options entered into by the Group are classified as derivative financial instruments.
At December 31, 2023, Ramirent hold forward contracts on the Norwegian krone for NOK 430,000k, Swedish krone for SEK 468,000k, Czech Koruna for CZK 180,000k and Polish Zloty for PLN 47,000k.
These financial instruments are recognised in financial liability for €3,206k at December 31, 2023, compared to a financial asset for €1,256k and a financial liability of €379k at December 31, 2022. Fair value adjustments are recorded in financial expenses for an amount of €(4,083)k at December 31, 2023.

The fair value is estimated based on forecasted exchange rates observable on the currency market and is classified as Level 2 in accordance with the classification presented in Note 2.10.

**Change in the valuation of financial instruments between January 1, 2023 and December 31, 2023**

| €'000 | Interest Rate swaps | Exchange rate hedging | Financial instruments |
|---|---|---|---|
| Fair value level | Level 2 | Level 2 | |
| **Value at beginning of year** | **(5,526)** | **(877)** | **(6,403)** |
| Value adjustment in OCI | 4,372 | - | **4,372** |
| Value adjustment in P&L | 5,672 | 4,083 | **9,755** |
| Exchange gains or losses | (60) | - | **(60)** |
| **Value at end of the period** | **4,457** | **3,206** | **7,663** |

| | |
|---|---|
| **Derivatives instruments included in the assets** | **(344)** |
| **Derivatives instruments included in the liabilities** | **8,008** |

**Change in the valuation of financial instruments between January 1, 2022 and December 31, 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 | (2,890) | - | **(2,890)** |
| Value adjustment in P&L | (2,547) | (2,884) | **(5,430)** |
| Exchange gains or losses | 166 | - | **166** |
| **Value at end of the period** | **(5,526)** | **(877)** | **(6,403)** |

| | |
|---|---|
| **Derivatives instruments included in the assets** | **(7,087)** |
| **Derivatives instruments included in the liabilities** | **684** |

### 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 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Bond (a) | 2,614,318 | 2,611,400 |
| State guarantee loan | 134,438 | 79,137 |
| Bilateral and bridge loans net of issuance costs | 302,742 | 567,169 |
| Lease debt | 294,072 | 371,462 |
| Lease liability | 281,482 | 295,987 |
| **Non-current financial debt** | **3,627,051** | **3,925,155** |
| State guarantee loan | 54,259 | 55,379 |
| Bilateral loans | 273,447 | 155,266 |
| Commercial papers | 75,000 | 63,000 |
| Lease debt | 129,239 | 143,911 |
| Lease liability | 100,139 | 118,800 |
| Other financial debt | 26,873 | 16,813 |
| Current bank borrowings | 7,657 | 7,019 |
| **Current financial debt** | **666,615** | **560,187** |
| **Financial debt** | **4,293,665** | **4,485,342** |

(a) Net of bond issuance costs.

### Breakdown of financial debt by interest rate

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Variable-rate debt | 485,291 | 537,238 |
| Fixed-rate debt (a) | 3,798,651 | 3,941,085 |
| Bank overdrafts | 7,657 | 7,019 |
| Other | 2,067 | - |
| **TOTAL** | **4,293,665** | **4,485,342** |

(a) Including lease liability

### Breakdown of financial debt by maturity

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| < 1 year | 666,615 | 560,187 |
| 1 to 5 years | 3,546,231 | 3,128,017 |
| > 5 years | 80,820 | 797,138 |
| **TOTAL** | **4,293,665** | **4,485,342** |

### Change in borrowings and financial debt between January 1, 2023 and December 31, 2023

| €'000 | Beginning of year | Change in scope | Increase | Decrease | Other (a) | Exchanges gains or losses | 31.12.2023 |
|---|---|---|---|---|---|---|---|
| Bond issues (b) | **2,614,318** | - | 997,054 | (1,004,762) | 4,791 | - | **2,611,400** |
| State guarantee loan | **188,698** | - | - | (54,224) | 24 | 19 | **134,516** |
| Bilateral loans | **576,188** | 32,699 | 378,024 | (260,027) | (5,954) | 1,505 | **722,435** |
| Commercial papers | **75,000** | - | - | (12,000) | - | - | **63,000** |
| Lease debt | **423,310** | 19,969 | 226,006 | (163,187) | 7,041 | 2,233 | **515,373** |
| Lease liability | **381,621** | 8,689 | 150,229 | (126,696) | 6 | 937 | **414,787** |
| Other financial debt | **34,530** | 333 | - | - | (11,075) | 44 | **23,832** |
| **TOTAL** | **4,293,665** | **61,689** | **1,751,313** | **(1,620,896)** | **(5,168)** | **4,739** | **4,485,342** |

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

### Change in borrowings and financial debt between January 1, 2022 and December 31, 2022

| €'000 | Beginning of year | Change in scope | Increase | Decrease | Other (a) | Exchanges gains or losses | 31.12.2022 |
|---|---|---|---|---|---|---|---|
| Bond issues (b) | **2,841,375** | - | 348,098 | (581,856) | 6,700 | - | **2,614,318** |
| State guarantee loan | **237,374** | 995 | 7,500 | (56,145) | (1,050) | 23 | **188,698** |
| Bilateral loans | **334,167** | 434 | 370,184 | (122,853) | 1,411 | (7,154) | **576,188** |
| Commercial papers | **94,000** | - | - | (19,000) | - | - | **75,000** |
| Lease debt | **266,314** | 18,235 | 272,003 | (133,094) | - | (147) | **423,310** |
| Lease liability | **334,690** | 2,558 | 161,104 | (112,620) | 4 | (4,114) | **381,621** |
| Other financial debt | **31,278** | - | - | - | 3,151 | 101 | **34,530** |
| **TOTAL** | **4,139,197** | **22,222** | **1,158,889** | **(1,025,568)** | **10,216** | **(11,291)** | **4,293,665** |

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

## Note 15 – Employee benefits

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Net Defined Benefit Obligation | **40,500** | **46,835** |

| **Reconciliation of the commitment and the provision** | | |
|---|---|---|
| Commitment | 43,553 | 50,032 |
| Plan assets | (3,052) | (3,198) |
| **Net Defined Benefit Obligation at year-end / period** | **40,500** | **46,835** |

| **Movement in Defined Benefit Liability** | | |
|---|---|---|
| **Net Defined Benefit Liability at beginning of year** | **53,339** | **40,500** |
| Expense for the financial year | 3,449 | 3,939 |
| Recognition of actuarial gains or losses through OCI (a) | (14,124) | 4,356 |
| Benefits or contributions paid by the employer | (2,027) | (2,239) |
| Exchange gains or losses | (2,281) | 278 |
| Change in accounting method by OCI | - | - |
| Other movements (b) | 2,145 | - |
| **Net Defined Benefit Obligation at year-end / period** | **40,500** | **46,835** |

(a) Mainly relates to the increase of discount rates used in France and Sweden.
(b) At December 31, 2022, reclassification of "end of service benefits" from current liabilities.

| **Breakdown of the expense for the financial year** | **31.12.2022** | **31.12.2023** |
|---|---|---|
| Current service cost | 2,736 | 2,464 |
| Other | (153) | 42 |
| Interest cost | 866 | 1,432 |
| **Expense for the year / period** | **3,449** | **3,939** |

The provisions for employee benefits concern retirement benefits for €45,981k at December 31, 2023 compared to €39,680k at December 31, 2022 and jubilee awards for €853k at December 31, 2023 compared to €821k at December 31, 2022.

| | **31.12.2022** | | **31.12.2023** | |
|---|---|---|---|---|
| **Actuarial assumptions used** | **France** | **International** | **France** | **International** |
| Discount rate (a) | 4.00 | 2.30 à 4.00 | 3.50 | 2.00 à 4.30 |
| Salary increase rate | 2.00 | 0.00 à 5.00 | 2.00 | 0.00 à 5.00 |
| Inflation rate | 2.00 | 0.00 à 2.00 | 2.00 | 0.00 à 2.00 |
| Mortality table | THTF 00-02 | Depending on the country | THTF 00-02 | Depending on the country |
| Retirement age | 65 years | 64 à 67 years | 65 years | 65 à 67 years |

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

| Schedule of future payments over ten years | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Less than 1 year | 899 | 1,040 |
| More than 1 year | 18,803 | 21,574 |

| Sensitivity Analysis - Changes in the defined benefit obligation as % | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Discount rate +0.5% | -8% | -8% |
| Discount rate -0.5% | 9% | 9% |

## Note 16 – Provisions

### Change in provisions between January 1, 2023 and December 31, 2023

| €'000 | Provisions for restructuring | Other provisions for contingencies | Provisions for charges | Total |
|---|---|---|---|---|
| **Balance at beginning of year** | **2,055** | **7,052** | **1,000** | **10,107** |
| Change in scope | - | 2,480 | - | **2,480** |
| Allocations | 1,667 | 3,021 | 2,035 | **6,724** |
| Reversals | (1,671) | (1,051) | (951) | **(3,673)** |
| Exchange gains or losses and other | (49) | 452 | 1 | **404** |
| **Balance at end of year / period** | **2,003** | **11,955** | **2,084** | **16,042** |

### Change in provisions between January 1, 2022 and December 31, 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 | 678 | 2,756 | 944 | **4,378** |
| Reversals | (2,084) | (1,554) | (774) | **(4,412)** |
| Exchange gains or losses and other | (149) | 348 | (301) | **(102)** |
| **Balance at end of year / period** | **2,055** | **7,052** | **1,000** | **10,107** |

## Note 17 – Trade payables and other current liabilities

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Trade payables | 185,656 | 198,392 |
| Payables to fixed asset suppliers | 139,465 | 62,735 |
| **Trade payables and related** | **325,121** | **261,128** |
| **Corporate income tax liabilities** | **9,542** | **13,976** |
| Tax and social security liabilities | 133,760 | 156,174 |
| Other liabilities | 38,346 | 48,653 |
| Accrued income | 234 | 10,842 |
| **Other liabilities and accruals** | **172,340** | **215,669** |
| **Total current liabilities** | **507,002** | **490,773** |

## Note 18 – Segments information

Group's results are presented under a new geographical breakdown composed of three divisions:
- France division, comprising both the generalist and specialist rental operations in France;
- Nordic countries, consisting in Denmark, Norway, Sweden and Finland,
- Rest of the World, including all other international countries where Loxam operates.

**Revenue by division**

| €'000 | 31.12.2022 | *% of total* | 31.12.2023 | *% of total* |
|---|---|---|---|---|
| France | 976,920 | *40.7%* | 1,041,663 | *40.8%* |
| Nordic countries | 722,492 | *30.1%* | 705,710 | *27.7%* |
| Rest of the World | 703,345 | *29.3%* | 804,386 | *31.5%* |
| **Total Revenue** | **2,402,756** | ***100.0%*** | **2,551,759** | ***100.0%*** |

**EBITDA by division**

EBITDA is not a measure of financial performance under IFRS and should not be considered as an alternative to net profit as an indicator of the operating performance or any other measures of performance derived in accordance with IFRS.
EBITDA is defined by the Group as profit from ordinary operations plus depreciation and amortization of tangible and intangible assets.

| €'000 | 31.12.2022 | *% margin* | 31.12.2023 | *% margin* |
|---|---|---|---|---|
| France | 363,473 | *37.2%* | 390,197 | *37.5%* |
| Nordic countries | 217,648 | *30.1%* | 216,773 | *30.7%* |
| Rest of the World | 267,014 | *38.0%* | 319,230 | *39.7%* |
| **Total EBITDA** | **848,134** | ***35.3%*** | **926,201** | ***36.3%*** |

## Note 19 – Personnel expenses

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Salaries | 454,609 | 487,590 |
| Payroll taxes | 134,286 | 146,483 |
| Other personnel expenses | 28,207 | 25,888 |
| Personal benefits | 556 | 268 |
| Incentive and employee profit-sharing | 8,104 | 12,721 |
| **Total personnel expenses** | **625,762** | **672,950** |
| Average headcount | 11,685 | 12,307 |

## Note 20 – Other operating income and expenses

At December 31, 2023, other operating income and expenses amounted to €3,265k and related to:
- the net capital gain on the disposal of the JV Fortrent Russia for €5,755k,
- the acquisition costs for €(1,769)k,
- impairment of assets for €(720) k.

At December 31, 2022, other operating income and expenses amounted to €(40,752)k and related to:
- an impairment of the Goodwill of Rapid Access Middle East for €(30,000)k,
- the write-down of the full amount of the carrying value of the investment in Fortrent for €(9,452)k,
- the impairment of intangible assets in Sweden for €(694)k,
- the acquisition costs incurred for the M&A transactions for €(606)k.

## Note 21 – Financial income (expense)

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Interest and financing-related expenses (a) | (153,023) | (190,569) |
| Income from cash and cash equivalents | 1 | 0 |
| **Net finance costs** | **(153,021)** | **(190,569)** |
| Foreign exchange gains or losses | (3,712) | 5,361 |
| Exceptional financial costs (b) | (1,106) | (2,090) |
| Fair value adjustments of interest rate Swaps | 5,430 | (9,755) |
| Capital gain on bond redemptions | 6,374 | 2,147 |
| Other financial income and expenses | (762) | 4,202 |
| **Financial income (expense)** | **(146,797)** | **(190,703)** |

(a) At December 31, 2023, includes expenses related to lease financial debt €(16,703)k and interest related to lease liabilities €(12,660)k
At December 31, 2022, includes expenses related to lease financial debt €(7,572)k and interest related to lease liabilities €(10,439)k.

(b) At December 31, 2023, includes the reversal of the provision on the receivable balance with Fortrent and the issuance fees on the bond issuance of December 2023.
At December 31, 2022, includes the full depreciation of the receivable balance with Fortrent and accelerated amortization of issuance fees following the buyback bond.

## Note 22 – Corporate income tax

### Analysis of tax expense

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Current tax | (22,748) | (21,919) |
| Deferred tax | (7,733) | (4,745) |
| **Total** | **(30,480)** | **(26,664)** |

### Reconciliation between actual tax and theoretical tax expense

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Consolidated income before tax and share of result in associates | **92,153** | **102,241** |
| Tax rate (parent) | 25.83% | 25.83% |
| **Theoretical tax expense** | **(23,798)** | **(26,404)** |
| Difference in parent / subsidiary rates | 5,770 | 248 |
| Unused tax losses for the year | (4,401) | (4,436) |
| Use of previously unused losses | 1,715 | 1,913 |
| Permanent differences | (10,607) | 121 |
| Tax credits and other | 842 | 1,894 |

| | | |
|---|---|---|
| **Actual tax expense** | **(30,480)** | **(26,664)** |
| Effective tax rate | 33.1% | 26.1% |

**Deferred tax assets and liabilities**

| €'000 | **31.12.2022** | **31.12.2023** |
|---|---|---|
| **Opening balance** | **(186,114)** | **(198,181)** |
| Income (expense) | (7,733) | (4,745) |
| Changes in scope | (6,105) | 301 |
| Own funds allocation | (2,888) | 877 |
| Other changes [(a)] | 4,658 | 3,942 |
| **Closing balance** | **(198,181)** | **(197,806)** |
| Deferred tax assets | 9,776 | 10,294 |
| Deferred tax liabilities | (207,957) | (208,099) |

(a) Mainly related to reclassification and exchange gains or losses

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 | **31.12.2022** | **31.12.2023** |
|---|---|---|
| Guarantee given to banks for payment of real estate rentals | 2,208 | 2,010 |
| Pledging of business assets as collateral | 360 | 360 |
| **Total commitments given** | **2,568** | **2,370** |

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 €21,583k at December 31, 2023 and for €22,178k at December 31, 2022
- Guarantees from Ramirent on its subsidiaries' borrowings (bilateral loans and finance leases) for €39,380 k at December 31, 2022 and €2,850k at December 31, 2022;
- 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 December 31, 2023 and 2022;
- 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.

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.

## Note 24 – Related-party transactions

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

| €'000 | 31.12.2022 | 31.12.2023 |
|---|---|---|
| Executive Committee compensation | 5,077 | 4,912 |
| Executive Committee benefits in kind | 71 | 64 |
| Attendance fees paid to directors | 63 | 189 |
| **Total amount of compensation and benefits paid to executives and directors** | **5,211** | **5,165** |

The parent company Loxam SAS concluded a services contract with the company DPZ Partners which holds part of the share capital of Loxam SAS. This contract was concluded under normal market conditions. The services provided to this contract were billed to Loxam SAS for an amount of €1.1 million in 2023 against €1.2 million in 2022.

The SCI Ellipse, subsidiary of DPZ Partners, has entered into a ten-year lease agreement with Loxam for the rents of the office building Le Cap, based in La Défense. Loxam SAS rents the entirety of the building for an annual rent of €4.4 million and related taxes for €0.8 million in 2023 against €4.2 million and related taxes for €0.9 million in 2022.

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

## Note 25 – Statutory Auditors' Fees

As at December 31, 2023, the amount paid is broken down as follow:

| €'000 | Constantin/Deloitte | KPMG | Other |
|---|---|---|---|
| Loxam SAS - Accounts certification | 261 | 261 | - |
| Other subsidiaries - Accounts certification | 515 | 1,019 | 268 |
| Other services | 399 | 272 | - |
| **Total fees** | **1,175** | **1,553** | **268** |