

(Translation)

SEMI-ANNUAL SECURITIES REPORT

For Interim Period from January 1, 2022 to June 30, 2022

1. This document is a printed copy, with table of contents and page numbers inserted, of the data of the Semi-Annual Securities Report under Article 24-5, Paragraph 1 of the Financial Instruments and Exchange Act filed on September 15, 2022 through Electronic Disclosure for Investors' Network (EDINET) provided for in Article 27-30-2 of such Act.
2. The documents attached to the Semi-Annual Securities Report filed as stated above are not included herein.

Renault

(E05907)

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Document Name: Semi-Annual Securities Report

Filed with: The Director General of Kanto Local Finance Bureau

Filing Date: September 15, 2022

Interim Period: From January 1, 2022 to June 30, 2022

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Place(s) of Public Inspection: Not applicable

PART I CORPORATE INFORMATION

- Note (1) Unless otherwise specified herein, the “Company”, “Renault”, “Renault SA” or “Renault S.A.” refers to Renault, and the “Group” or the “Renault Group” refers to Renault and all of its “fully consolidated” subsidiaries.
- Note (2) Unless otherwise specified herein, the reference to «Euro», «€» and «EUR» are to the lawful currency of Euro Zone and French Republic. The telegraphic transfer for selling Euro against yen quoted by MUFG Bank, Ltd. as of August 1, 2022 was EUR 1 = JPY137.24. Any conversions made herein from the Euro into Japanese yen was made at this exchange rate for conversion convenience purposes only and should not be deemed a representation of future exchange rates.
- Note (3) Where figures in tables in this document have been rounded, the totals may not necessarily be the aggregate of the sum of the relevant figures.

I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS

With respect to the contents set out in “PART I CORPORATE INFORMATION, I. SUMMARY OF LAWS AND REGULATIONS IN THE COUNTRY TO WHICH THE COMPANY BELONGS” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

II. OUTLINE OF THE COMPANY

1. DEVELOPMENT OF MAJOR MANAGERIAL INDEX, ETC.

The figures are presented under IFRS. Please read following charts together with the information provided in VI. FINANCIAL CONDITION of this PART I.

The figures in the table below are rounded to two decimal places as necessary.

(Unit: EUR million, except otherwise indicated)

Consolidated	Half-Year ended June 30				Years ended December 31		
	2020 restated ⁽⁶⁾	2021	2021 restated ⁽⁷⁾	2022	2020	2021	2021 restated ⁽⁷⁾
Revenues	18,425	23,357	21,057	21,121	43,474	46,213	41,659
Pre-tax income ⁽¹⁾	(7,113)	568	384	917	(7,626)	1,563	1,120
Net income	(7,386)	368	368	(1,666)	(8,046)	967	967
Net income - parent-company shareholders' share	(7,292)	354	354	(1,357)	(8,008)	888	888
Comprehensive income	(8,826) ⁽⁶⁾	1,275	1,275	(126)	(9,824)	2,630	2,630
Shareholders' equity ⁽²⁾	26,396	26,582	26,582	27,931	25,338	27,894	27,894
Shareholders' equity - (parent-company shareholders' share)	25,838	26,013	26,013	27,399	24,772	27,320	27,320
Total assets	110,821	113,235	113,235	110,986	115,737	113,740	113,740
Renault's equity per share (EUR) ⁽³⁾ (rounding to two digits to the right of the decimal point)	87.37	87.96	87.96	92.65	83.77	92.38	92.38
Earnings per share (EUR) ⁽⁴⁾ (rounding to two digits to the right of the decimal point)	(26.91)	1.30	1.30	(4.98)	(29.51)	3.26	3.26
Capital adequacy ratio (%) ⁽⁵⁾ (rounding to two digits to the right of the decimal point)	23.82	23.48	23.48	25.17	21.89	24.52	24.52
Cash flows from operating activities	(671)	(622)	(622)	401	5,753	2,409	2,409
Cash flows from investing activities	(2,319)	(334)	(344)	(2,197)	(4,239)	(1,616)	(1,616)
Cash flows from financing activities	2,412	(321)	(321)	(1,358)	5,605	(631)	(631)
Cash and cash equivalents	14,132	20,530	20,530	19,007	21,697	21,928	21,928
Number of employees as of the end of the term (person) (Excluding employees under the early retirement scheme)	nc	nc	nc	nc	170,158	156,466	156,466

(1) Group pre-tax income includes share in net income (loss) of companies accounted for by the equity method.

(2) Under IFRS, non-controlling interests are included in shareholders' equity.

(3) Based on shareholders' equity - (parent-company shareholders' share) and on number of shares, i.e. 295,722,284 shares at June 30 and December 31, 2020, June 30 and December 31, 2021, and June 30, 2022.

(4) Based on net income - parent-company shareholders' share and on average number of shares outstanding, i.e 270,977 thousand shares in first half 2020, 272,441 thousand shares in first half 2021, 272,619 thousand shares in first half 2022, 271,349 thousand

shares in fiscal year 2020 and 272,102 thousand shares in fiscal year 2021. The average number of shares outstanding is a weighted average number of shares outstanding during the period after neutralization of treasury shares and of Renault shares held by Nissan.

- (5) Shareholders' equity divided by total assets.
- (6) Figure related to the comprehensive income for Half year 2020 financial results has been restated in the Half Year 2021 financial result due to an adjustment in the actuarial gains and losses.
- (7) The 2021 financial statements Net Income and Comprehensive Income have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B of the Condensed consolidated financial statements first half 2022).

2. CONTENTS OF BUSINESS

With respect to the contents set out in "PART I CORPORATE INFORMATION, II. OUTLINE OF THE COMPANY, 3. CONTENTS OF BUSINESS" of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

3. STATE OF RELATED COMPANIES

With respect to the contents set out in "PART I CORPORATE INFORMATION, II. OUTLINE OF THE COMPANY, 4. STATE OF RELATED COMPANIES" of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period, except for the following changes which are underlined below. The numbering of items below corresponds the Securities Report of Renault filed on May 19, 2022.

<Omitted>

(2) SUBSIDIARIES

The total number of consolidated subsidiaries of the Company at June 30, 2022 was 192 (including Renault SA).

<Omitted>

Renault s.a.s.

122-122 bis avenue du Général Leclerc, 92100 Boulogne-Billancourt, France

<Omitted>

CJSC Renault Russia

On 15 May 2022 the Group sold its subsidiary Renault Russia to the city of Moscow.

<Omitted>

JSC "AVTOVAZ"

On 15 May 2022 the Group sold its 67.69% investment in AVTOVAZ to NAMI (the Central Research and Development Automobile and Engine Institute).

<Omitted>

4. STATE OF EMPLOYEES

At December 31, 2021, the Renault group's total workforce stood at 156,466 persons, with 152,614 in the Automotive division and 3,852 in the Sales Financing division.

As announced in May 2022, Renault Group sold its 100% stake in Renault Russia and its 67.69 interest in AVTOVAZ. As of December 31, 2021, the workforce in Russia amounted to around 45,000 employees.

On December 14, 2021 the Group signed an agreement including a Collective Contractual Separation plan in France for a maximum 1,153 employee departures in 2022, as part of the 3- year trade union agreement “Re-Nouveau France 2025”. Through this key agreement Renault Group is making France the strategic and industrial centre of its promising future businesses, to strengthen the Group in its home country, contribute to its transformation and carry all its French businesses towards the automotive industry’s new value chain. The provision recognized at December 31, 2021 was updated at June 30, 2022 (Notes 6-A and 17 of the condensed consolidated financial statements for First Half 2022).

Restructuring and workforce adjustment costs in the first half- year of 2022 concern restructuring plans, principally in France €(55) million, Romania (€31 million) and Spain (€15 million) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

The costs for the first half-year of 2021 mainly concerned restructuring plans outside France (principally in South Korea, Spain and Romania) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

At December 31, 2021, these costs mainly included €(65) million for a work exemption plan in France which eligible employees can join between February 1, 2022 and January 1, 2023, and provisions of €(120) million relating to a new Collective Contractual Separation plan for a maximum 1,153 employee departures in 2022. These plans are part of the 3-year trade union agreement “Re-Nouveau France 2025” signed on December 14, 2021.

III. STATE OF BUSINESS

1. MANAGEMENT POLICIES, MANAGEMENT ENVIRONMENT AND PROBLEMS TO BE DEALT WITH, ETC.

With respect to the contents set out in “PART I CORPORATE INFORMATION, III. STATE OF BUSINESS, 1. MANAGEMENT POLICIES, MANAGEMENT ENVIRONMENT AND PROBLEMS TO BE DEALT WITH, ETC.” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

In addition, with respect to the basic policy related to the way a person is to control the decisions on the financial and business policies set out in “PART I CORPORATE INFORMATION, V. STATE OF THE COMPANY, 3. STATE OF CORPORATE GOVERNANCE, ETC., (1) SUMMARY OF CORPORATE GOVERNANCE” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

2. RISKS IN BUSINESS, ETC.

With respect to the contents set out in “PART I CORPORATE INFORMATION, III. STATE OF BUSINESS, 2. RISKS IN BUSINESS, ETC.” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

Main risks and uncertainties for the remaining six months of the fiscal year

This section contains forward-looking statements, which are based on the judgment as of June 30, 2022.

Renault Group operates in design, manufacture, marketing of vehicles and sales financing through its subsidiary Mobilize Financial Services in an environment that remains in strong evolution, particularly in terms of technology, consumption patterns and the economic context of the markets.

On May 16, 2022, the Board of Directors of Renault Group unanimously approved the signing of agreements to sell 100% of Renault Group's shares in Renault Russia to the City of Moscow and its 67.69% stake in AVTOVAZ to NAMI (the Central Institute for Research and Development of Automobiles and Engines). These agreements enable Renault Group to act responsibly towards its 45,000 employees in Russia while preserving the Group's performance and its ability to come back to the country in the future, in a different context. The agreement provides an option

for Renault Group to buy back its stake in AVTOVAZ, exercisable at certain periods over the next 6 years.

In this environment, Renault Group does not identify, for the next 6 months of 2022, risk factors other than those described in III-2 “RISKS IN BUSINESS, ETC.” of the Securities Report of Renault filed on May 19, 2022, knowing that the particular risk related to Russia in the risks related to geopolitical instability and economic conditions materialized during the semester as mentioned above.

Renault Group also remains exposed to the risk of disruptions in the supply chain of electronic components that affect both Renault Group and the automotive industry. This risk remains in the second half of the year and the Group estimates that it could lead to a loss of production of around 300,000 units over the year.

3. ANALYSIS BY MANAGEMENT OF STATE OF FINANCIAL CONDITION, OPERATING RESULTS AND CASH FLOW

Any forward-looking statements contained in this section are based on the judgment as of June 30, 2022.

(1) OUTLINE OF RESULTS OF OPERATION, ETC.

A. IN BRIEF

Key figures

		H1 2022	H1 2021 adjusted ⁽¹⁾	Change	H1 2021 published
Worldwide Group registrations	Million vehicles	1.00	1.14	-11.9%	1.42
Group revenues	€ million	21,121	21,057	+64	23,357
Group operating profit	€ million	988	432	+556	654
	% revenues	4.7%	2.1%	+2.6 pts	2.8%
Group operating income	€ million	939	362	+577	571
Contribution from associated companies o/w Nissan	€ million	214	160	+54	160
	€ million	325	100	+225	100

Net income	€ million	-1,666	368	-2,034	368
o/w continuing operations	€ million	657	199	+458	N/A
o/w discontinued operations	€ million	-2,323	169	-2,492	N/A
Net income, Group share	€ million	-1,357	354	-1,711	354
o/w continuing activities	€ million	634	207	+427	N/A
o/w discontinued operations	€ million	-1,991	147	-2,138	N/A
Earnings per share	€	-4.98	1.30	-6.28	1.30
Automotive operational free cash flow ⁽²⁾	€ million	+956	-514	+1,470	-70
Automotive net financial position	€ million	-426	-1,100	+674	-1,622
		at Jun. 30, 2022	at Dec. 31, 2021		at Dec. 31, 2021
Sales Financing, average performing assets	€ billion	43.7	45.5	-3.9%	45.5

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

(2) Automotive operational free cash flow: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement.

Overview

2022 H1¹ results, a new step in the Group's turnaround: significant improvement in profitability, strong free-cash flow generation and strengthening of the financial structure

- Group revenue at €21.1 billion, stable compared to 2021 H1, despite 11.9% decline in the Group's global sales over the period, in a still disrupted market.
- Group operating margin at €988 million (4.7% of revenue): up €556 million and +2.6 points compared to 2021 H1.
- Automotive operating margin at €420 million (2.1% of Automotive revenue): +€565 million (+2.8 points) despite a decrease of 136,000 vehicles compared to 2021 H1.
- Net income from continuing operations at €657 million, up €458 million compared to 2021 H1.
- Net income from discontinued operations at -€2.3 billion due to the non-cash adjustment related to the disposal of the Russian industrial activities announced on May 16, 2022.
- Automotive operational free cash flow at +€956 million (including a €800 million dividend from Mobilize Financial Services) up €1,470 million compared to 2021 H1.
- Automotive net debt reduced by €1.2 billion versus December 31, 2021, of which €522 million related to the sale of activities in Russia: -€426 million.

Success of new vehicles and acceleration of the strategy focused on value

- Group order book in Europe at 4.1 months of sales, supported by the success of new launches:
 - Renault Arkana recorded more than 100,000 orders since its launch, 60% of which are in E-TECH version and 60% on the retail channel.
 - Renault Mégane E-TECH Electric is experiencing a promising launch with already more than 25,000 orders, 75% of which are on the highest versions and 80% on the most powerful engines. The first vehicles arrived in French dealerships mid-May; its launch in European countries is underway and will continue until September.
 - Dacia Sandero remains the best-selling vehicle to retail customers in Europe.
 - With more than 30,000 orders recorded in 2022 H1, Dacia Spring 100% electric is number 1 electric vehicle sold to retail customers in France.
 - Dacia Jogger promises to be a new success with more than 50,000 orders in 6 months and a mix of more than 60% on high-end versions in Europe.
 - Alpine doubled its orders versus 2021 H1 thanks to the success of its new A110 range.
- Product mix effect of +3.3 points on the Automotive revenue versus 2021 H1, thanks to new launches (Arkana, Jogger and Megane E-TECH Electric).
- Performance of E-TECH sales² that continue to grow, representing 36% of the registrations of Renault brand passenger cars in Europe (vs. 26% in 2021 H1).

¹ The results presented relate to continuing operations (excluding AvtoVAZ and Renault Russia whose disposals were announced on May 16, 2022)

² The E-TECH range consists of electric and hybrid vehicles

- Acceleration of the pricing effect, which reached +7.4 points of the Automotive revenue versus 2021 H1. This effect will continue in H2 thanks to the Renault commercial policy.
- Impact of raw materials price increases and cost inflation more than offset by the benefits of this new commercial policy coupled with the Group's productivity.

On May 16, 2022, the Board of Directors of Renault Group unanimously approved the signing of agreements to sell 100%

of Renault Group's shares in Renault Russia to the City of Moscow and its 67.69% stake in AVTOVAZ to NAMI (the Central Institute for Research and Development of Automobiles and Engines). In addition, the agreement provides for a call option for Renault Group to buy back its stake in AVTOVAZ, exercisable at certain periods over the next 6 years.

As a result of these agreements:

- The Russian activities were deconsolidated in Renault Group's 2022 H1 financial statements and treated as discontinued operations under IFRS 5 with retroactive effect from January 1st, 2022.
- The financial aggregates of continuing operations for 2022 H1 therefore no longer include the Russian industrial activities and the year 2021 has been adjusted in line with this new scope of activity.
- The result of discontinued operations represents a loss of -€2.3 billion in 2022 H1, mainly due to the impairment of the property, plant and equipment, intangible assets and goodwill of AVTOVAZ and Renault Russia as well as the impairment of specific assets held by the other entities of the Group and the result of disposals on the Russian entities sold.
- The Automotive net debt was reduced by €0.5 billion from -€1.6 billion to -€1.1 billion at December 31, 2021.

Group revenue reached €21,121 million, up +0.3% compared to 2021 H1. At constant exchange rates¹, it increased by +1.1% (negative exchange rate effect mainly related to the Turkish lira devaluation).

¹ In order to analyze the variation in consolidated revenue at constant exchange rates, Renault Group recalculates the revenue for the current period by applying average exchange rates of the previous period.

Automotive revenue stood at €19,574 million, up +0.3% compared to 2021 H1.

The price effect, positive by +7.4 points, reflected the continuation of our commercial policy, launched in 2020 Q3, focused on value over volume as well as price increases to offset cost inflation, and an optimization of commercial discounts. It amounted to +8.4 points in 2022 Q2 after +5.6 points in Q1.

The success of Arkana, launched in 2021 Q2, as well as those of Jogger and Mégane E-TECH Electric in H1, emphasized the renewal of Renault brand in the C segment and contributed to generate a positive product mix effect of +3.3 points.

These two effects make it possible to compensate for the loss of volume of -5.2 points, which is mainly explained by the decline of the European automotive market in connection with the shortage of semiconductors.

The impact of sales to partners, negative by -1.8 points, is mainly due to the decrease in production of diesel engines and vehicles for our partners (end of contracts of Master for Opel and Traffic for Fiat at the end of 2021).

The “Other” effect, of -2.1 points, is due to a decrease in the contribution of sales from the Renault Retail Group (RRG) network following the disposals of branches and partially offset by the aftersales performance.

The Group recorded a positive **operating margin** of €988 million (4.7% of revenue) versus €432 million in 2021 H1 (+2.6 points).

Automotive operating margin improved by €565 million to €420 million (2.1% of Automotive revenue, or +2.8 points versus 2021 H1).

The positive mix/price/enrichment effect of +€1,548 million illustrates the success of the commercial policy focused on value over volume. This policy more than offset the negative volume effect of -€270 million and the increase in costs (raw materials, purchasing, warranty and manufacturing & logistics costs) which amounted to -€647 million. The latter is mainly explained by the sharp increase in raw materials prices (-€797 million), partially offset by the performance of purchasing (+€167 million).

The contribution of Sales Financing of **Mobilize Financial Services** (formerly RCI Bank and Services) to the Group's operating margin reached €582 million, down €11 million compared to 2021 H1, mainly due to the normalization of the level of risk and an average performing assets (€43.7 billion) decreasing in line with the Group's strategy to optimize vehicle stocks in the network.

The retail business recorded a 2.3% increase in new financings. The 14.8% increase in the average amount financed for new contracts offset the 10.9% decrease of the number of new financing contracts due to the decline of the Group's registrations.

In 2022 H1, Mobilize Financial Services successfully completed its first green bond issue for an amount of €500 million with a 5-year maturity. The proceeds of this issue will be used to finance electric vehicles and charging infrastructure. This issue was cashed in on July 6, 2022 and is therefore not included in the financial liabilities as at June 30, 2022.

Other operating income and expenses were negative at -€49 million (versus -€70 million in 2021 H1) and were notably explained by restructuring provisions of -€134 million and asset disposals (+€56 million) mainly related to the sale of several commercial subsidiaries of the Group and branches of RRG.

After taking into account other operating income and expenses, the **Group's operating income** stood at €939 million versus €362 million in 2021 H1.

Net financial income and expenses amounted to -€236 million compared to -€138 million in 2021 H1. This deterioration can be explained by the impact of hyperinflation in Argentina, the cost of debt remaining stable.

The **contribution of associated companies** amounted to €214 million, up by €54 million compared with the first half of 2021. This includes €325 million related to Nissan's contribution, which more than offset €111 million negative contribution from other associates, notably in connection with the impairment of Renault Nissan Bank shares in Russia.

Current and deferred taxes represented a charge of -€260 million compared to a charge of -€185 million in 2021 H1 in relation with the improvement in profit.

Net income from continuing operations was €657 million, up by €458 million compared to 2021 H1.

Net income from discontinued operations amounted to -€2.3 billion due to the non-cash adjustment related to the disposals of the Russian industrial activities.

Thus, **net income** was -€1,666 million and **net income, Group share**, was -€1,357 million (or -€4.98 per share).

The **cash flow of the Automotive business**, excluding restructuring expenses, included €800 million of Mobilize Financial Services dividend and reached €2.6 billion, up +€0.9 billion compared to 2021 H1. This cash flow largely covered the tangible and intangible investments before asset disposals which amounted to €1.2 billion (€1.1 billion net of disposals).

Excluding the impact of asset disposals, the Group's net CAPEX and R&D rate was 8.0% of revenue compared to 9.1% in 2021 H1. It amounted to 7.5% including asset disposals.

Automotive operational free cash flow¹ was positive at +€956 million taking into account -€278 million of restructuring expenses and a negative change in working capital requirement of -€275 million.

Automotive net debt amounted to -€426 million at June 30, 2022 compared to -€1.6 billion at December 31, 2021 (-€1.1 billion adjusted from the operations of AVTOVAZ and Renault Russia), or a decrease of €1.2 billion.

In 2022 H1, Renault Group made an early repayment of €1 billion of the loan of a banking pool benefiting from the guarantee of the French State (PGE) and will be reimbursed, in H2, €1 billion for the mandatory annual repayment. As announced, the entire loan will be reimbursed by the end of 2023 at the latest.

As part of its Shelf Registration program, Renault SA launched on June 24, 2022 a bond issue on the Japanese market for a total amount of 80.7 billion yen (or €561 million) with a rate of 3.5% and a 3-year maturity. This issue was cashed in on July 1, 2022 and is therefore not included in the financial liabilities as at June 30, 2022.

As of June 30, 2022, **total inventories** of new vehicles (including the independent dealer network) represented 348,000 vehicles compared to 427,000 (including around 12 000 vehicles in Russia) at the end of June 2021, or 60 days of sales.

Strategy and outlook 2022

Renault Group is upgrading its 2022 FY financial outlook with:

- a **Group operating margin** superior to 5%, versus around 3% previously
- an **Automotive operational free cash flow superior to €1.5 billion**, versus positive previously

The Group confirms an impact of the semiconductor crisis estimated at 300,000 vehicles in 2022.

During its Capital Market Day in the fall, Renault Group will present an update of its Renaulution mid-term financial outlook and its strategy positioning itself as a competitive, tech and sustainable reference player.

Transactions with related third parties

There are no significant transactions between related parties other than those described in Note 27 of the Appendix to the Annual Consolidated Financial Statements of the Securities Report of Renault filed on May 19, 2022 and in Note 20 of the Appendix to the 2022 Half- Year Consolidated Financial Statements summarized in this report.

1 Automotive operating free cash flow: cash flow after interest and taxes (excluding dividends received from listed companies) less tangible and intangible investments net of disposals +/- change in working capital requirement

Highlights

- **January 7, 2022:** Qualcomm and Renault Group extend their collaboration and bring the latest digital advancements to next generation vehicles with the Snapdragon digital chassis.
- **January 26, 2022:** RRG continues to transform its business model in France. The plan calls for the transfer of eight establishments in France over the next two years to reliable and robust purchasers while preserving jobs.
- **January 27, 2022:** Renault, Nissan & Mitsubishi Motors announce common roadmap Alliance 2030: Best of 3 worlds for a new future.
- **February 10, 2022:** Renault Group, Valeo and Valeo Siemens eAutomotive join forces to develop and manufacture a new- generation automotive electric motor in France.
- **March 8, 2022:** Renault unveils All-New Austral, its new electrified C-segment SUV. High-tech, efficient, and connected which embodies the spirit of the Renaulution.
- **March 9, 2022:** Software République (Atos, Dassault Systèmes, Orange, Renault Group, STMicroelectronics, and Thales) launches its startup incubator to accelerate sustainable, secure, and intelligent mobility.
- **March 10, 2022:** New step in Alliance cooperation: starting 2023, Renault Group to supply models for Mitsubishi Motors in Europe.
- **March 15, 2022:** Hyvia, Renault Group and Plug Power's joint- venture, inaugurates its plant at Refactory, in France and is ready to start assembly fuel cell modules. By the end of 2022, the plant will also begin assembly of hydrogen refueling stations and the production of low carbon hydrogen.
- **March 23, 2022:** Renault industrial activities in Russia are suspended.
- **April 19, 2022:** Renault Tech, in charge of customization and transformations on the vehicles of the group's brands, becomes Qstomize. Qstomize reveals its new strategy centered on two main axes: expansion of the product range and geographical scope.
- **May 10, 2022:** During its Capital Market Day, Mobilize sets out its ambitions in services and technology, targeting 20% of Renault Group's turnover in 2030. RCI Bank and Services becomes Mobilize Financial Services, a unique commercial brand to meet all customers car-related and mobility needs.
- **May 10, 2022:** Geely Automobile Holdings to acquire 34.02% of the shares of Renault Korea Motors. A collaboration to launch from 2024 an all-new vehicle lineup of Hybrid Electric Vehicles and Internal Combustion Engine models to the South Korean market as well as exploring overseas sales.
- **May 12, 2022:** Renault Group studies the creation of two specialized centers of excellence: an entity dedicated to the development, production and sales of electric vehicles and an entity dedicated to the development and production of new generation E-TECH ICE and hybrid engines and transmissions.
- **May 16, 2022:** Renault Group announces the signature of agreements to sell 100% of Renault Group's shares in Renault Russia to Moscow City entity and its 67.69% interest in AVTOVAZ to NAMI (the Central Research and Development Automobile and Engine Institute). The agreement provides for an option for Renault Group to buy back its interest in AVTOVAZ, exercisable at certain times during the next 6 years.
- **May 19, 2022:** At ChangeNow 2022, Renault reveals Scénic Vision which embodies its vision of sustainable development and reflects the brand's plan to decarbonize its entire lifecycle with the aim of becoming carbon neutral in Europe by 2040 and worldwide by 2050.
- **June 1, 2022:** Renault Group and Managem Group sign an agreement for a sustainable supply of Moroccan Cobalt.

- **June 20, 2022:** Renault Group and Minth Group join forces to create a joint venture based in France to produce battery casings for electric vehicles.

B. SALES PERFORMANCE

Overview

- **Renault Group's** worldwide sales amounted to 1,001,109 units in the first half of 2022, down -11.9% compared with the first half of 2021 on an equivalent basis (excluding Russia), in a context disrupted by the semiconductor crisis and marked by the shutdown of the Group's activities in Russia.
- Renault Group is continuing its value-creation-oriented sales policy, which is leading to an increase in the share of its sales in the most profitable channels. In the five main European countries (France, Germany, Spain, Italy and the United Kingdom), the share of sales to private individuals represents 66% versus 53% in the first half of 2021.
- The **Renault brand** continues to post strong growth in the electrified market: the E-Tech range (electric vehicles and hybrid powertrains) accounted for 36% of passenger car sales in Europe in the first half of 2022 (compared with 26% in 2021). Renault's sales in the C-segment are up 12% compared with the first half of 2021 with, in particular, the success of Arkana with more than 40,000 sales this year, with E-Tech (HEV) versions now the most in demand (59%).
- **Dacia** confirms its third place in sales to private individuals in Europe and maintains its growth with a 5.9% increase in registrations compared to the first half of 2021. A success driven in particular by Dacia Sandero, the best-selling model to private customers in Europe for the fifth year in a row, and Duster, the best-selling SUV model to private customers in Europe since 2018.
- The **Alpine** brand also confirmed its strong growth: its registrations rose by more than 70% after an already record year in 2021, international expansion continued with the launch of the brand in Slovenia and the Czech Republic, as well as a rich half-year with the launch of the new A110 range, for which the level of orders doubled over the period.
- The Group's order backlog in Europe remains at a high level at 4.1 months of sales at June 30, 2022. Mégane E-Tech Electric is proving a real success with customers, with 20,000 orders in four months. Dacia Spring continues to play a leading role in the 100% electric vehicle market, with more than 5,000 orders placed per month on average in the first half of 2022, while Dacia Jogger had placed more than 50,000 orders by the end of June 2022.

RENAULT GROUP'S TOP FIFTEEN MARKETS

SALES		Volumes H1 2022 ⁽¹⁾ (units)	PC / LCV market share (%)	Change in market share on H1 2021 (points)
1	France	241,607	25.3	+0.6
2	Italy	74,108	9.6	+1.2
3	Germany	72,699	5.4	-0.3
4	Turkey	67,249	18.8	+3.9
5	Brazil	53,232	6.2	-0.7
6	Spain	47,700	10.3	-0.7
7	India	45,126	2.1	-0.6
8	Morocco	33,712	40.2	-1.4
9	United Kingdom	32,858	3.5	+0.4
10	South Korea	26,230	3.3	+0.1
11	Belgium+Luxembourg	25,241	10.0	+0.3
12	Poland	24,537	10.1	+0.8
13	Colombia	23,138	20.7	-1.6
14	Romania	20,934	31.9	+2.7
15	Argentina	20,433	10.5	+0.2

(1) Preliminary figures.

B-1 AUTOMOTIVE

B-1.1 GROUP SALES WORLDWIDE BY REGION, BY BRAND & BY TYPE

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES ⁽³⁾ (Units)	H1 2022 ⁽¹⁾	H1 2021 adjusted ⁽²⁾	Change (%)	H1 2021	Change (%)
GROUP	1,001,109	1,136,866	-11.9	1,422,647	-29.6
EUROPE	647,168	745,124	-13.1	745,851	-13.2
Renault	413,267	532,422	-22.4	532,422	-22.4

Dacia	232,227	211,799	+9.6	211,799	+9.6
Alpine	1,606	903	+77.9	903	+77.9
LADA	0	0	-	727	-100.0
Mobilize	68	0	+++	0	+++
AFRICA MIDDLE-EAST	66,231	79,853	-17.1	81,315	-18.6
Renault	41,664	48,244	-13.6	48,244	-13.6
Dacia	24,567	30,782	-20.2	30,782	-20.2
Alpine	0	1	-100.0	1	-100.0
LADA	0	0	-	1,462	-100.0
Jinbei&Huasong ⁽⁴⁾	0	826	-100.0	826	-100.0
ASIA PACIFIC	84,805	100,807	-15.9	100,842	-15.9
Renault	55,560	59,968	-7.4	59,968	-7.4
Renault Korea Motors (RKM)	25,285	26,908	-6.0	26,908	-6.0
Alpine	104	97	+7.2	97	+7.2
LADA	0	0	-	35	-100.0
Jinbei&Huasong ⁽⁴⁾	0	12,499	-100.0	12,499	-100.0
EVEASY ⁽⁵⁾	3,856	1,335	+188.8	1,335	+188.8
EURASIA	77,631	74,460	+4.3	357,814	-78.3
Renault	56,385	54,554	+3.4	124,620	-54.8
Dacia	21,246	19,906	+6.7	19,906	+6.7
LADA	0	0	-	213,106	-100.0
AVTOVAZ	0	0	-	182	-100.0
LATIN AMERICA	125,274	136,622	-8.3	136,825	-8.4
Renault	125,274	136,538	-8.2	136,538	-8.2
LADA	0	0	-	203	-100.0
Jinbei&Huasong ⁽⁴⁾	0	84	-100.0	84	-100.0
BY BRAND					
Renault	692,150	831,726	-16.8	901,792	-23.2
Dacia	278,040	262,487	+5.9	262,487	+5.9
Renault Korea Motors (RKM)	25,285	26,908	-6.0	26,908	-6.0
Alpine	1,710	1,001	+70.8	1,001	+70.8
LADA	0	0	-	215,533	-100.0
AVTOVAZ	0	0	-	182	-100.0
Jinbei&Huasong ⁽⁴⁾	0	13,409	-100.0	13,409	-100.0
EVEASY ⁽⁵⁾	3,856	1,335	+188.8	1,335	+188.8
Mobilize	68	0	+++	0	+++
BY VEHICLE TYPE					
Passenger cars	844,447	903,000	-6.5	1,180,997	-28.5
Light commercial vehicles	156,662	233,866	-33.0	241,650	-35.2

(1) Preliminary figures.

(2) Sales 2021 pro-forma 2022 (without Russia).

(3) Twizy is a quadricycle and therefore not included in Group automotive sales except in Bermuda, Chile, Colombia, South Korea, Guatemala, Ireland, Lebanon, Malaysia and Mexico where Twizy is registered as a passenger car.

(4) Jinbei & Huasong includes the brands Jinbei JV and Huasong.

(5) EVEASY is the JMEV's brand.

➔ Renault and RKM brands

Sustainability: in a context of soaring energy prices and environmental challenges, Renault is strengthening its leading position on electrified markets in Europe through an attractive line-up and the customer relevant technological choices.

- In the 1st half of 2022, EV and Hybrid range represents 36% of Renault passenger cars sales in Europe.
- Mégane E-Tech electric is proving a real success among customers with 20,000 orders since launch.

High value-added business: Renault benefits from its commercial policy with a significant performance increase on retail channels and C-segment models.

- In the 1st half of 2022, the European passenger cars retail mix rose by +13 points (vs 1st half of 2021) to reach 53%.
- Sales on C-Segment are growing by 12% (vs 1st half of 2021).

In Europe, Renault achieves 1 out of 3 sales on E-Tech, 1 out of 2 sales in the retail channel, 1 out of 3 sales on C-segment products.

Outside Europe, Renault asserts its position on key markets. In H1- 2022, the sales outside Europe represent 42.2% (excluding Russia).

→ Dacia brand

With 277,885 registered vehicles by the end of June 2022, Dacia's sales increased by 5.9% compared to the first half of 2021 in a market marred by supply crises.

- This result is driven by the success of the bestselling models Sandero (112,000 units, +1.8% vs. H1 2021) and Duster (99,000 units, +5.5% vs. H1 2021) and the two new models Spring (20,000 units) and Jogger (21,700 units). This makes Dacia the only European brand among the 20 largest brands in the European PC and LCV market to experience growth.
- In Europe, Dacia shores up its 3rd place in terms of retail sales. Sandero has remained the best-selling model for retail customers in Europe, every year since 2017, while Duster shores up its position as the best-selling retail SUV in Europe since 2018.
- The success of the new models is confirmed with more orders than car registrations. Dacia Spring, the 100% electric city car, continues to make electric mobility accessible to all with an average of more than 5,000 orders per month for the first half of the year. The All-New Dacia Jogger, the 5- and 7-seater family vehicle, saw an order intake of more than 50,000 for the first 6 months of 2022.

→ Alpine brand

- Alpine sales increased by more than 70% in the first half of 2022 after an already record growth of 74% in 2021.
- With the opening of new markets and a rapidly growing network, Alpine continues its international expansion.
- Alpine enjoyed an eventful first half of 2022 with a new A110 range, three special editions and an art car.

B-1.2 SALES AND PRODUCTION STATISTICS

B-1.2.1 GROUP SALES WORLDWIDE

Consolidated global sales by brand and geographic areas as well as by model are available in the regulated information of the Finance section on Renault Group website. <https://www.renaultgroup.com/en/finance-2/financial-information/key-figures/monthly-sales/>

B-1.2.2 GROUP WORLDWIDE PRODUCTION

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (Units)	H1 2022 ⁽²⁾	H1 2021 adjusted ⁽⁴⁾	Change (%)
WORLDWIDE PRODUCTION RENAULT GROUP PLANTS ⁽¹⁾	986,852	1,072,561	-8.0
<i>o/w produced for partners:</i>			
Nissan	40,992	41,884	-2.1
Mitsubishi	1,160	901	+28.7
Daimler	12,569	10,421	+20.6
Opel / Vauxhall	0	11,356	-100.0
Fiat	0	9,363	-100.0
Renault Trucks	10,520	10,274	+2.4
PRODUCED BY PARTNERS FOR RENAULT GROUP	H1 2022 ⁽²⁾	H1 2021 adjusted ⁽⁴⁾	Change (%)
Nissan	57,898	58,398	-0.9
China ⁽³⁾	23,251	24,260	-4.2

(1) Production data concern the number of vehicles leaving the production line.

(2) Preliminary figures.

(3) Chinese subsidiaries: eGT (25%), RBJAC (49%), JMEV (50%). JMEV adjustment in 2021. No production RBJAC in 2022.

(4) H1 2021 adjusted: excluding AVTOVAZ and Renault Russia production.

B-1.3 GEOGRAPHICAL ORGANIZATION OF THE RENAULT GROUP BY REGION – COUNTRIES IN EACH REGION

At June 30, 2022

EUROPE	AFRICA MIDDLE-EAST		ASIA PACIFIC	EURASIA	LATIN AMERICA
Austria	Abu Dhabi (UAE)	Namibia	Australia	Armenia	Argentina
Belgium	Algeria	Niger	Bhutan	Azerbaijan	Bermuda
Bulgaria	Angola	Nigeria	China	Belarus	Bolivia
Croatia	Bahrain	Sudan	India	Bosnia	Brazil
Czech Republic	Benin	Oman	Indonesia	Georgia	Chile
Denmark	Burkina Faso	Palestine	Japan	Kazakhstan	Colombia
Estonia	Cameroon	Qatar	Malaysia	Kosovo	Costa Rica
Finland	Cape Verde	Rwanda	Mongolia	Kyrgyzstan	Curacao
France	Congo	Saudi Arabia	Nepal	Moldova	Dominican Republic
French Guiana	Dem. Rep. Of the Congo	Senegal	New Zealand	Montenegro	Ecuador
Germany	Djibouti	Seychelles	Singapore	North Macedonia	Guatemala
Greece	Dubai (UAE)	South Africa	South Korea	Serbia	Mexico
Guadeloupe	Egypt	Tanzania		Turkey	Panama
Hungary	Ethiopia	Togo		Ukraine	Paraguay
Iceland	Gabon	Tunisia		Uzbekistan	Peru
Ireland	Ghana	Uganda			Saint Martin
Italy	Guinea	Zambia			Uruguay
Latvia	Iraq	Zimbabwe			
Lithuania	Israel				
Luxembourg	Ivory Coast				
Malta	Jordan				
Martinique	Kenya				
Mayotte	Kuwait				
Netherlands	Lebanon				
New Caledonia	Liberia				
Norway	Madagascar				
Poland	Malawi				
Portugal	Mali				
Republic of Cyprus	Mauritania				
La Réunion	Mauritius				
Romania	Morocco				
Saint-Pierre and Miquelon	Mozambique				
Slovakia					
Slovenia					
Spain+ Canary Islands					
Sweden					
Switzerland					
Tahiti					
United Kingdom					

B-2 SALES FINANCING

Despite an automotive market still penalized by electronic components shortage, **Mobilize Financial Services** new financings increase by +2.3% compared to the first half of 2021, thanks to the increasing number of Used Car Financing contracts and the improved average financed amount.

Mobilize Financial Services financed 638,474 contracts during the first half of 2022, down -10.9% compared to H1 2021. Used Car Financing represents a +1.6% increase compared to H1 2021 with 181,520 financed contracts.

Excluding equity affiliated companies (Russia, Turkey, India), penetration rate amounts to 46.5% up +2.2 pts compared to the first half of 2021.

New financings (excluding credit cards and personal loans) stood at €8.9 bn, up +2.3%, thanks to the used car financing activity and the +14.8% increase of the average financed amount.

Average performing assets (APA) related to the Retail Activity totaled €38 bn on the first half of 2022. They increase by +1.3%, thanks the growth observed on the new financings.

Average performing assets linked to the Wholesale Activity amounted to €5.7 bn, down -28.3%, due to electronic component crisis and stock optimization policy in the dealer network implemented by Renault Group. Overall, average performing assets totaled €43.7 bn, down -3.9% compared to the first half of 2021.

MOBILIZE FINANCIAL SERVICES, FINANCING PERFORMANCE

		H1 2022	H1 2021	Change (%)
Number of financing contracts	Thousands	638	716	-10.9
<i>Including Used Vehicles contracts</i>	<i>Thousands</i>	182	179	+1.6
New financing	€ billion	8.9	8.7	+2.3
Average performing assets	€ billion	43.7	45.5	-3.9

PENETRATION RATE BY BRAND

	H1 2022 (%)	H1 2021 (%)	Change (points)
Renault	41.6	41.1	+0.4
Dacia	45.4	44.8	+0.6
Renault Korea Motors	49.2	57.8	-8.6
LADA	4.3	4.3	-0.0
Nissan	37.3	35.0	+2.4
Infiniti	3.1	3.4	-0.3
Datsun	10.9	30.4	-19.5
Mobilize Financial Services	39.5	36.1	+3.4
Mobilize Financial Services (excluding EAC⁽¹⁾)	46.5	44.3	+2.2

(1) EAC = entities consolidated under equity method: Russia, Turkey and India.

PENETRATION RATE BY REGION

	H1 2022 (%)	H1 2021 (%)	Change (points)
Europe	49.5	45.9	+3.6
Latin America	33.1	37.1	-4.0
Africa Middle-East and Asia Pacific	30.6	32.1	-1.6
Eurasia	10.4	13.8	-3.4
Mobilize Financial Services	39.5	36.1	+3.4
Mobilize Financial Services (excluding EAC⁽¹⁾)	46.5	44.3	+2.2

(1) EAC = entities consolidated under equity method: Russia, Turkey and India.

Number of insurances and services sold over the first half of 2022 accounts for 2.2 million, down -6.8% compared to the first half of 2021, specifically due to the fall of registrations and number of new financing contracts.

MOBILIZE FINANCIAL SERVICES, SERVICES PERFORMANCE

		H1 2022	H1 2021	Change
Number of services contracts	Thousands	2,151	2,308	-6.8%
Penetration rate on services	%	186.4%	155.3%	+31.1 pts
Penetration rate on services (excluding EAC⁽¹⁾)	%	209.4%	185.1%	+24.3 pts

(1) EAC = entities consolidated under equity method: Russia, Turkey and India.

(2) STATE OF PRODUCTION, ORDERS ACCEPTED AND SALES:

See (1) above.

(3) ANALYSIS OF FINANCIAL CONDITION, OPERATING RESULTS AND STATE OF CASH FLOW

Summary

(€ million)	H1 2022	H1 2021 adjusted ⁽¹⁾	Change	H1 2021 published
Group revenues	21,121	21,057	+0.3%	23,357
Operating profit	988	432	+556	654
Operating income	939	362	+577	571
Net financial income & expenses	-236	-138	-98	-163
Contribution from associated companies	214	160	+54	160
<i>o/w Nissan</i>	<i>325</i>	<i>100</i>	<i>+225</i>	<i>100</i>
Net income	-1,666	368	-2,034	368
<i>o/w continuing operations</i>	<i>657</i>	<i>199</i>	<i>+458</i>	<i>N/A</i>
<i>o/w discontinued operations</i>	<i>-2,323</i>	<i>169</i>	<i>-2,492</i>	<i>N/A</i>
Automotive operational free cash flow ⁽²⁾	956	-514	+1,470	-70
Automotive net financial position	-426	-1,100	+674	-1,622
	at Jun. 30, 2022	at Dec. 31, 2021		at Dec. 31, 2021
Shareholders' equity	27,931	27,894	+37	27,894
	at Jun. 30, 2022	at Dec. 31, 2021		at Dec. 31, 2021

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

(2) Automotive operational Free cash flow: cash flows after interest and tax (excluding dividends received from publicly listed companies) minus tangible and intangible investments net of disposals +/- change in the working capital requirement

COMMENTS ON THE FINANCIAL RESULTS

(i) CONSOLIDATED INCOME STATEMENT

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2022			2021 adjusted ⁽¹⁾			Change (%)		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive	8,109	11,465	19,574	8,191	11,333	19,524	-1.0	+1.2	+0.3
Sales financing	737	793	1,530	759	763	1,522	-2.9	+3.9	+0.5
Mobility Services	8	9	17	5	6	11	+60.0	+50.0	+54.5
Total	8,854	12,267	21,121	8,955	12,102	21,057	-1.1	+1.4	+0.3

(€ million)	2021 published		
	Q1	Q2	H1
Automotive excl. AVTOVAZ	8,566	11,773	20,339
AVTOVAZ	685	800	1,485
Sales financing	759	763	1,522
Mobility Services	5	6	11
Total	10,015	13,342	23,357

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

Group revenue reached €21,121 million, up +0.3% compared to 2021 H1. At constant exchange rates¹, it increased by +1.1% (negative exchange rate effect mainly related to the Turkish lira devaluation).

Automotive revenue stood at €19,574 million, up +0.3% compared to 2021 H1.

The price effect, positive by +7.4 points, reflected the continuation of our commercial policy, launched in 2020 Q3, focused on value over volume as well as price increases to offset cost inflation, and an optimization of commercial discounts. It amounted to +8.4 points in 2022 Q2 after +5.6 points in Q1.

The success of Arkana, launched in 2021 Q2, as well as those of Jogger and Megane E-TECH Electric in H1, emphasized

the renewal of Renault brand in the C segment and contributed to generate a positive product mix effect of +3.3 points.

These two effects make it possible to compensate for the loss of volume of -5.2 points, which is mainly explained by the decline of the European automotive market in connection with the shortage of semiconductors.

The impact of sales to partners, negative by -1.8 points, is mainly due to the decrease in production of diesel engines and vehicles for our partners (end of contracts of Master for Opel and Traffic for Fiat at the end of 2021).

¹ In order to analyze the variation in consolidated revenue at constant exchange rates, Renault Group recalculates the revenue for the current period by applying average exchange rates of the previous period.

The "Other" effect, of -2.1 points, is due to a decrease in the contribution of sales from the Renault Retail Group (RRG) network following the disposals of branches and partially offset by the aftersales performance.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	H1 2022	H1 2021 adjusted ⁽¹⁾	Change	H1 2021 published
Automotive	420	-145	+565	-41
% of division revenues	2.1%	-0.7%	+2.9 pts	-0.2%
AVTOVAZ				118
% of AVTOVAZ revenues				7.9%
Sales financing	582	593	-11	593
Mobility Services	-14	-16	+2	-16
Total	988	432	+556	654
% of Group revenues	4.7%	2.1%	+2.6 pts	2.8%

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

The **Group** recorded a positive **operating margin** of €988 million (4.7% of revenue) versus €432 million in 2021 H1 (+2.6 points).

Automotive operating margin improved by €565 million to €420 million (2.1% of Automotive revenue, or +2.8 points versus 2021 H1).

The positive mix/price/enrichment effect of +€1,548 million illustrates the success of the commercial policy focused on value over volume. This policy more than offset the negative volume effect of -€270 million and the increase in costs (raw materials, purchasing, warranty and manufacturing & logistics costs) which amounted to -€647 million. The latter is mainly explained by the sharp increase in raw materials prices (-€797 million), partially offset by the performance of purchasing (+€167 million).

The contribution of Sales Financing of **Mobilize Financial Services** (formerly RCI Bank and Services) to the Group's operating margin reached €582 million, down €11 million compared to 2021 H1, mainly due to the normalization of the level of risk and an average performing assets (€43.7 billion) decreasing in line with the Group's strategy to optimize vehicle stocks in the network.

The retail business recorded a 2.3% increase in new financings. The 14.8% increase in the average amount financed for new contracts offset the 10.9% decrease of the number of new financing contracts due to the decline of the Group's registrations.

In 2022 H1, Mobilize Financial Services successfully completed its first green bond issue for an amount of €500 million with a 5-year maturity. The proceeds of this issue will be used to finance electric vehicles and charging infrastructure. This issue was cashed in on July 6, 2022 and is therefore not included in the financial liabilities as at June 30, 2022.

(ii) AUTOMOTIVE OPERATIONAL FREE CASH FLOW

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	H1 2022	H1 2021 adjusted ⁽¹⁾	Change	H1 2021 published
Cash flow after interest and tax (excluding dividends received from publicly listed companies)	+2,361	+1,428	+933	+1,670

Change in the working capital requirement	-275	-495	+220	-189
Tangible and intangible investments net of disposals	-1,134	-1,249	+115	-1,353
Leased vehicles and batteries	+4	-198	+202	-198
Automotive operational free cash flow	+956	-514	+1,470	-70

- (1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

In H1 2022, the Automotive operational free cash flow is positive at +€956 million, resulting from the following elements:

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of +€ 2,361 million, including €278 million restructuring costs (vs €297 million in 2021),
- a negative change in the working capital requirement of -€275 million,
- property, plant and equipment and intangible investments net of disposals of -€1,134 million (5.4% of Group Revenues, -0.5 points below 2021), including asset sales for an amount of €101 million (vs €134 million in 2021),
- investments related to vehicles with buy-back commitments for +€4 million, versus -€198 million in 2021, due to higher returns than entries of leased vehicles.

(iii) AUTOMOTIVE NET FINANCIAL POSITION AT JUNE 30, 2022

CHANGE IN AUTOMOTIVE NET FINANCIAL POSITION (€ million)

Automotive net financial position at December 31, 2021	-1,622
Adjusted Automotive net financial position at December 31, 2021 ⁽¹⁾	-1,100
H1 2022 operational free cash flow	+956
Dividends received	+64
Dividends paid to Renault's shareholders and minority shareholders	+0
Financial investments and others	-346
Automotive net financial position at June 30, 2022	-426

(1) Net financial position is adjusted from the contribution of Renault Russia and AVTOVAZ.

The Automotive net debt has been adjusted on 31/12/2021 of the discontinued Russian automotive activities in 2022 for an amount of € 522 million.

Beyond the Automotive segment reported positive operational free cash flow of +€956 million, the +€674 million improvement in the **net financial position** of the Automotive segment compared with December 31, 2021 is due to cash effects of discontinued activities, currency and IFRS16 impacts as well as financial investments for a total amount of -€346 million.

AUTOMOTIVE NET FINANCIAL POSITION

(€ million)	Jun. 30, 2022	Dec. 31, 2021 adjusted ⁽¹⁾	Dec. 31, 2021 published
Non-current financial liabilities	-9,626	-11,224	-12,333
Current financial liabilities	-5,035	-4,234	-4,234
Non-current financial assets - other securities, loans and derivatives on financial operations	+273	+90	+90
Current financial assets	+1,521	+977	+978
Cash and cash equivalents	+12,441	+13,291	+13,877
Automotive net financial position	-426	-1,100	-1,622

(1) Net financial position is adjusted from the contribution of Renault Russia and AVTOVAZ.

The **Automotive** segment's liquidity reserves stood at €15.8 billion as at June 30, 2022. These reserves consisted of:

- €12.4 billion in cash and cash equivalents;
- €3.4 billion in undrawn confirmed credit lines.

At June 30, 2022, **RCI Banque** had available liquidity of €12.0 billion, consisting of:

- €4.3 billion in undrawn confirmed credit lines;
- €2.7 billion in central-bank eligible collateral;
- €4.7 billion in high quality liquid assets (HQLA);
- €0.3 billion in available cash.

(4) IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS USED FOR SUCH ESTIMATES

With respect to the contents set out in “PART I CORPORATE INFORMATION, III. STATE OF BUSINESS, 3. ANALYSIS BY MANAGEMENT OF STATE OF FINANCIAL CONDITION, OPERATING RESULTS AND CASH FLOW, (4) IMPORTANT ACCOUNTING ESTIMATES AND ASSUMPTIONS USED FOR SUCH ESTIMATES” of the Securities Report of Renault filed on May 19, 2022, for any material change to be reported in this Semi-Annual Securities Report during the relevant interim period, please refer to “VI. FINANCIAL CONDITION, 1. SEMI-ANNUAL FINANCIAL STATEMENTS, 2022 Condensed half-yearly consolidated financial statements, Notes to the condensed consolidated financial statements, Note 2 - Accounting policies, 2-B. Estimates and judgments” below.

4. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.

With respect to the contents set out in “PART I CORPORATE INFORMATION, III. STATE OF BUSINESS, 4. IMPORTANT CONTRACTS RELATING TO MANAGEMENT, ETC.” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

5. RESEARCH AND DEVELOPMENT ACTIVITIES

Capex and Research & Development

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

H1 2022 (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive	591	543	1,134
Sales Financing	6	0	6
Mobility Services	3	3	6
Total	600	546	1,146

H1 2021 adjusted ⁽¹⁾ (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive	768	481	1,249
Sales Financing	6	0	6
Mobility Services	0	3	3
Total	774	484	1,258

H1 2021 published (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive excluding AVTOVAZ	816	481	1,297
AVTOVAZ	32	24	56
Sales Financing	6	0	6
Mobility Services	0	3	3
Total	854	508	1,362

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

Total gross investment in the first half of 2022 decreased compared to 2021, with Europe accounting for 82 % and the rest of the world for 18 %.

- **In Europe**, the investments are mainly aimed for renewal and electrification of the C (Austral), LCV (new Master ICE & EV and Kangoo EV) and EV (Megane E-Tech) ranges.
- **Internationally**, the investments are realized mainly for the renewal of the Global Access range (Jogger ICE & HEV in Romania and Sandero in Morocco).

RESEARCH AND DEVELOPMENT EXPENSES RECORDED IN THE INCOME STATEMENT

Analysis of research and development costs recorded in the income statement:

(€ million)	H1 2022	H1 2021 adjusted ⁽¹⁾	Change	H1 2021 published
R&D expenses	-1,149	-1,130	-19	-1,164
Capitalized development expenses	546	484	+62	508
<i>R&D capitalization rate</i>	<i>47.5%</i>	<i>42.8%</i>	<i>+4.7 pts</i>	<i>43.6%</i>
Amortization	-544	-582	+38	-591
Gross R&D expenses recorded in the income statement ⁽²⁾	-1,147	-1,228	+81	-1,247

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

(2) Research and development expenses are reported net of research tax credits for the vehicle development activity (gross R&D expenses: R&D expenses before expenses billed to third parties and others).

The capitalization rate amounted to 47.5% of Group Revenues, up +4.7 points compared to H1 2021, in relation to projects developments and the deployment of the Renaultion line-up.

NET CAPEX AND R&D EXPENSES IN% OF REVENUES

(€ million)	H1 2022	H1 2021 adjusted ⁽¹⁾	H1 2021 published
Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	600	774	854
CAPEX invoiced to third parties and others	-22	-12	-12
Net industrial and commercial investments excl. R&D (1)	578	762	842
<i>% of Group revenues</i>	<i>2.7%</i>	<i>3.6%</i>	<i>3.6%</i>
R&D expenses	1,149	1,130	1,164
R&D expenses billed to third parties and others	-148	-104	-106
Net R&D expenses (2)	1,001	1,026	1,058
<i>% of Group revenues</i>	<i>4.7%</i>	<i>4.9%</i>	<i>4.5%</i>
Net CAPEX and R&D expenses (1) + (2)	1,580	1,788	1,900
<i>% of Group revenues</i>	<i>7.5%</i>	<i>8.5%</i>	<i>8.1%</i>
Net CAPEX and R&D expenses excluding asset sales	1,681	1,922	2,037
<i>% of Group revenues</i>	<i>8.0%</i>	<i>9.1%</i>	<i>8.7%</i>

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see note 3-B).

Net Capital expenditures and R&D expenses amounted to 7.5% of Group revenues, down -1.0 point compared to H1 2021.

Excluding the disposal of assets, amounting €101 million, this rate amounts to 8.0%.

IV. STATE OF FACILITIES

1. STATE OF PRINCIPAL FACILITIES

With respect to the contents set out in “PART I CORPORATE INFORMATION, IV. STATE OF FACILITIES, 2. STATE OF PRINCIPAL FACILITIES” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

2. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES

With respect to the contents set out in “PART I CORPORATE INFORMATION, IV. STATE OF FACILITIES, 3. PLAN FOR CONSTRUCTION, REMOVAL, ETC. OF FACILITIES” of the Securities Report of Renault filed on May 19, 2022, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

V. STATE OF THE COMPANY

1. STATE OF SHARES, ETC.

(1) AGGREGATE NUMBER OF SHARES, ETC.

(i) AGGREGATE NUMBER OF SHARES

As of June 30, 2022

Number of Shares Authorized to be Issued	Aggregate Number of Issued Shares	Number of Unissued Shares
Not applicable	295,722,284 shares	Not applicable

(Note) (1) In France, there is no concept of authorized shares having the same meaning as used in Japan. However, the general meeting of shareholders may authorize the Board of Directors to decide the issue amount and the period with respect to the issuance of shares or equity securities within a limited scope.

(ii) ISSUED SHARES

Bearer or Register, Par-value or Non-par-value	Type	Number of Issued Shares	Name of Listing Stock Exchange or Registered Securities Dealers' Association	Details
Register, par-value EUR 3.81	Ordinary shares	Shares 295,722,284	Euronext Paris	An ordinary share is a share with full voting rights and is a standard share of Renault without any limitation on rights.
Total	—	295,722,284	—	—

(2) EXERCISE, ETC. OF CORPORATE BOND CERTIFICATES, ETC. WITH SHARE ACQUISITION RIGHTS HAVING EXERCISE PRICE ADJUSTMENT PROVISIONS

Not applicable

(3) DEVELOPMENT OF AGGREGATE NUMBER OF ISSUED SHARES AND CAPITAL

Date	Aggregate Number of Issued Shares		Capital			
	Number of Increase/Decrease	Outstanding Shares	Amount of Increase/Decrease		Outstanding Amount	
	Shares	Shares	EUR	JPY	EUR	JPY
December 31, 2021	—	295,722,284	—	—	1,126,701,902.04	154,628,569,035.970
June 30, 2022	—	295,722,284	—	—	1,126,701,902.04	154,628,569,035.970

(4) DESCRIPTION OF MAJOR SHAREHOLDERS

As of June 30, 2022

Name or Company Name	Address	Number of Shares Held (shares)	Percentage to the Aggregate Number of Issued Shares (%)*
French State	France	44,387,915	15.01
Nissan Finance Co., Ltd.	1-1-1, Takashima, Nishi-ku, Yokohama-shi, Kanagawa	44,358,343	15.00
Employees ⁽¹⁾		11,749,236	3.97
Treasury stock		3,752,761	1.27
Public		191,474,029	64.75
Total	-	295,722,284	100.00

(1) The portion of shares held by employees and former employees that are taken into account in this category corresponds to shares held in the FCPE mutual funds, as well as to registered shares directly held by the beneficiaries of free share allocation as of the 2016 allocation plan, pursuant to Article L. 225-102 of the French Commercial Code.

* The figures are rounded off to two decimal places.

2. STATE OF DIRECTORS AND OFFICERS

With respect to the contents set out in “PART I CORPORATE INFORMATION, V. STATE OF THE COMPANY, 3. STATE OF CORPORATE GOVERNANCE, ETC., (2) STATE OF DIRECTORS AND OFFICERS” of the Securities Report of Renault filed on May 19, 2022, there were the following changes before the filing date of this Semi-Annual Securities Report.

1. The number of members by gender and the percentage of female members (as of September 15, 2022)

Number of male members: 11

Number of female members: 5 (percentage of female members: 41.7% (for the purposes of this calculation the 3 directors representing the employees and the 1 director representing employee shareholders are not included in the total number of directors, in accordance with the AFEP-MEDEF Corporate governance code of the listed corporations.))

2. Newly appointed director(s) and/or officer(s)

Name and Date of Birth	Title	Kind of holding shares of Renault and the number thereof	Date on which such person assumed his/her office	Term of Office	Brief Professional History
Vincent Le Biez March 9, 1985 (37 years old)	Director designated by the French state	None	June 21, 2022	N/A*	<p>Vincent Le Biez has been a director of participations in charge of the industry sector since September 2019.</p> <p>After graduating from the École Polytechnique and then the Ecole des Mines de Paris, Vincent Le Biez began his career in 2010 at the Direction régionale et interdépartementale de l'énergie et de l'environnement d'Ile-de-France (DRIEE-IF) where he was head of the energy, climate, vehicles department, also in charge of air quality. In the summer of 2013, he joined the Treasury Department as deputy head of the office in charge of international nuclear projects, Iraq and Iran, where he participated in the negotiations leading to the Vienna Agreement (JCPOA) of July 2015.</p> <p>He then joined the Agence des participations de l'État in September 2015 as an investment officer in charge of EDF and its regulated subsidiaries. He was appointed Deputy Director of Energy Holdings in February 2017 and represented the State on the supervisory boards of RTE and ENEDIS until December 2019.</p> <p>Vincent Le Biez is a chief engineer of the Mines.</p>

* Mr Le Biez is appointed by an Order of the French Minister for the Economy for an indefinite period (until replaced by ministerial order).

3. Retired director(s) and/or officer(s):

Name	Title	Retired date
Pascale Sourisse	Independent Director	May 25, 2022
Martin Vial	Director designated by the French state	June 1, 2022

4. Change of titles:

Not applicable.

VI. FINANCIAL CONDITION

- a. The accompanying semi-annual financial statements in Japanese (the «semi-annual financial statements in Japanese») of Renault («Renault») and its consolidated subsidiaries («the Group») are based on the translations of the original condensed consolidated half-year financial statements (the «original semi-annual financial statements») for the six month period ended June 30, 2022 and 2021 which have been prepared in conformity with IFRS (IAS34, the standard of the IFRS as adopted by the European Union applicable to interim financial statements). The provision of Article 76 Paragraph 1 of the Regulation Concerning the Terminology, Forms and Preparation Methods of Semi-annual Financial Statements, etc. (Ministry of Finance Ordinance No. 38, 1977) is applied to the disclosure of the semi-annual financial statements of the Group in Japan. The semi-annual financial statements in Japanese contain several arrangements in conformity with Japanese disclosure requirements.

The major differences between IFRS and generally accepted accounting and reporting principles of Japan are described in “3. Differences between IFRS and Japanese GAAP.”

- b. The original semi-annual financial statements have not been audited but have been reviewed in accordance with the professional standards applicable in France by any independent registered accounting offices
- c. Japanese yen amounts included in the semi-annual financial statements in Japanese are the translations of the major Euro amounts stated in the original semi-annual financial statements. Japanese yen amounts are translated from Euro amounts at the exchange rate of EUR1 = ¥137.24. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rate vis-a-vis Customers by MUFG Bank, Ltd. at August 1, 2022. The Japanese yen amounts and items 2. «Other» and 3. «Differences between IFRS and Japanese GAAP» are not included in the original semi-annual financial statements.

1. SEMI-ANNUAL FINANCIAL STATEMENTS

2022 Condensed half-yearly consolidated financial statements

Consolidated income statement

(€ million)	Notes	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Revenues	4	21,121	21,057	41,659
Cost of goods and services sold		(16,749)	(17,229)	(33,720)
Research and development expenses	5	(1,147)	(1,228)	(2,313)
Selling, general and administrative expenses		(2,237)	(2,168)	(4,473)
Other operating income and expenses	6	(49)	(70)	(253)
<i>Other operating income</i>		154	222	720
<i>Other operating expenses</i>		(203)	(292)	(973)
Operating income (loss)		939	362	900
Cost of net financial indebtedness		(124)	(117)	(255)
<i>Cost of gross financial indebtedness</i>		(164)	(145)	(301)
<i>Income on cash and financial assets</i>		40	28	46
Other financial income and expenses		(112)	(21)	(40)
Financial income (expenses)	7	(236)	(138)	(295)
Share in net income (loss) of associates and joint ventures		214	160	515
<i>Nissan</i>	11	325	100	380
<i>Other associates and joint ventures</i>	12	(111)	60	135
Pre-tax income		917	384	1,120
Current and deferred taxes	8	(260)	(185)	(571)
Net income from continuing operations		657	199	549
Net income from continuing operations - parent-company shareholders' share		634	207	524
Net income from continuing operations - non-controlling interests' share		23	(8)	25
Net income from discontinued operations	3	(2,323)	169	418
Net income from discontinued operations - parent-company shareholders' share		(1,991)	147	364
Net income from discontinued operations - non-controlling interests' share		(332)	22	54
NET INCOME		(1,666)	368	967
Net income – parent company shareholders' share		(1,357)	354	888
Net income - non-controlling interests' share		(309)	14	79
Basic earnings per share ⁽²⁾ (€)		(4.98)	1.30	3.25
<i>Basic earnings per share of continuing operations - parent-company shareholders' share (€)</i>		2.32	0.76	1.92
<i>Basic earnings per share of discontinued operations - parent-company shareholders' share (€)</i>		(7.30)	0.54	1.33
Diluted earnings per share ⁽²⁾ (€)		(4.98)	1.30	3.24
<i>Diluted earnings per share of continuing operations - parent-company shareholders' share (€)</i>		2.32	0.76	1.91
<i>Diluted earnings per share of discontinued operations - parent-company shareholders' share (€)</i>		(7.30)	0.54	1.33
Number of shares outstanding (thousands)				
<i>for basic earnings per share</i>	9	272,619	272,441	272,102
<i>for diluted earnings per share</i>	9	274,308	273,976	273,868

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Net income from continuing operations and Net income from discontinued operations – parent-company shareholders' share, divided by the number of shares stated.

Consolidated comprehensive income

(€ million)	H1 2022			H1 2021 ⁽¹⁾			Year 2021 ⁽¹⁾		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
Net income	(1,406)	(260)	(1,666)	553	(185)	368	1,538	(571)	967
Other components of comprehensive income from parent company and subsidiaries									
Items that will not be reclassified subsequently to profit or loss	326	(18)	308	324	(20)	304	327	(23)	304
<i>Actuarial gains and losses on defined-benefit pension plans</i>	326	(18)	308	131	(29)	102	134	(35)	99
<i>Equity instruments at fair value through equity</i>	-	-	-	193	9	202	193	12	205
Items that have been or will be reclassified to profit or loss in subsequent periods	872	(41)	831	176	(21)	155	181	(27)	154
<i>Translation adjustments on foreign activities</i>	94	-	94	47	-	47	30	-	30
<i>Translation adjustments on foreign activities in hyperinflationary economies</i>	73	-	73	15	-	15	21	-	21
<i>Partial hedge of the investment in Nissan</i>	7	-	7	5	-	5	4	-	4
<i>Fair value adjustments on cash flow hedging instruments</i>	177	(44)	133	64	(22)	42	65	(28)	37
<i>Debt instruments at fair value through equity</i>	(7)	3	(4)	(2)	1	(1)	(5)	1	(4)
<i>Items that have been reclassified to profit or loss from discontinued operations ⁽²⁾</i>	528	-	528	47	-	47	66	-	66
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	1,198	(59)	1,139	500	(41)	459	508	(50)	458
Share of associates and joint ventures in other components of comprehensive income									
Items that will not be reclassified to profit or loss in subsequent periods	117	-	117	212	-	212	571	-	571
<i>Actuarial gains and losses on defined-benefit pension plans</i>	110	-	110	64	-	64	421	-	421
<i>Other</i>	7	-	7	148	-	148	150	-	150
Items that have been or will be reclassified to profit or loss in subsequent periods	284	-	284	236	-	236	634	-	634
<i>Translation adjustments on foreign activities</i>	429	-	429	201	-	201	580	-	580
<i>Other</i>	(145)	-	(145)	35	-	35	54	-	54
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	401	-	401	448	-	448	1,205	-	1,205
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	1,599	(59)	1,540	948	(41)	907	1,713	(50)	1,663
COMPREHENSIVE INCOME	193	(319)	(126)	1,501	(226)	1,275	3,251	(621)	2,630
<i>Parent company shareholders' share</i>			113			1,254			2,539
<i>Non-controlling interests' share</i>			(239)			21			91

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Items that have been reclassified to profit or loss from discontinued operations at 30 June 2022 include the reclassification to profit and loss of translation adjustments of the Russian entities that have been sold (see Note 3-B), totalling €430 million.

Consolidated financial position

ASSETS (€ million)	Notes	June 30, 2022	December 31, 2021
Non-current assets			
Intangible assets and goodwill	10-A	5,171	6,398
Property, plant and equipment	10-B	13,933	16,167
Investments in associates and joint ventures		17,532	16,955
<i>Nissan</i>	11	16,888	16,234
<i>Other associates and joint ventures</i>	12	644	721
Non-current financial assets	15	575	373
Deferred tax assets		552	550
Other non-current assets		885	966
TOTAL NON-CURRENT ASSETS		38,648	41,409
Current assets			
Inventories	14	5,167	4,792
Sales Financing receivables		40,139	39,498
Automotive receivables		896	788
Current financial assets	15	2,230	1,380
Current tax assets		193	128
Other current assets		3,892	3,688
Cash and cash equivalents	15	19,007	21,928
Assets held for sale	3	814	129
TOTAL CURRENT ASSETS		72,338	72,331
TOTAL ASSETS		110,986	113,740
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)			
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(183)	(237)
Revaluation of financial instruments		(5)	5
Translation adjustment		(2,347)	(3,407)
Reserves		26,379	25,159
Net income – parent company shareholders' share		(1,357)	888
Shareholders' equity – parent company shareholders' share		27,399	27,320
Shareholders' equity – non-controlling interests' share		532	574
TOTAL SHAREHOLDERS' EQUITY	16	27,931	27,894
Non-current liabilities			
Deferred tax liabilities		1,046	1,009
Provisions for pension and other long-term employee benefit obligations – long-term	17-A	1,051	1,355
Other provisions – long-term	17-B	1,279	1,291
Non-current financial liabilities	18	10,510	13,232
Provisions for uncertain tax liabilities – long-term		226	217
Other non-current liabilities		1,401	1,457
TOTAL NON-CURRENT LIABILITIES		15,513	18,561
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	17-A	51	85
Other provisions – short-term	17-B	1,308	1,550
Current financial liabilities	18	4,381	3,605
Sales Financing debts	18	45,294	45,123
Trade payables		8,402	7,975
Current tax liabilities		355	266
Provisions for uncertain tax liabilities – short-term		21	6
Other current liabilities		7,602	8,493
Liabilities related to assets held for sale	3	128	182
TOTAL CURRENT LIABILITIES		67,542	67,285
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		110,986	113,740

Changes in consolidated shareholders' equity

	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent company shareholders' share)	Shareholders' equity (parent company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total shareholders' equity
(€ million)											
BALANCE AT DECEMBER 31, 2020	295,722	1,127	3,785	(284)	384	(4,108)	31,876	(8,008)	24,772	566	25,338
1 st -half 2021 net income								354	354	14	368
Other components of comprehensive income ^{(1) (2)}					418	318	164		900	7	907
1st-HALF 2021 COMPREHENSIVE INCOME	-	-	-	-	418	318	164	354	1,254	21	1,275
Allocation of 2020 net income							(8,008)	8,008	-		-
Dividends									-	(9)	(9)
(Acquisitions) / disposals of treasury shares and impact of capital increases				47					47		47
Changes in ownership interests									-	(9)	(9)
Cost of share-based payments and other ⁽³⁾					(811)		751		(60)		(60)
BALANCE AT JUNE 30, 2021	295,722	1,127	3,785	(237)	(9)	(3,790)	24,783	354	26,013	569	26,582
2 nd -half 2021 net income								534	534	65	599
Other components of comprehensive income ⁽¹⁾					14	383	354		751	5	756
2nd-HALF 2021 COMPREHENSIVE INCOME	-	-	-	-	14	383	354	534	1,285	70	1,355
Dividends									-	(72)	(72)
(Acquisitions) / disposals of treasury shares and impact of capital increases				-					-		-
Changes in ownership interests									-	7	7
Cost of share-based payments and other							-	22	22	-	22
BALANCE AT DECEMBER 31, 2021	295,722	1,127	3,785	(237)	5	(3,407)	25,159	888	27,320	574	27,894
1 st -half 2022 net income								(1,357)	(1,357)	(309)	(1,666)
Other components of comprehensive income ⁽¹⁾					(10)	1,060	420		1,470	70	1,540
1st-HALF 2022 COMPREHENSIVE INCOME	-	-	-	-	(10)	1,060	420	(1,357)	113	(239)	(126)
Allocation of 2021 net income							888	(888)	-		-
Dividends									-	(41)	(41)
(Acquisitions) / disposals of treasury shares and impact of capital increases				54					54		54
Changes in ownership interests							(28)		(28)	238	210
Cost of share-based payments and other							(60)		(60)		(60)
BALANCE AT JUNE 30, 2022	295,722	1,127	3,785	(183)	(5)	(2,347)	26,379	(1,357)	27,399	532	27,931

- (1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period ■
- (2) Changes in revaluation reserves correspond to the gain on sale of the Daimler shares in 2021 until the date of the sale; changes in reserves mainly correspond to actuarial gains on defined-benefit pension plans recognized during the period.
- (3) Including Renault's €554 million gain on sale of the Daimler shares, reclassified in reserves and Nissan's €252 million gain on sale of its Daimler shares, reclassified in reserves.

Details of changes in consolidated shareholders' equity in 2022 are given in Note 16.

Consolidated cash flows

(€ million)	Notes	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Net income from continuing operations		657	199	549
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment		1,819	2,090	3,894
Share in net (income) loss of associates and joint ventures		(214)	(160)	(515)
Other income and expenses with no impact on cash before interest and tax	19	64	(49)	240
Dividends received from unlisted associates and joint ventures		24	-	29
Cash flows before interest and tax		2,350	2,080	4,197
Dividends received from listed companies		64	-	-
Net change in financing for final customers		(362)	(81)	47
Net change in renewable dealer financing		(143)	518	1,534
Decrease (increase) in Sales Financing receivables		(505)	437	1,581
Bond issuance by the Sales Financing segment		1,329	334	686
Bond redemption by the Sales Financing segment		(2,737)	(2,363)	(4,342)
Net change in other debts of the Sales Financing segment		1,508	(484)	1,073
Net change in other securities and loans of the Sales Financing segment		(310)	(84)	(219)
Net change in financial assets and debts of the Sales Financing segment		(210)	(2,597)	(2,802)
Change in capitalized leased assets		(119)	(279)	(413)
Change in working capital before tax	19	(511)	(583)	(307)
Cash flows from operating activities before interest and tax		1,069	(942)	2,256
Interest received		47	17	45
Interest paid		(174)	(104)	(248)
Current taxes (paid) / received		(226)	(141)	(335)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		716	(1,170)	1,718
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	3	(315)	548	691
Property, plant and equipment and intangible investments	19	(1,247)	(1,392)	(2,686)
Disposals of property, plant and equipment and intangible assets		101	134	567
Acquisitions of investments involving gain of control, net of cash acquired		-	-	(103)
Acquisitions of other investments		(97)	(52)	(129)
Disposals of investments involving loss of control, net of cash transferred		(38)	-	-
Disposals of other investments ⁽²⁾		19	1,159	1,182
Net decrease (increase) in other securities and loans of the Automotive segment		(120)	(79)	(142)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS		(1,382)	(230)	(1,311)
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	3	(815)	(104)	(305)
Dividends paid to parent company shareholders	16	-	-	-
Transactions with non-controlling interests		16	-	(2)
Dividends paid to non-controlling interests		(41)	(9)	(81)
(Acquisitions) sales of treasury shares		(33)	(36)	(36)
Cash flows with shareholders		(58)	(45)	(119)
Bond issuance by the Automotive segment		-	600	2,239
Bond redemption by the Automotive segment		4	(499)	(829)
Net increase (decrease) in other financial liabilities of the Automotive segment		(1,627)	(202)	(1,769)
Net change in financial liabilities of the Automotive segment		(1,623)	(101)	(359)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS		(1,681)	(146)	(478)
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	3	323	(175)	(153)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(3,154)	(1,277)	162

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares at June 30, 2021.

(€ million)	H1 2022	H1 2021	Year 2021
Cash and cash equivalents: opening balance	21,928	21,697	21,697
Increase (decrease) in cash and cash equivalents	(2,368)	(1,277)	162
Effects of change of scope	(786)	-	-
Effect of changes in exchange rate and other changes	248	120	88
Cash generated by assets held for sale	(15)	(10)	(19)
Cash and cash equivalents: closing balance ⁽¹⁾	19,007	20,530	21,928

(1) Cash subject to restrictions on use is described in Note 15-C.

Notes to the condensed consolidated financial statements

I - Information on operating segments and regions

From January 1, 2022, following the disposal of Renault's investment in AVTOVAZ, the operating segments used by the Renault Group are as follows:

The **"Automotive"** segment, which comprises the production, sales, and distribution subsidiaries for passenger cars and light commercial vehicles, and the subsidiaries in charge of the segment's cash management. This segment also includes investments in automotive-sector associates and joint ventures, principally Nissan.

The **"Sales Financing"** segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its associates and joint ventures.

The **"Mobility Services"** segment consisting of services for new mobilities.

The segment previously named AVTOVAZ, and all the discontinued operations in Russia, are now presented separately as Discontinued operations in the Automotive segment, in accordance with IFRS 5. The segment information for 2021 has been restated according to the same principles.

The segment result regularly reviewed by the Board of Management, identified as the "Chief Operating Decision-Maker", is the operating margin. The definition of this indicator is unchanged from previous years and is detailed in the consolidated financial statements at December 31, 2021 (Note 2-D Presentation of the consolidated financial statements). The operating margin excludes restructuring costs.

Consolidated income statement by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2022					
External sales	19,574	1,530	17	-	21,121
Intersegment sales	48	8	1	(57)	-
Sales by segment	19,622	1,538	18	(57)	21,121
Operating margin ⁽¹⁾	419	582	(14)	1	988
Operating income	390	563	(15)	1	939
Financial income (expenses)	578	(13)	(1)	(800)	(236)
Share in net income (loss) of associates and joint ventures	311	(93)	(4)	-	214
Pre-tax income	1,279	457	(20)	(799)	917
Current and deferred taxes	(138)	(122)	-	-	(260)
Net income from continuing operations	1,141	335	(20)	(799)	657
Net income from discontinued operations	(2,323)	-	-	-	(2,323)
NET INCOME	(1,182)	335	(20)	(799)	(1,666)

(1) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2021 ⁽¹⁾					
External sales	19,524	1,522	11	-	21,057
Intersegment sales	48	9	1	(58)	-
Sales by segment	19,572	1,531	12	(58)	21,057
Operating margin ⁽²⁾	(143)	593	(16)	(2)	432
Operating income	(208)	589	(17)	(2)	362
Financial income (expenses)	(63)	(6)	-	(69)	(138)
Share in net income (loss) of associates and joint ventures	153	10	(3)	-	160
Pre-tax income	(118)	593	(20)	(71)	384
Current and deferred taxes	(48)	(138)	-	1	(185)
Net income from continuing operations	(166)	455	(20)	(70)	199
Net income from discontinued operations	169	-	-	-	169
NET INCOME	3	455	(20)	(70)	368
YEAR 2021 ⁽¹⁾					
External sales	38,700	2,935	24	-	41,659
Intersegment sales	102	18	2	(122)	-
Sales by segment	38,802	2,953	26	(122)	41,659
Operating margin ⁽²⁾	(5)	1,185	(29)	2	1,153
Operating income	(227)	1,179	(54)	2	900
Financial income (expenses) ⁽³⁾	720	(14)	(1)	(1,000)	(295)
Share in net income (loss) of associates and joint ventures	501	19	(5)	-	515
Pre-tax income	994	1,184	(60)	(998)	1,120
Current and deferred taxes	(243)	(327)	(1)	-	(571)
Net income from continuing operations	751	857	(61)	(998)	549
Net income from discontinued operations	418	-	-	-	418
NET INCOME	1,169	857	(61)	(998)	967

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(3) Dividends paid by the Sales Financing segment to the Automotive segment are included in the Automotive segment's financial income and eliminated in the intersegment transactions. A dividend of €1,000 million was paid in 2021.

Consolidated financial position by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
June 30, 2022					
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets, and goodwill	18,398	664	42	-	19,104
Investments in associates and joint ventures	17,443	53	6	30	17,532
Non-current financial assets – equity investments	5,896	12	1	(5,817)	92
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	486	-	-	(3)	483
Deferred tax assets	333	219	-	-	552
Other non-current assets	781	133	1	(30)	885
TOTAL NON-CURRENT ASSETS	43,337	1,081	50	(5,820)	38,648
Current assets					
Inventories	5,142	24	1	-	5,167
Customer receivables	921	40,726	7	(619)	41,035
Current financial assets	1,610	1,441	-	(821)	2,230
Current tax assets and other current assets	3,466	6,128	6	(4,701)	4,899
Cash and cash equivalents	12,441	6,566	17	(17)	19,007
TOTAL CURRENT ASSETS	23,580	54,885	31	(6,158)	72,338
TOTAL ASSETS	66,917	55,966	81	(11,978)	110,986
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	27,960	5,775	17	(5,821)	27,931
Non-current liabilities					
Long-term provisions	1,982	574	-	-	2,556
Non-current financial liabilities	9,626	878	9	(3)	10,510
Deferred tax liabilities	334	711	1	-	1,046
Other non-current liabilities	1,108	290	3	-	1,401
TOTAL NON-CURRENT LIABILITIES	13,050	2,453	13	(3)	15,513
Current liabilities					
Short-term provisions	1,330	50	-	-	1,380
Current financial liabilities	5,035	-	39	(693)	4,381
Trade payables and Sales Financing debts	8,484	46,028	6	(822)	53,696
Current tax liabilities and other current liabilities	11,058	1,660	6	(4,639)	8,085
TOTAL CURRENT LIABILITIES	25,907	47,738	51	(6,154)	67,542
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	66,917	55,966	81	(11,978)	110,986

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
December 31, 2021					
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets, and goodwill	21,943	581	40	1	22,565
Investments in associates and joint ventures	16,774	176	5	-	16,955
Non-current financial assets – equity investments	6,215	11	1	(6,155)	72
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	306	-	-	(5)	301
Deferred tax assets	361	189	-	-	550
Other non-current assets	815	151	-	-	966
TOTAL NON-CURRENT ASSETS	46,414	1,108	46	(6,159)	41,409
Current assets					
Inventories	4,768	24	-	-	4,792
Customer receivables	916	40,020	4	(654)	40,286
Current financial assets	1,051	1,187	-	(858)	1,380
Current tax assets and other current assets	2,871	5,733	5	(4,664)	3,945
Cash and cash equivalents	13,877	8,040	14	(3)	21,928
TOTAL CURRENT ASSETS	23,483	55,004	23	(6,179)	72,331
TOTAL ASSETS	69,897	56,112	69	(12,338)	113,740
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	27,913	6,134	8	(6,161)	27,894
Non-current liabilities					
Long-term provisions	2,298	565	-	-	2,863
Non-current financial liabilities	12,333	893	11	(5)	13,232
Deferred tax liabilities	368	640	1	-	1,009
Other non-current liabilities	1,181	276	-	-	1,457
TOTAL NON-CURRENT LIABILITIES	16,180	2,374	12	(5)	18,561
Current liabilities					
Short-term provisions	1,606	35	-	-	1,641
Current financial liabilities	4,234	-	35	(664)	3,605
Trade payables and Sales Financing debts	8,094	45,843	5	(844)	53,098
Current tax liabilities and other current liabilities	11,870	1,726	9	(4,664)	8,941
TOTAL CURRENT LIABILITIES	25,804	47,604	49	(6,172)	67,285
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	69,897	56,112	69	(12,338)	113,740

Consolidated cash flows by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2022					
Net income from continuing operations	1,141	335	(20)	(799)	657
Cancellation of income and expenses with no impact on cash					
Depreciation, amortization and impairment	1,757	59	3	-	1,819
Share in net (income) loss of associates and joint ventures	(311)	93	4	-	(214)
Other income and expenses with no impact on cash, before interest and tax	(54)	122	1	(5)	64
Dividends received from unlisted associates and joint ventures	24	-	-	-	24
Cash flows before interest and tax	2,557	609	(12)	(804)	2,350
Dividends received from listed companies	64	-	-	-	64
Decrease (increase) in Sales Financing receivables	-	(574)	-	69	(505)
Net change in financial assets and Sales Financing debts	-	(155)	-	(55)	(210)
Change in capitalized leased assets	4	(123)	-	-	(119)
Change in working capital before tax	(275)	(229)	(3)	(4)	(511)
Cash flows from operating activities before interest and tax	2,350	(472)	(15)	(794)	1,069
Interest received	47	-	-	-	47
Interest paid	(178)	-	-	4	(174)
Current taxes (paid) / received	(65)	(164)	(1)	4	(226)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	2,154	(636)	(16)	(786)	716
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	(315)	-	-	-	(315)
Purchases of intangible assets	(595)	(5)	(6)	-	(606)
Purchases of property, plant and equipment	(640)	(1)	-	-	(641)
Disposals of property, plant and equipment and intangibles	101	-	-	-	101
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(38)	-	-	-	(38)
Acquisitions and disposals of other investments and other	(90)	(10)	(5)	27	(78)
Net decrease (increase) in other securities and loans of the Automotive segment	(120)	(1)	(3)	4	(120)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS	(1,382)	(17)	(14)	31	(1,382)
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	(815)	-	-	-	(815)
Cash flows with shareholders	(47)	(812)	28	773	(58)
Net change in financial liabilities of the Automotive segment	(1,599)	-	8	(32)	(1,623)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS	(1,646)	(812)	36	741	(1,681)
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	323	-	-	-	323
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,681)	(1,465)	6	(14)	(3,154)
Cash and cash equivalents: opening balance	13,877	8,040	14	(3)	21,928
Increase (decrease) in cash and cash equivalents	(895)	(1,465)	6	(14)	(2,368)
Effects of change of scope	(786)	-	-	-	(786)
Effect of changes in exchange rate and other changes	260	(9)	(3)	-	248
Cash generated by assets held for sale	(15)	-	-	-	(15)
Cash and cash equivalents: closing balance	12,441	6,566	17	(17)	19,007

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2021 ⁽¹⁾					
Net income from continuing operations ⁽²⁾	(166)	455	(20)	(70)	199
Cancellation of income and expenses with no impact on cash					
Depreciation, amortization and impairment	2,022	64	4	-	2,090
Share in net (income) loss of associates and joint ventures	(153)	(10)	3	-	(160)
Other income and expenses with no impact on cash, before interest and tax	(135)	96	1	(11)	(49)
Dividends received from unlisted associates and joint ventures	-	-	-	-	-
Cash flows before interest and tax	1,568	605	(12)	(81)	2,080
Dividends received from listed companies	-	-	-	-	-
Decrease (increase) in Sales Financing receivables	-	774	-	(337)	437
Net change in financial assets and Sales Financing debts	-	(2,624)	-	27	(2,597)
Change in capitalized leased assets	(198)	(81)	-	-	(279)
Change in working capital before tax	(495)	(92)	3	1	(583)
Cash flows from operating activities before interest and tax	875	(1,418)	(9)	(390)	(942)
Interest received	17	-	-	-	17
Interest paid	(112)	-	-	8	(104)
Current taxes (paid) / received	(45)	(96)	-	-	(141)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	735	(1,514)	(9)	(382)	(1,170)
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	548	-	-	-	548
Purchases of intangible assets	(527)	(2)	(3)	-	(532)
Purchases of property, plant and equipment	(856)	(4)	-	-	(860)
Disposals of property, plant and equipment and intangibles	134	-	-	-	134
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-
Acquisitions and disposals of other investments and other ⁽³⁾	1,106	-	(1)	2	1,107
Net decrease (increase) in other securities and loans of the Automotive segment	(95)	-	4	12	(79)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS	(238)	(6)	-	14	(230)
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	(104)	-	-	-	(104)
Cash flows with shareholders	(39)	(75)	-	69	(45)
Net change in financial liabilities of the Automotive segment	(403)	-	7	295	(101)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS	(442)	(75)	7	364	(146)
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	(175)	-	-	-	(175)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	324	(1,595)	(2)	(4)	(1,277)
Cash and cash equivalents: opening balance	12,949	8,738	15	(5)	21,697
Increase (decrease) in cash and cash equivalents	324	(1,595)	(2)	(4)	(1,277)
Effect of changes in exchange rate and other changes	45	71	4	-	120
Cash generated by assets held for sale	(10)	-	-	-	(10)
Cash and cash equivalents: closing balance	13,308	7,214	17	(9)	20,530

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Dividends paid by the Sales Financing segment to the Automotive segment are included in the net income of the Automotive segment. They amounted to €69 million in the first half-year of 2021.

(3) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
Year 2021 ⁽¹⁾					
Net income from continuing operations ⁽²⁾	751	857	(61)	(998)	549
Cancellation of income and expenses with no impact on cash					
Depreciation, amortization and impairment	3,710	150	34	-	3,894
Share in net (income) loss of associates and joint ventures	(502)	(18)	5	-	(515)
Other income and expenses with no impact on cash, before interest and tax	(2)	257	1	(16)	240
Dividends received from unlisted associates and joint ventures	29	-	-	-	29
Cash flows before interest and tax	3,986	1,246	(21)	(1,014)	4,197
Dividends received from listed companies	-	-	-	-	-
Decrease (increase) in Sales Financing receivables	-	2,228	-	(647)	1,581
Net change in financial assets and Sales Financing debts	-	(2,852)	-	50	(2,802)
Change in capitalized leased assets	(218)	(195)	-	-	(413)
Change in working capital before tax	(483)	181	(3)	(2)	(307)
Cash flows from operating activities before interest and tax	3,285	608	(24)	(1,613)	2,256
Interest received	45	-	-	-	45
Interest paid	(263)	-	-	15	(248)
Current taxes (paid) / received	(71)	(263)	(1)	-	(335)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	2,996	345	(25)	(1,598)	1,718
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	691	-	-	-	691
Purchases of intangible assets	(1,103)	(6)	(5)	-	(1,114)
Purchases of property, plant and equipment	(1,571)	(1)	-	-	(1,572)
Disposals of property, plant and equipment and intangibles	567	-	-	-	567
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	(6)	(97)	-	-	(103)
Acquisitions and disposals of other investments and other ⁽³⁾	1,043	(4)	(3)	17	1,053
Net decrease (increase) in other securities and loans of the Automotive segment	(162)	-	5	15	(142)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS	(1,232)	(108)	(3)	32	(1,311)
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	(305)	-	-	-	(305)
Cash flows with shareholders	(98)	(1,019)	15	983	(119)
Net change in financial liabilities of the Automotive segment	(952)	-	9	584	(359)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS	(1,050)	(1,019)	24	1,567	(478)
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	(153)	-	-	-	(153)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	947	(782)	(4)	1	162
Cash and cash equivalents: opening balance	12,949	8,738	15	(5)	21,697
Increase (decrease) in cash and cash equivalents	947	(782)	(4)	1	162
Effect of changes in exchange rate and other changes	-	84	3	1	88
Cash generated by assets held for sale	(19)	-	-	-	(19)
Cash and cash equivalents: closing balance	13,877	8,040	14	(3)	21,928

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Dividends paid by the Sales Financing segment to the Automotive segment are included in the net income of the Automotive segment. They amounted to €1,000 million in 2021.

(3) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

Other information for the Automotive segment: net cash position (net financial indebtedness), operational free cash flow and ROCE

The net cash position or net financial indebtedness, operational free cash flow and ROCE are only presented for the Automotive segment.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

Net cash position (net financial indebtedness)

(€ million)	June 30, 2022	December 31, 2021 ⁽¹⁾
Non-current financial liabilities	(9,626)	(11,224)
Current financial liabilities	(5,035)	(4,234)
Non-current financial assets – other securities, loans and derivatives on financing operations	273	90
Current financial assets	1,521	977
Cash and cash equivalents	12,441	13,291
Net cash position (net financial indebtedness) of the Automotive segment	(426)	(1,100)

(1) For this indicator financial statements of 2021 have been restated due to the discontinued operations in the Russian Federation (see Note 3-B).

Operational free cash flow

(€ million)	June 30, 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Cash flows (excluding dividends from listed companies) before interest and tax	2,557	1,568	3,986
Changes in working capital before tax	(275)	(495)	(483)
Interest received by the Automotive segment	47	17	45
Interest paid by the Automotive segment	(178)	(112)	(263)
Current taxes (paid) / received	(65)	(45)	(71)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,134)	(1,249)	(2,107)
Capitalized leased vehicles and batteries	4	(198)	(218)
Operational free cash flow of the Automotive segment	956	(514)	889
<i>Payments for restructuring expenses</i>	<i>(278)</i>	<i>(301)</i>	<i>(598)</i>
Operational free cash flow of the Automotive segment excluding restructuring	1,234	(213)	1,487

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

ROCE

ROCE (Return On Capital Employed) is an indicator that measures the profitability of capital invested. It is presented for the Automotive sector

at the year-end. The ROCE for 2021, after elimination of items relating to discontinued operations in the Russian Federation, is presented below.

(€ million)	December 31, 2021 disclosed	IFRS 5 impact	December 31, 2021 ⁽¹⁾
Operating margin	507	(510)	(3)
Normative tax rate	28%	28%	28%
Operating margin after tax (A) ⁽²⁾	365	(367)	(2)
Property, plant and equipment, intangible assets and goodwill	21,943	(2,194)	19,749
Investments in associates and joint ventures excluding Nissan	540	(11)	529
Non-current financial assets – equity investments excluding RCI Banque SA and Renault M.A.I.	60	-	60
Working capital	(11,775)	287	(11,488)
Capital employed (B)	10,768	(1,918)	8,850
Return on capital employed (ROCE = A/B)	3.4%		-0.0%

(1) For this indicator financial statements of 2021 have been restated due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) The approach used to determine ROCE includes a theoretical tax effect based on a normative tax rate of 28%.

Working capital is determined from the following segment reporting items. For this indicator financial statements of 2021 have been restated due to the discontinued operations in the Russian Federation (see Note 3-B).

(€ million)	December 31, 2021 disclosed	IFRS 5 impact	December 31, 2021
Other non-current assets	815	(17)	798
Inventories	4,768	(450)	4,318
Customer receivables	916	(57)	859
Current tax assets and other current assets	2,871	(325)	2,546
Other non-current liabilities	(1,181)	5	(1,176)
Trade payables	(8,094)	645	(7,449)
Current tax liabilities and other current liabilities	(11,870)	486	(11,384)
Working capital	(11,775)	287	(11,488)

II - Accounting policies and scope of consolidation

Approval of the financial statements

Groupe Renault, referred to in the financial statements as “the Renault Group” or “the Group”, consists of Renault SA, its subsidiaries, joint operations, joint ventures and associates included in the scope of consolidation as presented in Note 31 to the consolidated financial statements at December 31, 2021, except for its activities in the Russian Federation exercised by Renault Russia and Lada Auto Holding and its AVTOVAZ subsidiaries, which are presented as discontinued operations in accordance with the principles of IFRS 5 (see Note 3-B).

The Renault Group’s condensed consolidated half-year financial statements at June 30, 2022 were examined at the Board of Directors’ meeting of July 28, 2022.

Accounting policies

The condensed consolidated half-year financial statements at June 30, 2022 are compliant with IAS 34 “Interim financial reporting”. They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2021.

The Renault Group’s condensed consolidated half-year financial statements at June 30, 2022 are prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at June 30, 2022 and adopted by the European Union at the closing date. Except for the changes presented in paragraph A below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2021.

1-A. Changes in accounting policies

1-A1. Changes in accounting policies

The Renault Group applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2022.

New amendments that became mandatory on January 1, 2022

Amendments to IAS 16	Proceeds before Intended Use
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework
Amendments to IAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Annual improvements (2018-2020 cycle)	Annual improvements process

Application of the other amendments from January 1, 2022 has no material impact on the Group’s financial statements.

New standards and amendments not applied early by the Group

New IFRS standards and amendments not yet applied early by the Group	Mandatory application date set by the IASB
Amendments to IAS 1	Disclosure of accounting policies January 1, 2023
Amendments to IAS 8	Definition of Accounting Estimates January 1, 2023
IFRS 17 and amendments	Insurance contracts January 1, 2023

The Group does not at this stage anticipate that application of the amendments to IAS 1 and IAS 8 will have any significant impact on the consolidated financial statements.

IFRS 17 – Insurance Contracts, published in May 18, 2017 and modified by amendments of June 25, 2020, sets out the principles for recognition, measurement, presentation and disclosures for insurance contracts. It replaces IFRS 4, Insurance Contracts, and will be applicable for years beginning on or after January 1, 2023.

For Renault Group, IFRS 17 mainly applies to insurance contracts issues and reinsurance agreements signed by the sales Financing segment’s insurance companies. Contracts will now be valued under the general “building block” approach which comprises: (1) estimates of discounted future cash flows, weighted by the probability of occurrence, (2) adjustment for non-financial risks, and (3) the contractual service margin. The contractual service margin will be recognised in the income statement based on the coverage units supplied during the period. The group will

apply the simplified retrospective approach to record the impact of the transition in the financial statements at January 1, 2023.

Other standards and amendments not yet adopted by the European Union

The IASB has also published the following new standards and amendments that have not yet been adopted by the European Union.

IFRS standards and amendments not yet adopted by the European Union	Application date set by the IASB
Amendments to IAS 1	Classification of Liabilities as Current or Non-current January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction January 1, 2023
Amendments to IFRS 17	Initial Application of IFRS 17 and IFRS 9 – Comparative Information January 1, 2023

The Group is currently analysing the potential impacts but does not at this stage anticipate that application of these amendments will have any significant impact on the consolidated financial statements.

IFRS IC interpretation concerning recognition of Targeted Long Term Refinancing Operations (TLTRO) (IFRS 9 and IAS 20)

The IFRS IC decision clarifying analysis and recognition of TLTRO III transactions became final in March 2022. This decision applies to drawings of TLTRO III financing by the Sales Financing segment, to which the Group has opted to apply IFRS 9. More details of these transactions are provided in Note 18-C.

Hyperinflation in Turkey

On March 16, 2022 Turkey was identified by the International Practices Task Force (IPTF) of the Center for Audit Quality as a country that should be considered hyperinflationary for the purposes of 2022 financial statements.

The fully consolidated entities Oyak Renault and Renault Group Otomotiv prepare their accounts for the Group consolidation in their functional currency, which is the euro since most of their transactions are conducted in euros. Consequently their accounts do not require restatement due to hyperinflation. The entities MAIS Motorlu Araclar Imal ve Satis AS and ORFIN Finansman Anonim Sirketi, which are accounted for under the equity method, use the local currency as their functional currency. The hyperinflation adjustment will be applied at December 31, 2022. Its effect on the contribution to the Group financial statements is considered non-significant.

1-B. Estimates and judgments

Specific context of first-half 2022

Renault Group’s exit from the Russian Federation

As announced on May 16, 2022, Renault Group has sold its investments in Renault Russia and the AVTOVAZ Group. Consequently, those entities have been deconsolidated and are treated as discontinued operations in 2022, in compliance with IFRS 5, and the 2021 figures in the income statement and cash flow statement have been restated accordingly. Following this sale, the AVTOVAZ Group is no longer presented as a separate operating segment for the purposes of segment reporting.

Details of the impacts of this deconsolidation are provided in Note 3-B, Discontinued operations, and Renault Group’s option to buy back its investment in AVTOVAZ is mentioned in Note 21-B., Off-balance sheet commitments received and contingent assets.

In the Sales financing segment, given Renault’s exposures in the Russian Federation, the Group fully consolidates one 100%-owned entity (RNL Leasing) and applies the equity method for RN Bank.

Due to uncertainty over its recoverability the equity-accounted value of RN Bank is fully written off at June 30, 2022 (see Note 12), with a negative impact of €101 million on the net income of associates and joint ventures for the first half-year. The contribution by RNL Leasing to the Group’s shareholders’ equity remains of low significance (€2 million) and the €26 million shareholder loan is eliminated as an intragroup operation. If this

entity is deconsolidated in the future, depending on the conditions of deconsolidation a loss may have to be recognized on this shareholder loan.

Other contextual information

In 2021, business began to be affected by disruptions to supplies of electronic components in the worldwide automotive sector. The effects of the electronic components crisis intensified during the second half-year of 2021 and continued into the first half-year of 2022, with the principal consequence of lower production output. As a result, after a fall of more than 4.5% from 2020 to 2,696,401 units in 2021, sales volumes were also lower of 12% in the first half-year of 2022 than the first half-year of 2021: 1,001,109 vehicles were sold in the first half-year of 2022, compared to an adjusted volume (excluding sales in Russia) of: 1,136,366 vehicles in the same period of 2021.

The first half-year of 2022 also saw the initial impacts of rising commodity prices which are expected to accelerate in the second half-year of 2022.

To maintain a sufficient level of liquidity for its operations, in 2020 the Group arranged a €5 billion credit line guaranteed by the French government, on which it made three drawings totalling €4 billion. The €1 billion undrawn at December 31, 2021 ceased to be available at that date, and €1 billion of the August 2020 €2 billion drawing was repaid in August 2021. Further early repayments totalling €1,020 million were also made during the first half-year of 2022 (Note 18-C).

The Group also issued several bonds in 2021 (a €600 million bond in April 2021, a €1.2 billion Samurai bond in July 2021 and a €500 million bond in December 2021). The Group's Operational Free Cash Flow was positive and significant in 2021. The Group continued to issue bonds during the first half-year of 2022 (RCI Banque group issued new bonds totalling €1,217 million, a €561 million Samurai bond and a €500 million green bond were launched in June 2022 – see Note 18-C) and the Automotive segment's Operational Free Cash Flow for the first half-year of 2022 was a positive €956 million (see section I-D). At the date of publication of these consolidated financial statements, the Group has sufficient cash and sources of financing to ensure continuity of operations for the next twelve months and has demonstrated its capacity to issue debt.

Expenses and income recognized that are identified as resulting wholly or partly from the components supply crisis are not considered as "Other operating income and expenses", except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets. Payroll costs, additional logistics costs, and depreciation on assets unused or only partially-used during the period, mainly as a result of production halts due to disrupted electronic component supplies, are allocated to the relevant functions (cost of goods and services sold, research and development expenses, and selling, general and administrative expenses). The amounts concerned are not reported because it is impossible to reliably identify the amounts attributable solely to the components supply crisis.

On December 14, 2021 the Group signed an agreement including a Collective Contractual Separation plan in France for a maximum 1,153 employee departures in 2022, as part of the 3-year trade union agreement "Re-Nouveau France 2025". Through this key agreement Renault Group is making France the strategic and industrial centre of its promising future businesses, to strengthen the Group in its home country, contribute to its transformation and carry all its French businesses towards the automotive industry's new value chain. The provision recognized at December 31, 2021 was updated at June 30, 2022 (Notes 6-A and 17).

In the context of the Group's exit from the Russian Federation, workforce reduction plans, and the electronic components supply crisis, the following items in the Group's consolidated financial statements that are dependent on estimates and judgements have been paid particular attention in the first half-year of 2022:

- potential impairment of fixed assets, particularly impairment on specific assets linked to vehicles and goodwill (Note 10) and investments accounted for under the equity method;
- the recoverable value of leased vehicles classified as property, plant and equipment or inventories;

- impairment for expected credit losses concerning Sales Financing receivables (Note 13);
- revenue recognition,
- determination of restructuring provisions (see Notes 6-A and 17);
- determination of risks associated with distressed suppliers;
- determination of compliance with the requirements of IFRS 5 for reclassification of assets or groups of assets and liabilities held for sale and reporting them on specific lines in the balance sheet in the current assets and current liabilities (Note 3-C).

This list is not exhaustive due to the constantly evolving components supply crisis and its effects on the Group's financial position, and it remains very difficult to predict the magnitude and duration of the crisis-related economic impacts on our business.

Other important estimates and judgments

The Renault Group often has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expenses, and disclosures made in certain notes to the financial statements. In preparing its financial statements, the Renault Group regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances.

Principal estimates and judgments relating to environmental matters and climate issues

The main estimates and judgments relating to climate and environmental questions are the following:

Estimation of the risks associated with regulations on air pollution and CO₂ emissions (specifically the potential impact from 2020 of the CAFE - "Corporate Average Fuel Economy" regulation, which fines automakers if they exceed the average threshold for CO₂ emissions by European-registered vehicles in each calendar year (see Note 21);

Estimation of the consequences of commitments made in connection with environmental and climate issues for the value of Renault Group assets over their useful lives. At this stage, no impact has been identified on either the useful lives or the recoverable value of our tangible and intangible assets. Analysis of the useful lives of production assets, particularly against the background of changing markets, the growing proportion of electric vehicles and the Group's circular economy decisions (the "Re-factories" at Flins and Seville) is conducted for each half-year and annual closing: this had no impact on the financial statements for 2021 and the first half-year of 2022.

Use of a growth rate to infinity, for impairment testing of goodwill and intangible assets with an indefinite useful life, that reflects the effects of commitments made by the States that are signatories to the Paris Agreements on climate change. Using such a rate has no impact since the recoverable value of the assets concerned is still significantly higher than their book value.

Other judgments

The main items in the Group's consolidated financial statements at June 30, 2022 that are dependent on estimates and judgments are the following:

- capitalization of research and development expenses and their amortization period (Notes 5 and 10-A),
- recognition of deferred tax assets on tax loss carryforwards (Note 8),
- provisions, particularly warranty provisions on vehicles and batteries sold (Note 17-B), provisions for pensions and other long-term employee benefit obligations (Note 17-A), provisions for workforce adjustment measures (Note 6-A), provisions for legal risks and tax risks other than income tax risks and provisions for uncertain tax liabilities,
- valuation of lease liabilities, particularly the incremental borrowing rates and the value of renewal and termination options that are reasonably certain to be exercised (Note 18).

Changes in the scope of consolidation, discontinued operations and assets and liabilities held for sale

1-C. Changes in the scope of consolidation

The principal changes concerning the scope of consolidation in the first half-year of 2022 were the following.

Starting from the first half-year of 2022, the Group fully consolidates the Turkish-based company Renault Group Otomotiv A.S., which was set up at the end of 2021 for new industrial and commercial projects and is fully-owned by Renault.

In March 2022 the Group acquired a 13.7% stake in Beyonca HK Limited, a company in which it exercises significant influence, for the price of €18 million followed by a €29 million capital increase. This company is accounted for under the equity method.

On 15 May 2022 the Group sold its subsidiary Renault Russia to the city of Moscow and its 67.69% investment in AVTOVAZ to NAMI (the Central Research and Development Automobile and Engine Institute) for a respective sale price of one rouble. The sale agreement gives Renault Group an option to buy back its investment, which can be exercised during certain periods over the next six years. The contribution made by these entities to the condensed consolidated financial statements at June 30, 2022 is presented under discontinued operations, in accordance with IFRS 5. The accounting effects are described in Note3-B below.

In May 2022, the Group sold the distribution company Renault Nordic AB, which operates in the Swedish and Danish markets, for the price of €37 million of which €14 million will be paid over the next five years.

The Group finalized determination of the fair value of assets acquired and liabilities transferred from BI-PI Mobility SL and its subsidiaries, of which it purchased 100% in July 2021 for the price of €67 million. This company

specializes in flexible vehicle rentals. The principal adjustments concern the brand, recognized at the value of €8 million, and the technology, recognized at the value of €5 million. The final goodwill is calculated at €59 million.

1-D. Discontinued operations

On March 23, 2022, Renault Group announced the suspension of Renault Russia's activities and said it was assessing the available options for its investment in AVTOVAZ. The Group stated that impairment of its tangible and intangible assets and goodwill in Russia, estimated at €2,195 million at December 31, 2022, would be recognized during the first half-year of 2022. A press release of 12 May 2022 confirmed that this impairment had been booked at March 31, 2022. It was then announced on May 16, 2022 that agreements had been signed to sell 100% of the shares in Renault Russia to the city of Moscow and the 67.69% stake in Lada Auto Holding (the parent company of AVTOVAZ) to NAMI (the Central Research and Development Automobile and Engine Institute). This led to deconsolidation of Renault Russia and the AVTOVAZ Group during the first half-year of 2022.

The table below provides details of the income statement for these discontinued operations from January 1 to April 30, 2022, together with the gain on the sale of the shares in Renault Russia and Lada Auto Holding and the effects of the sale (debt waiver, repayment of some of the financial debt of Renault Russia, etc). As the sales and operating margin of Renault Russia and AVTOVAZ were not material between May 1 and May 15, 2022, the date of the sale, it has been considered for simplicity's sake that the loss of control took place on April 30, 2022. The results of these two entities are reported as results of discontinued operations, in accordance with IFRS 5.

(€ million)	H1 2022	H1 2021	Year 2021
External sales	1,076	2,300	4,554
Operating margin	146	222	510
Other operating income and expenses ⁽¹⁾	(2,446)	(13)	(12)
Operating income (loss)	(2,300)	209	498
Financial income (expenses)	(23)	(25)	(55)
Share in net income (loss) of associates and joint ventures	-	-	-
Pre-tax income	(2,323)	184	443
Current and deferred taxes	(0)	(15)	(25)
Net income from discontinued operations	(2,323)	169	418

(1) In 2022 this includes €(2,217) million of impairment of goodwill and intangible assets (€1,185 million) and property, plant and equipment (€1,032 million) of Renault Russia and AVTOVAZ recorded prior to the sale and of other Group companies holding assets specific to the business in the Russian Federation, €110 million corresponding to the gain on sale of the shares in Renault Russia and AVTOVAZ including translation adjustments transferred to profit and loss, and €(234) million of debt waivers.

In application of IFRS 5, the cash flow items of Renault Russia, AVTOVAZ and its subsidiaries, sales by Group companies to the Russian entities, and impairment of assets located outside the Russian Federation that lost value as a direct result of the Group's exit from the Russian Federation, have also been classified as discontinued operations. The statement of consolidated comprehensive net income, and the statement of consolidated cash flows for 2021, have been restated accordingly.

Assets and liabilities held for sale

In application of its strategic plan "Renaulution", the Group has started to sell certain real estate assets (land, industrial sites), branches (in France) and vehicle distribution subsidiaries (outside France). Consequently, when a sale is highly probable within the next twelve months, as evidenced by advanced discussions with an identified purchaser, the assets and liabilities concerned are reclassified in accordance with IFRS 5 as "assets held for sale" and "liabilities related to assets held for sale".

At June 30, 2022 the group of assets and liabilities held for sale consists of €814 million of assets and €128 million of debts and other liabilities.

(€ million)	Notes	June 30, 2022
Intangible assets and goodwill	10	1
Tangible assets	10	608
Inventories	14	145
Total cash and cash equivalents		33
Other		27
Total assets held for sale		814
Total liabilities associated with assets held for sale		128

No impairment has been recognized on these assets held for sale. The tangible assets include the buildings of the Guyancourt technocentre site, at the net book value of €312 million.

III - Consolidated income statement

Revenues

Breakdown of revenues

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Sales of goods - Automotive segment	16,897	16,292	32,422
Sales to partners of the Automotive segment	1,633	1,958	3,689
Rental income on leased assets ⁽²⁾	323	606	1,198
Sales of other services	721	668	1,391
Sales of services - Automotive segment	1,044	1,274	2,589
Sales of goods - Sales Financing segment	12	17	39
Rental income on leased assets ⁽²⁾	62	55	113
Interest income on Sales Financing receivables	915	942	1,757
Sales of other services ⁽³⁾	541	508	1,026
Sales of services - Sales Financing segment	1,518	1,505	2,896
Sales of services - Mobility Services segment	17	11	24
Total Revenues	21,121	21,057	41,659

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.

(3) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

Revenues by region

Consolidated revenues are presented by location of customers.

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Europe	15,873	16,468	31,972
Including France	6,040	6,909	13,139
Eurasia	1,012	984	2,020
Africa & Middle East	828	732	1,553
Asia Pacific	1,320	1,283	2,686
Latin America	2,088	1,590	3,428
Total Revenues	21,121	21,057	41,659

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

Research and development expenses

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Research and development expenses	(1,169)	(1,145)	(2,309)
Capitalized development expenses	572	508	1,084
Amortization of capitalized development expenses	(550)	(591)	(1,088)
TOTAL INCLUDED IN INCOME	(1,147)	(1,228)	(2,313)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

The decrease in Research and Development expenses over the first half-year of 2022 is notably attributable to higher capitalized development expenses.

Amortization of capitalized development expenses was lower in the first half-year of 2022 than the first half-year of 2021, notably due to asset impairment recognized in 2021, and revisions of certain useful lives. This amortization is thus lower than the amount of capitalized expenses in the first half-year of 2022.

Other operating income and expenses

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Restructuring and workforce adjustment costs	(134)	(144)	(426)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	29	13	33
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	27	112	448
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(2)	(30)	(139)
Other unusual items	31	(21)	(169)
TOTAL	(49)	(70)	(253)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

Restructuring and workforce adjustment costs

Restructuring and workforce adjustment costs in the first half-year of 2022 concern restructuring plans, principally in France (€55) million, Romania (€31 million) and Spain (€15 million) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

The costs for the first half-year of 2021 mainly concerned restructuring plans outside France (principally in South Korea, Spain and Romania) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

At December 31, 2021, these costs mainly included €(65) million for a work exemption plan in France which eligible employees can join between February 1, 2022 and January 1, 2023, and provisions of €(120) million relating to a new Collective Contractual Separation plan for a maximum 1,153 employee departures in 2022. These plans are part of the 3-year trade union agreement "Re-Nouveau France 2025" signed on December 14, 2021.

Gains and losses on disposal of businesses or operating entities.

At June 30, 2022 the Group recorded a gain of €26 million on the sale of its investment in Renault Nordic AB, the distribution company which operates in the Swedish and Danish markets, to a local importer.

At June 30, 2021 the Group recorded a gain of €15 million on the sale of its 40% investment in Renault South Africa.

In December 2021, Renault s.a.s. disposed of its 98% investment in Carizy and booked a gain of €18 million.

Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)

The Group undertook disposals in the first half-year of 2022 that generated a gain of €27 million (€112 million at June 30, 2021) on sales of real estate properties.

In June 2021, the Group made a €115 million gain on the sale of a real estate property in Luxembourg.

At December 31, 2021, the Group recognized a €59 million gain on the sale of a storage warehouse in France, and a gain of €176 million on the sale of various real estate complexes belonging to the RRG distribution network in France and Germany.

Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

No significant impairment was recorded in the first half-year of 2022. The impairment booked in respect of assets relating to Renault Russia and AVTOVAZ, which were sold during the period, or attributable to those sales, is included in "Discontinued operations".

No reversal of impairment of fixed assets and goodwill was recorded in the first half-year of 2022.

In 2021, €(80) million of new impairment concerned intangible assets and €(69) million concerned property, plant and equipment.

Other unusual items

At June 30, 2022 the Group recovered €16 million of impairment that was no longer relevant, concerning costs resulting from suspension of business activity in Algeria.

In compliance with environmental regulations, provisions for clean-up and demolition costs amounting to €(54) million were recognized in 2021 (€15 million in the first half-year) in respect of sites that were being sold.

Provisions amounting to €(65) million for costs resulting from decisions to discontinue businesses, production or developments were also recognized in 2021. Provisions and write-offs of receivables amounting to €(25) million were recognized during 2021 (including €9 million in the first half-year) in connection with Renault Brilliance Jinbei Automotive Company (RBJAC), which was placed in receivership on January 12, 2022.

Financial income (expenses)

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Cost of gross financial indebtedness	(164)	(145)	(301)
Income on cash and financial assets	40	28	46
Cost of net financial indebtedness	(124)	(117)	(255)
Dividends received from companies that are neither controlled nor under significant influence	1	1	4
Foreign exchange gains and losses on financial operations	36	22	46
Gain/Loss on exposure to hyperinflation ⁽²⁾	(132)	(36)	(69)
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(8)	(5)	(11)
Other ⁽³⁾	(9)	(3)	(10)
Other financial income and expenses	(112)	(21)	(40)
Financial income (expenses)	(236)	(138)	(295)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) The loss on exposure to hyperinflation relates to Group entities in Argentina.

(3) Other items mainly comprise the effects of the +€29 million adjustment of the amortized cost of the State-guaranteed credit facility (+€23 million at December 31, 2021), expenses on assignment of receivables, bank commissions, discounts and late payment interest.

The net cash position of the Automotive segment is presented in the information by operating segment (see section I–D).

Current and deferred taxes

As Renault SA elected to determine French income taxes under the domestic tax consolidation regime when it was formed, this is the regime applicable to the Group in which Renault SA is taxed in France.

Renault Group also applies other optional tax consolidation systems in Germany, Italy, Spain, Romania, the Netherlands and the UK.

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Current income taxes	(272)	(185)	(437)
Deferred tax income (charge)	12	-	(134)
CURRENT AND DEFERRED TAXES	(260)	(185)	(571)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

In the first half-year of 2022, €(252) million of the current income tax charge comes from foreign entities (€(345) million in the year 2021 including €(155) million in the first half-year of 2021).

(€(92) million in the year 2021 including €(30) million in the first half-year of 2021).

The current income tax charge for entities included in the French tax consolidation group amounts to €(20) million in the first half-year of 2022

The effective tax rate for non-French entities was 19% (24% in 2021 and 26% in the first half-year of 2021). The effective tax rate is not relevant to the French tax consolidation due to the existence of tax losses which are largely unrecognized.

Basic and diluted earnings per share

(Thousands of shares)	H1 2022	H1 2021	Year 2021
Shares in circulation	295,722	295,722	295,722
Treasury shares	(3,726)	(3,899)	(4,241)
Shares held by Nissan x Renault's share in Nissan	(19,377)	(19,382)	(19,379)
Number of shares used to calculate basic earnings per share	272,619	272,441	272,102

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during the

period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(Thousands of shares)	H1 2022	H1 2021	Year 2021
Number of shares used to calculate basic earnings per share	272,619	272,441	272,102
Dilutive effect of stock options, performance share rights and other share-based payments	1,689	1,535	1,766
Number of shares used to calculate diluted earnings per share	274,308	273,976	273,868

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to

performance shares awarded under the relevant plans, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional.

IV - Operating assets and liabilities, shareholders' equity

Intangible assets and property, plant and equipment

Intangible assets and goodwill

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2021	16,433	(10,035)	6,398
Acquisitions / (amortization and impairment) ⁽¹⁾	606	(1,775)	(1,169)
(Disposals) / reversals	(2)	1	(1)
Translation adjustment	2	(126)	(124)
Change in scope of consolidation and other ⁽²⁾	(1,170)	1,237	67
Value at June 30, 2022	15,869	(10,698)	5,171

(1) Including €(1) million of impairment on intangible assets (Note 6-D) and €(1,185) million of impairment recognized in connection with discontinued operations (Note 3-B).

(2) Including €(7) million of assets reclassified as assets held for sale (Note 3-C).

Tangible assets

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2021	49,847	(33,680)	16,167
Acquisitions / (depreciation and impairment) ⁽¹⁾	1,205	(2,288)	(1,083)
(Disposals) / reversals	(1,277)	712	(565)
Translation adjustment	162	(184)	(22)
Change in scope of consolidation and other ⁽²⁾	(2,784)	2,220	(564)
Value at June 30, 2022	47,153	(33,220)	13,933

(1) Including €(1) million of impairment on property, plant and equipment (Note 6-D) and €(1,032) million of impairment recognized in connection with discontinued operations (Note 3-B).

(2) Including €565 million of assets reclassified as assets held for sale (Note 3-C).

1-E. Impairment tests on vehicle-specific assets (including components) and the assets of certain entities

The tangible and intangible assets of Renault Russia and AVTOVAZ were fully written off during the first quarter of 2022, prior to the sale of the investments in Renault Russia and Lada Auto Holding. This impairment is classified under Discontinued operations in the consolidated income statement.

Impairment tests of specific assets dedicated to vehicles (including components) and assets belonging to certain entities did not lead to recognition of any impairment in the first half-year of 2022. In 2021, impairment tests led to recognition of €(78) million of impairment (none of it booked during the first half-year), comprising €(48) million for intangible assets and €(30) million for property, plant and equipment. This impairment was allocated in priority to capitalized development expenses.

A further €(71) million of impairment was also recognized in 2021, notably after decisions to discontinue production or terminate leases. This impairment did not result from impairment testing.

No recovery of impairment was recognized in the first half-year of 2022.

1-F. Impairment tests of country-specific assets or cash-generating units of the Automotive segment

Automotive segment

Renault's market capitalization (€7,035 million at June 30, 2022, based on the number of shares outstanding less treasury shares) is lower than the value of the Group's shareholders' equity. In view of the results of the December 2021 impairment test and the results for the first half-year of 2022, it was not considered necessary to perform another impairment test at June 30, 2022. A sensitivity analysis on the test conducted in 2021 using the after-tax discount rate as updated at 30 June 2022 did not indicate any risk of impairment.

The recoverable value used for the impairment test conducted for the Automotive segment in 2021 was the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	December 31, 2021	December 31, 2020
Growth rate to infinity	1.0 %	1.2 %
After-tax discount rate	8.9 %	9.2 %

The assumptions used for impairment testing at December 31, 2021 were derived from the medium-term plan for the period 2021-2025, which was presented in January 2021 and updated in late 2021. They included volume assumptions based on unfavourable market trends, mostly caused by the Covid-19 pandemic, and assumed a return to pre-pandemic volume levels in 2024-2025 for the European market, and starting from the second half-year of 2022 in other regions of the world where the Group does business. The negative effects of the components supply crisis for 2022 were also factored into the 2021 impairment test.

The growth rates to infinity used in the test at December 31, 2021 included the impacts of commitments made by the States that are signatories to the Paris Agreements on climate change.

At December 31, 2021, it was concluded that no reasonably possible change in the main assumptions used should result in a recoverable value lower than the book value of the assets tested. The recoverable value of

the assets tested would remain higher than the book value in the event of the following changes in those assumptions:

- A growth rate to infinity of 0%.
- An after-tax discount rate of 11%.

Investment in Nissan

Renault's investment in Nissan in the income statement and financial position:

(€ million)	H1 2022 at June 30, 2022	H1 2021 at June 30, 2021	Year 2021 at December 31, 2021
Consolidated income statement			
Share in net income (loss) of associates accounted for under the equity method	325	100	380
Consolidated financial position			
Investments in associates accounted for under the equity method	16,888	15,185	16,234

Nissan consolidated financial statements included under the equity method in the Renault Group consolidation

The Nissan accounts included under the equity method in Renault Group's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the

Tokyo Stock Exchange), after adjustments for the requirements of the Renault Group consolidation. At June 30, 2022, Nissan held 0.6% of its own treasury shares (0.6% at December 31, 2021). Consequently, Renault's percentage interest in Nissan is 43.7% (43.7% at December 31, 2021).

Changes in the investment in Nissan as shown in Renault Group's statement of financial position

(€ million)	Share in net assets			Goodwill	Total
	Before neutralization	Neutralization proportional to Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2021	16,498	(974)	15,524	710	16,234
1 st -half 2022	325	-	325	-	325
Dividend distributed	(64)	-	(64)	-	(64)
Translation adjustment	471	-	471	(56)	415
Other changes ⁽²⁾	(22)	-	(22)	-	(22)
At June 30, 2022	17,208	(974)	16,234	654	16,888

(1) Nissan has held 44,358 thousand Renault shares since 2002, corresponding to an investment of around 15%. The neutralization is based on Renault's percentage holding in Nissan.

(2) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve and the change in Nissan treasury shares.

Changes in Nissan equity restated for the purposes of the Renault Group consolidation

	December 31, 2021	1 st -half 2022 net income	Dividends	Translation adjustment	Other changes (1)	June 30, 2022
<i>(¥ billion)</i>						
Shareholders' equity – Parent-company shareholders' share under Japanese GAAP	4,271	61	(20)	590	(4)	4,898
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	8	(22)	-	(5)	(7)	(26)
Capitalization of development expenses	535	33	-	3	(2)	569
Deferred taxes and other restatements	(77)	(33)	-	19	29	(62)
Net assets restated for compliance with IFRS	4,737	39	(20)	607	16	5,379
Restatements for Renault Group requirements (2)	188	63	(1)	(25)	(28)	197
Net assets restated for Renault Group requirements	4,925	102	(21)	582	(12)	5,576

<i>(€ million)</i>						
Net assets restated for Renault Group requirements	37,768	744	(147)	1,078	(49)	39,394
Renault Group's percentage interest	43.7%					43.7%
Renault Group's share (before neutralization effect described below)	16,498	325	(64)	471	(22)	17,208
Neutralization of Nissan's investment in Renault Group (3)	(974)					(974)
Renault Group's share in the net assets of Nissan	15,524	325	(64)	471	(22)	16,234

- (1) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instrument revaluation reserve and the change in Nissan treasury shares.
- (2) Restatements for Renault Group requirements include elimination of Nissan's investment in Renault accounted for under the equity method, elimination in the Nissan financial statements of the impacts of loss of control of the Group's operations in the Russian Federation, and historically correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002.
- (3) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%. The neutralization is based on Renault's percentage holding in Nissan.

1-G. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2022 Renault consolidation is the sum of Nissan's

net income for the final quarter of its 2021 financial year and the first quarter of its 2022 financial year.

	January to March 2022		April to June 2022		January to June 2022	
	Final quarter of Nissan's 2021 financial year (¥ billion)	(€ million) (1)	First quarter of Nissan's 2022 financial year (¥ billion)	(€ million) (1)	Reference period for Renault Group's 1 st -half 2022 consolidated financial statements (¥ billion)	(€ million) (1)
Net income – Parent-company shareholders' share	14	109	47	341	61	450

(1) Converted at the average exchange rate for each quarter.

Valuation of Renault Group's investment in Nissan at stock market prices

Based on the quoted price at June 30, 2022 of ¥528 per share, Renault's investment in Nissan is valued at €6,833 million (€7,812 million at December 31, 2021 based on the price of ¥556 per share).

Impairment test of the investment in Nissan

At June 30, 2022, the stock market value of the investment was 59.5% lower than the value of Nissan in Renault's statement of financial position (51.9% at December 31, 2021).

In application of the approach presented in the Note on accounting policies, an impairment test was carried out at December 31, 2021. An after-tax discount rate of 6.53% and a growth rate to infinity (including the effect of inflation) of 1.47% were used to calculate value in use. The terminal value was calculated under profitability assumptions consistent with Nissan's past data and conservative medium and long-term prospects, incorporating new medium-term forecasts for volumes and exchange rates.

It was not considered necessary to conduct a further impairment test at June 30, 2022, as no triggering event as identified by IAS 36 was identified.

Operations between the Renault Group and the Nissan Group

Automotive and Sales Financing

Renault Group and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. This cooperation is reflected in synergies that reduce costs.

The Automotive segment is involved in operations with Nissan on two levels:

Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:

In the first half-year of 2022, total sales by the Automotive segment to Nissan and purchases by the Automotive segment from Nissan amounted to an estimated €0.9 billion and €0.8 billion respectively (€1.8 billion and €1.6 billion respectively in 2021, including €0.9 billion and €0.7 billion for the first half-year).

In the first half-year of 2022, the balance of Automotive segment receivables on the Nissan group is €447 million and the balance of Automotive segment liabilities to the Nissan group is €507 million (€424 million and €607 million respectively at December 31, 2021).

Finance: in addition to its activity for Renault, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange and interest rate risks. In the balance sheet, the derivative assets on the Nissan group amount to €406 million at June 30, 2022 (€11 million at December 31, 2021) and derivative liabilities amount to €137 million at June 30, 2022 (€34 million at December 31, 2021).

Renault Group's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In the first half-year of 2022, RCI Banque recorded €43 million of service revenues in the form of commission and interest received from Nissan (€75 million in

2021, of which €52 million were recorded in the first half-year). The balance of Sales Financing receivables on the Nissan group is €37 million at June 30, 2022 (€32 million at December 31, 2021) and the balance of liabilities is €126 million at June 30, 2022 (€121 million at December 31, 2021).

Investments in other associates and joint ventures

Details of investments in other associates and joint ventures are as follows in the Group's financial statements:

(€ million)	H1 2022 at June 30, 2022	H1 2021 at June 30, 2021	Year 2021 at December 31, 2021
Consolidated income statement			
Share in net income (loss) of other associates and joint ventures	(111)	60	135
Associates accounted for under the equity method ⁽¹⁾	(67)	31	93
Joint ventures accounted for under the equity method	(44)	29	42
Consolidated financial position			
Investments in other associates and joint ventures	644	565	721
Associates accounted for under the equity method ⁽²⁾	422	409	512
Joint ventures accounted for under the equity method	222	156	209

(1) The net income of associates includes impairment of the assets of RN Bank of €(101) million on the assets of RN Bank, a Sales Financing segment company that operates in the Russian Federation.

(2) Including impairment of €73 million on production assets of Renault Nissan Automotive India Private Limited (RNAIPL) recognized in 2020.

Sales Financing receivables

Sales Financing receivables by nature

(€ million)	June 30, 2022	December 31, 2021
Dealership receivables	6,510	6,343
Financing for end-customers	23,581	23,159
Leasing and similar operations	11,132	11,024
Gross value	41,223	40,526
Impairment	(1,084)	(1,028)
Net value	40,139	39,498

Breakdown of Sales Financing receivables by level of risk

In 2021 the Sales Financing segment finalized its compliance programme for the new definition of default for countries whose solvency ratio is calculated by the advanced approach (France, Italy, Spain, Germany, the United Kingdom and South Korea) and the standard approach (Brazil and non-G7 countries).

The provisioning parameters (Probability of Default, Loss Given Default) are now based on methods applicable for the new definition of default (reconstruction of calculation history, adapted days-past-due counter, etc.) Starting from June 2022, the Loss Given Default is updated monthly for all countries.

(€ million)	Financing for final customers	Dealer financing	June 30, 2022
Gross value	34,712	6,511	41,223
Healthy receivables	30,681	6,350	37,031
Receivables showing higher credit risk since initial recognition	3,046	118	3,164
Receivables in default	985	43	1,028
% of total receivables in default	2.8%	0.7%	2.5%
Impairment	(1,013)	(71)	(1,084)
Impairment in respect of healthy receivables	(272)	(38)	(310)
Impairment in respect of receivables showing higher credit risk since initial recognition	(165)	(8)	(173)
Impairment in respect of receivables in default	(576)	(25)	(601)
Total net value	33,699	6,440	40,139

	Financing for final customers	Dealer financing	December 31, 2021
(€ million)			
Gross value	34,183	6,343	40,526
Healthy receivables	30,067	6,118	36,185
Receivables showing higher credit risk since initial recognition	3,126	165	3,291
Receivables in default	990	60	1,050
% of total receivables in default	2.9%	0.9%	2.6%
Impairment	(953)	(75)	(1,028)
Impairment in respect of healthy receivables	(254)	(37)	(291)
Impairment in respect of receivables showing higher credit risk since initial recognition	(161)	(9)	(170)
Impairment in respect of receivables in default	(538)	(29)	(567)
Total net value	33,230	6,268	39,498

Inventories

(€ million)	June 30, 2022			December 31, 2021		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,830	(286)	1,544	1,811	(268)	1,543
Work in progress	434	(10)	424	360	(3)	357
Used vehicles	1,063	(108)	955	1,065	(114)	951
Finished products and spare parts	2,365	(121)	2,244	2,080	(139)	1,941
TOTAL	5,692	(525)	5,167	5,316	(524)	4,792

Financial assets – cash and cash equivalents

Current / non-current breakdown

(€ million)	June 30, 2022			December 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Investments in non-controlled entities	92	-	92	72	-	72
Marketable securities and negotiable debt instruments	-	1,031	1,031	-	893	893
Derivatives on financing operations by the Automotive segment	191	684	875	56	181	237
Loans and other	292	515	807	245	306	551
TOTAL FINANCIAL ASSETS	575	2,230	2,805	373	1,380	1,753
<i>Gross value</i>	575	2,233	2,808	373	1,383	1,756
<i>Impairment</i>	-	(3)	(3)	-	(3)	(3)
Cash equivalents ⁽¹⁾	-	4,629	4,629	-	10,209	10,209
Cash	-	14,378	14,378	-	11,719	11,719
TOTAL CASH AND CASH EQUIVALENTS	-	19,007	19,007	-	21,928	21,928

(1) Cash equivalents mainly consist of term deposits with maturities of 3 months or less and a low risk of change in the minimum payments receivable, totalling €3,423 million (€3,125 million at December 31, 2021), and euro investment funds with “monetary fund” approval that meet the criteria for classification as cash equivalents, totalling €814 million (€6,814 million at December 31, 2021).

Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables. These current bank accounts amount to €1,058 million at June 30, 2022 (€909 million at December 31, 2021).

Shareholders' equity

1-H. Share capital

The total number of ordinary shares issued and fully paid at June 30, 2022 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2021).

Treasury shares do not bear dividends. They account for 1.54% of Renault's share capital at June 30, 2022 (1.55% at December 31, 2021).

The Nissan Group holds approximately 15% of Renault Group through its wholly-owned subsidiary Nissan Finance Co. Ltd (no voting rights are attached to these shares).

1-I. Distributions

At the General and Extraordinary Shareholders' Meeting of May 25, 2022, it was decided not to distribute dividends (as in 2021).

1-J. Performance share plans and other share-based payment arrangements

During the first half-year of 2022 performance share plan 29 was introduced, concerning 1,684 thousand shares with initial total value of €79 million. The vesting period for rights to shares is 3 years, and there is no minimum holding period.

The Group announced that it was granting each employee six free shares through a company savings plan. There is no holding requirement after a

vesting period during 2022. An expense of €7 million was recognized in this respect at June 30, 2022.

Changes in the number of share rights held by personnel and other share-based payments

	Rights not yet vested at January 1, 2022	Granted	Vested rights	Rights expired and other adjustments	Rights not yet vested at June 30, 2022
Share rights	4,444,368	1,683,640	(1,282,079) ⁽¹⁾	(292,478)	4,553,451

(1) Performance shares rights were awarded under plan 25 for French tax residents granted in 2018 and plan 26 no-residents granted in 2019.

Provisions

Provisions for pensions and other long-term employee benefit obligations

Provisions for pensions and other long-term employee benefit obligations amount to €1,102 million at June 30, 2022 (€1,440 million at December 31, 2021). These provisions decreased by €338 million in the first half-year of

2022. The financial discount rate most frequently used to value the Group's obligations in France is 3.06% at June 30, 2022, against 0.82% at December 31, 2021 and the salary increase rate for the first half-year of 2022 is 2.20%, as at December 31, 2021.

Changes in provisions

(€ million)	Restructuring provisions	Warranty provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities ⁽¹⁾	Provisions for commitments given and other	Total
At December 31, 2021	652	1,003	143	463	580	2,841
Increases	70	248	24	23	(41)	324
Reversals of provisions for application	(164)	(275)	(18)	(23)	86	(394)
Reversals of unused balance of provisions	(58)	(9)	(7)	-	(29)	(103)
Changes in scope of consolidation	(8)	(64)	(9)	-	(39)	(120)
Translation adjustments and other changes	(14)	14	31	-	8	39
At June 30, 2022 ⁽²⁾	478	917	164	463	565	2,587

(1) Technical reserves established by the Sales Financing segment's insurance companies.

(2) Short-term portion of provisions: €1,308 million; long-term portion of provisions: €1,279 million.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During first-half 2022, the Group recorded no provisions in connection

with any particular new litigation. Information on contingent liabilities is provided in Note 21-A.

Increases to restructuring provisions principally concern France and other European countries.

Financial liabilities and Sales Financing debts

Current/non-current breakdown

(€ million)	June 30, 2022			December 31, 2021		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	261	-	261	247	-	247
Bonds	7,021	969	7,990	7,874	254	8,128
Other debts represented by a certificate	-	589	589	-	997	997
Borrowings from credit institutions	1,437	1,633	3,070	3,464	1,777	5,241
- France	1,390	1,048	2,438	2,325	1,080	3,405
- Russian Federation	-	-	-	1,087	14	1,101
- Including Avtovaz	-	-	-	1,087	14	1,101
- Brazil	46	203	249	52	432	484
- Turkey	-	120	120	-	-	-
- Morocco	-	129	129	-	181	181
Lease liabilities	464	100	564	479	124	603
Other financial liabilities ⁽¹⁾	190	301	491	215	252	467
Financial liabilities of the Automotive segment (excluding derivatives)	9,373	3,592	12,965	12,279	3,404	15,683
Derivatives on financing operations of the Automotive segment	253	787	1,040	54	199	253
Financial liabilities of the Automotive segment	9,626	4,379	14,005	12,333	3,603	15,936
Financial liabilities of the Mobility Services segment ⁽²⁾	6	2	8	6	2	8
Subordinated loans and Diac redeemable shares ⁽³⁾	878	-	878	893	-	893
Financial liabilities	10,510	4,381	14,891	13,232	3,605	16,837
Bonds	-	12,285	12,285	-	13,810	13,810
Other debts represented by a certificate	-	4,835	4,835	-	4,161	4,161
Borrowings from credit institutions	-	6,049	6,049	-	5,734	5,734
Other interest-bearing borrowings, including lease liabilities ⁽⁴⁾	-	21,943	21,943	-	21,374	21,374
Debts of the Sales Financing segment (excluding derivatives)	-	45,112	45,112	-	45,079	45,079
Derivatives on financing operations of the Sales Financing segment	-	182	182	-	44	44
Sales Financing debts	-	45,294	45,294	-	45,123	45,123
Total financial liabilities and sales financing debts	10,510	49,675	60,185	13,232	48,728	61,960

(1) The financial liability recognized at June 30, 2022 in application of IAS 16 for leases analysed in substance as purchases amounts to €76 million (€99 million at December 31, 2021).

(2) Financial liabilities of the Mobility Services segment, including internal financing, amount to €48 million (Note I-B)

(3) Including subordinated loans of RCI Banque, amounting to €856 million at June 30, 2022 (€856 million at December 31, 2021).

(4) Including lease liabilities of the Sales Financing segment, amounting to €62 million at June 30, 2022 (€58 million at December 31, 2021).

Changes in Automotive financial liabilities and derivative assets on financing operations

(€ million)	December 31, 2021	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	June 30, 2022
Renault SA redeemable shares	247	-	-	-	14	261
Bonds	8,128	4	-	(126)	(16)	7,990
Other debts represented by a certificate	997	(392)	-	(16)	-	589
Borrowings from credit institutions	5,241	(923)	(1,745)	512	(15)	3,070
Lease liabilities	603	(69)	(30)	12	48	564
Other financial liabilities	467	(433)	2	40	415	491
Financial liabilities of the Automotive segment (excluding derivatives)	15,683	(1,813)	(1,773)	422	446	12,965
Derivatives on financing operations of the Automotive segment	253	749	-	134	(96)	1,040
Total financial liabilities of the Automotive segment (A)	15,936	(1,064)	(1,773)	556	350	14,005
Derivative assets on Automotive financing operations (B)	237	567	-	1	70	875
Net change in Automotive financial liabilities in consolidated cash flows by segment (section I-C) (A) – (B)		(1,631)				
Financial liabilities of the Mobility Services segment	8	8	(3)	(2)	(3)	8
Net change in Automotive financial liabilities in consolidated cash flows		(1,623)				

Changes in financial liabilities and Sales Financing debts

Changes in redeemable shares of the Automotive segment

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock Exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods. The sale of

our automotive businesses in Russia thus had no effect on this rate of return.

Redeemable shares are stated at amortized cost, calculated by discounting the forecast interest coupons at the effective interest rate of the borrowing.

These shares are traded for €320.00 at June 30, 2022 (€442.00 at December 31, 2021). The financial liability based on the stock market value

of the redeemable shares at June 30, 2022 is €255 million (€353 million at December 31, 2021).

Changes in bonds and other debts of the Automotive segment

As part of its Shelf Registration program, Renault SA launched a bond on the Japanese market on June 24, 2022 for a total of ¥80.7 billion (equivalent to €561 million), with a 3.5% coupon and 3-year maturity. The proceeds of this issue were received on July 1, 2022 and are not included in financial liabilities at June 30, 2022.

State-guaranteed credit facility of the Automotive segment

In 2020, the Renault Group opened a credit line with a pool of five banks, for the maximum amount of €5 billion covered by a French State guarantee for up to 90% of the amount borrowed. At December 31, 2020, €4 billion had been drawn on this credit line in three tranches: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020.

The initial maturity for each drawing was 12 months, and Renault had the option to extend the maturity by a further three years, with repayment of one third each year. The interest rate on each drawing was indexed on the 12-month Euribor for the first year, then the 6-month Euribor for any extensions. If extended, these credit drawings were repayable in one-third instalments in 2022, 2023 and 2024 on the anniversary dates of the initial drawings, with the possibility of early repayment of outstanding instalments (of at least €330 million of the principal) at Renault Group's initiative.

The Group exercised the extension options on all these drawings except for the drawing maturing in August 2021, of which €1 billion was repaid.

As announced on February 18, 2022, three early repayments of €340 million each were made on February 7, March 22 and June 23, 2022, corresponding to the final instalment (August, September and December 2024) in the three branches. The change of intent was treated as a modification of a financial liability in compliance with IFRS 9, paragraph B5.4.6. This led to a decrease in the financial liability with recognition of a corresponding amount of €29 million in financial income.

Changes in Sales Financing debts

On June 27, 2022 the RCI Group issued a €500 million, 5-year green bond with a 4.75% coupon. The proceeds of this issue were received on July 6, 2022 and are not included in financial liabilities at June 30, 2022.

In the first half-year of 2022, RCI Banque group issued new bonds totalling €1,217 million with maturities between 2023 and 2027, and redeemed bonds for a total of €2,618 million.

The Group had access to the TLTRO III program (targeted long-term refinancing operations) set up by the European Central Bank (ECB).

Three drawings were made during 2020, of a total €1,750 million maturing in 2023.

Two further drawings were made during 2021, of a total €1,500 million maturing in 2024.

The Group opted to apply IFRS 9 to its drawings on the TLTRO III program, considering the interest rate set by the European Central Bank as a market rate since it applies to all banks that benefit from the program, and the European Central Bank decides the rate and can change it unilaterally at any time.

The initial effective interest rate on TLTRO drawings takes account of the Group's achievement of loan grant targets set for the reference period

ending in March 2021. The ECB confirmed that these targets had been met in September 2021. Based on its initial expectations, the Group's estimates did not include achievement of loan grant targets in the special additional reference period. As a result, the interest rate changes presented in ECB decision 2021/124 of January 29, 2021 had no impact on future estimated cash flows relating to the borrowing, and did not therefore affect the accounting treatment of the drawings.

On June 10, 2022 the Group received confirmation that loan grant targets for the special additional reference period had been met (October 2020 – December 2021), and that consequently it will benefit from an interest rate reduction (June 2021-June 2022). In application of the current provisions of IFRS 9, this rate reduction gives rise to a €14 million adjustment to TLTRO liability items in accordance with paragraph B5.4.6.

RCI Banque Group also had access to the Bank of England's TFSME (Term Funding for SMEs) scheme in 2020, and in 2021 made a drawing of €409 million maturing in September and October 2025.

The maximum interest rate applicable to this financing during 2021 was calculated as the Bank of England's base rate (1.25% at June 30, 2022) plus a margin of 0.25%. RCI Banque Group could be granted a more favourable rate if it meets certain eligibility criteria, notably concerning growth in loans granted over a period ending in June 2021.

RCI Banque Group applied IFRS 9 to this financing, considering this adjustable rate as a market rate because it is applicable to all banks benefiting from the TFSME scheme. The effective interest rate has been set at the maximum level as the Group does not expect to meet the loan grant growth criterion.

New savings collected rose by €489 million during the year (€851 million of sight deposits and (€362) million of term deposits) to €21,508 million (€16,574 million of sight deposits and €4,934 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, Brazil, Spain, France, the United Kingdom and the Netherlands.

To hedge certain floating-rate liabilities (savings collected and TLTRO financing), RCI Banque set up interest rate derivatives that do not qualify as hedging derivatives under IFRS 9. The net operating income was positively affected by a €58 million increase in the value of these swaps due to the current rise in interest rates.

Changes in financial liabilities of the Mobility Services segment

The financial liabilities of the Mobility Services segment consist of internal Group financing issued by Renault sas in the form of interest-bearing loans.

Automotive segment financing by assignment of receivables - financing for the independent dealer network

Some of the Automotive segment's external financing comes from assignment of commercial receivables to non-Group financial establishments and intragroup assignments to the Sales Financing segment. The Sales Financing segment also contributes to the financing of inventories sold by the Automotive segment to the independent dealer network.

The Group does not undertake any non-deconsolidating assignments.

Details of financing by assignment of commercial receivables and financing of the dealer network by the Sales Financing segment are as follows:

(€ million)	June 30, 2022		June 30, 2021		December 31, 2021	
	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing
Assignment of Automotive receivables	1,299	389	1,308	378	1,373	181
Automotive independent dealer financing	0	4,949	0	5,742	0	4,876
Total assigned	1,299	5,338	1,308	6,120	1,373	5,057

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

In the first half-year of 2022, the total amount of tax receivables assigned and derecognized is €136 million, principally comprising CIR receivables (€139 million of CIR receivables and €66 million of VAT receivables in 2021).

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit), with transfer of substantially all the risks and benefits associated with ownership of the receivables, are only derecognized if the risk of dilution is deemed to be non-existent. This is notably the case when the assigned receivables have already been subject to a tax inspection or preliminary audit. No assigned tax receivables remained in the balance sheets at June 30, 2022.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in Note 2-P to the 2021 consolidated financial statements.

The Automotive segments assigns its dealership receivables to the Sales financing segment. The total dealership receivables transferred to the Sales financing segment principally concerns Renault group. The amounts are presented in Note 13-B.

Automotive segment financing by reverse factoring programs

The accounting treatment for these programs is described in Note 2-P to the 2021 consolidated financial statements, Assignment of receivables and reverse factoring.

The Group did not use reverse factoring programs in 2022, and consequently there are no financial liabilities for reverse factoring at June 30, 2022 (as at December 31, 2021).

V - Cash flows and other information

Cash flows

Other income and expenses with no impact on cash before interest and tax of continuing operations

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Net allocation to provisions	(250)	(211)	(130)
Net effects of Sales Financing credit losses	43	(34)	(45)
Net (gain) loss on asset disposals	(111)	(124)	(464)
Change in fair value of other financial instruments	(32)	(25)	(32)
Net financial indebtedness	124	117	255
Deferred taxes	(12)	-	134
Current taxes	272	185	437
Other	30	43	85
Other income and expenses with no impact on cash before interest and tax	64	(49)	240

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

Change in working capital before tax of continuing operations

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Decrease (increase) in net inventories	(914)	213	920
Decrease (increase) in net receivables	(161)	(20)	125
Decrease (increase) in other assets	(283)	22	70
Increase (decrease) in trade payables	1,071	(796)	(556)
Increase (decrease) in other liabilities	(224)	(2)	(866)
Increase (decrease) in working capital before tax	(511)	(583)	(307)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

Capital expenditure of continuing operations

(€ million)	H1 2022	H1 2021 ⁽¹⁾	Year 2021 ⁽¹⁾
Purchases of intangible assets	(606)	(532)	(1,114)
Purchases of property, plant and equipment ⁽²⁾	(506)	(530)	(1,350)
Total purchases for the period	(1,112)	(1,062)	(2,464)
Deferred payments	(135)	(330)	(222)
Total capital expenditure	(1,247)	(1,392)	(2,686)

(1) The 2021 financial statements have been restated in application of IFRS 5 due to the discontinued operations in the Russian Federation (see Note 3-B).

(2) Excluding capitalized leased assets and right-of-use assets.

Related parties

Remuneration of directors and executives and Board of Management members

Apart from the points described in PART I CORPORATE INFORMATION, V. STATE OF THE COMPANY, 3. STATE OF CORPORATE GOVERNANCE, ETC., (2) STATE OF DIRECTORS AND OFFICERS of the Securities Report of Renault filed on May 19, 2022, there has been no significant change in the principles for remuneration and related benefits of Directors and Executives and members of the Board of Management.

Renault's investments in associates

Details of Renault's investments in Nissan and in other companies accounted for under the equity method are provided in Notes 11 and 12.

Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These

transactions, which take place under normal market conditions, represent sales of €133 million in first-half 2022, an Automotive receivable of €76 million and a Sales Financing receivable of €95 million.

In 2020 the Group benefited from a State-guaranteed credit facility, issued by a pool of banks as described in Note 18.

Off-balance sheet commitments and contingent assets and liabilities

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automotive regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc.) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (Note 21-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (Note 21-B).

Off-balance sheet commitments given and contingent liabilities

Ordinary operations

The Group is committed for the following amounts:

(€ million)	June 30, 2022	December 31, 2021
Assets pledged as collateral by Sales Financing segment ⁽¹⁾	6,627	7,111
Financing commitments in favour of customers ⁽²⁾ - Sales Financing segment	4,496	3,400
Other financing commitments	38	48
Financial guarantees given by Sales Financing segment ⁽³⁾	184	29
Other financial guarantees given ⁽⁴⁾	409	399
Commitments related to supply contracts ⁽⁵⁾	1,117	924
Firm investment orders	1,118	847
Lease commitments ⁽⁶⁾	93	90
Other commitments ⁽⁷⁾	180	181
Other assets pledged as collateral	41	5

(1) Assets pledged as guarantees by the Sales Financing segment for management of its liquidity reserve are presented in Note 21-A4.

(2) Financing commitments in favour of customers by the Sales Financing segment will give rise to cash outflows mostly during the three months following the end of the period.

(3) Financial guarantees given by the Sales Financing segment will give rise to cash outflows amounting to €183 million during the 12-month period following the end of the period.

(4) Other financial guarantees given mainly concern administrations.

(5) These commitments include minimum payment obligations to suppliers when the Group has made a firm commitment for collection and payment. These multi-year commitments will give rise to cash outflows during the nine years following the 2022 year-end. The maximum payable within one year is €345 million at June 30, 2022 (€300 million at December 31, 2021). Irrevocable commitments at June 30, 2022 were essentially made to secure battery supplies for electric vehicles.

(6) Lease commitments comprise commitments relating to leases signed but not yet effective at the end of the period which cannot be included in the statement of financial position as assets in progress, leases that are outside the scope of IFRS 16 and leases exempt from the accounting treatment prescribed by IFRS 16.

(7) Notably stock options granted.

1-J1. Contingent liabilities

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the proceedings or appeals undertaken may be unsuccessful. Tax liabilities are recognized via provisions when there are uncertainties over the determination of taxes.

On December 19, 2019 Renault s.a.s. received provisional notification of a tax reassessment on transfer prices in 2016, and an additional notification was received on June 24, 2021 concerning the years 2017 and 2018. Renault Group is challenging the most significant amounts of these provisional notifications, and no provision was recognized in the financial statements at December 31, 2021 in connection with this matter.

RESA (Renault España SA) was notified of a €213 million tax reassessment for transfer prices at December 31, 2020, which Renault Group is contesting. A procedure for amicable settlement between France and Spain was begun in 2021. No provision has been recognized in connection with this notification, since Renault Group considers that it has good chances of winning its case. A deposit of €213 million has been paid to the Spanish tax authorities (€135 million in 2020 and €78 million in 2021). It is recognized in non-current financial assets and presented in cash flows from investing activities (in the Decrease (Increase) in loans of the Automotive segment) in the consolidated cash flow statement.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At June 30, 2022, the Group has not identified any significant risk in connection with these operations.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements via provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at June 30, 2022 concern illegal agreements and the level of vehicle emissions in Europe.

In the ongoing “emissions” affair in France, in which a formal legal investigation was opened on January 12, 2017 at the request of the Paris public prosecution office, Renault s.a.s. was officially placed under investigation for deceit on June 8, 2021.

In July 2021 Renault Group paid bail of €20 million (included in the balance sheet) to guarantee its representation throughout the proceedings and to cover payment of any damages and fines. It also issued a €60 million bank guarantee on October 8, 2021 to cover compensation for any prejudice identified. Renault Group denies having committed any offence. All Renault Group vehicles are, and always have been, type-approved in accordance with applicable laws and regulations.

The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at June 30, 2022 (nor at December 31, 2021 and 2020).

Approximately 70% of the Group’s sales in 2021 were subject to CO₂ emission regulations, principally in the European Union but also especially in China, Switzerland, the United Kingdom and South Korea.

In 2020 and 2021, the three members of the Alliance - Renault, Nissan and Mitsubishi Motors Corp. – signed agreements to pool their CAFE (Corporate Average Fuel Economy) targets for the European Union. The potential noncompliance penalties payable to the authorities concerned are determined at the level of the group formed by the Alliance’s three automakers. It is highly likely that a similar CAFE target pooling agreement will be signed for 2022. Renault did not recognize any provision in connection with the EU CAFE regulation at June 30, 2022 (nor at June 30 or December 31, 2021).

Renault Group confirmed in a press release of January 4, 2021 that it had achieved its CAFE targets for passenger vehicles and light commercial vehicles in 2020, subject to validation by the European Commission. The validation process was still ongoing at the date of publication of these financial statements.

Renault Group also confirmed in a press release of January 17, 2022 that it had achieved its CAFE targets for passenger vehicles and light commercial vehicles in 2021 (these results are due to be consolidated and officialized by the European Commission in the next few months). Based on the estimates available for 2022, the current year targets should also be met.

A provision of €5 million was recognized at June 30, 2022 for CAFE penalties payable for 2022 in South Korea, raising the total provision for the years 2019 to 2022 to €40 million.

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and ground water. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the

activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability.

Since March 2022, Renault has been under investigation by the European Commission and the UK’s Competition and Markets Authority for participating in an alleged collusion between several automakers and automotive industry bodies for the collection and processing of end-of-life vehicles. The European Commission in particular carried out inspections and raids on Renault premises in March 2022, with the aim of collecting evidence that automakers had made an agreement not to pay the recycling centres handling end-of-life vehicles if those centres could reuse parts and materials retrieved from the vehicles collected.

As it is currently too soon to estimate the potential consequences of these two investigations, no provision is recognized in connection with this matter at June 30, 2022.

1-J2. Share purchase commitments given

When the Group grants put options to minority shareholders to sell their investments in fully consolidated companies, a liability corresponding to the option is recognized, with a reduction in shareholders’ equity – non-controlling interests’ share.

The Group has granted minority shareholders of Banco RCI Brasil, Rombo Compania Financiera, RCI Colombia S.A., RCI Financial Services s.r.o put options to sell their investments. The accounting consequences are explained in Note 18-H to the 2021 consolidated financial statements.

Partnership agreements were signed in 2018 with Oyak in Turkey, including perfectly symmetrical put and call options for non-controlling investments, entitling Renault s.a.s., subject to certain conditions, to purchase Oyak’s shares in Oyak Renault (call) and to sell its shares in MAIS (put), and entitling Oyak to sell its shares in Oyak Renault (put) and purchase Renault s.a.s.’s shares in MAIS (call). The exercise price for the put option, if exercised, will be determined by three independent experts who would be appointed at the exercise date. Analysis of the contracts did not identify any circumstances beyond the control of Renault Group that could lead to Oyak exercising its put option without Renault Group being able to object. Consequently, no liability is recognized at December 31, 2021 and at June 30, 2022 in connection with these options.

1-J3. Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France (under France’s central collateral management system 3G - *Gestion Globale des Garanties*) and to the Bank of England (under the TFSME program) in the form of assets with book value of €6,627 million at June 30, 2022 (€7,111 million at December 31, 2021). These assets comprise €6,108 million of shares in securitization vehicles, and €519 million of sales financing receivables (€6,628 million of shares in securitization vehicles, €3 million of euro bonds and €480 million of sales financing receivables at December 31, 2021). At June 30, 2022 the financing provided against these guarantees amounts to €3,250 million from the Banque de France (€3,738 million at December 31, 2021) and €478 million from the Bank of England. All assets provided as guarantees to the Banque de France and the Bank of England remain in the balance sheet.

1-K. Off-balance sheet commitments received and contingent assets

(€ million)	June 30, 2022	December 31, 2021
Buy-back commitments received by the Sales Financing segment ⁽¹⁾	6,402	5,958
Financial guarantees received	3,124	3,001
<i>Including Sales Financing segment ⁽²⁾</i>	<i>3,025</i>	<i>2,851</i>
Assets received as collateral	2,889	2,763
<i>Including Sales Financing segment ⁽²⁾</i>	<i>2,813</i>	<i>2,757</i>
Other commitments received ⁽³⁾	1,259	94

(1) Commitments received by the Sales Financing segment for dealership sales by Nissan and other entities for repurchase of leased vehicles at the end of the lease.

(2) In the course of its sales financing activity for new or used vehicles, the Sales Financing segment has received financial guarantees from its customers amounting to €3,025 million and assets pledged by customers as collateral amounting to €2,813 million at June 30, 2022 (€2,851 million and €2,757 million respectively at December 31, 2021).

(3) These amounts include financing granted but not yet received at June 30, 2022, totalling €1,061 million (see Note 18-C).

Off-balance sheet commitments received concerning confirmed opened credit lines and a bond issue are presented in Note 18.

Commitments received – share purchase options

The Group has a call option to increase its investment in Whylot to 70% and take control of the company by 2023 (Note 3). This option is conditional on Whylot achieving certain objectives, and was not exercisable at December 31, 2021. No liability is recognized in connection with this commitment.

The Group holds derivative instruments to subscribe to future capital increases by Verkor, without any prospect of taking control of the company. No liability is recognized in connection with this commitment.

The agreement for the sale by Renault Group of its investments in Renault Russia and the AVTOVAZ Group, which took place on May 15, 2022, gives Renault Group an option to buy back its investment in Lada Auto holding (the parent company of AVTOVAZ), exercisable during three 90-day periods starting on May 15, 2024, 2026 and 2028. The exercise price of this option is one rouble, plus a commitment by Renault Group to make a cash contribution to AVTOVAZ over 4 years, of an amount to be determined at Renault Group's discretion by reference to the sum of non-refundable subsidies received from the Russian State, cash contributions to assets and/or the share capital of AVTOVAZ, and the accumulated profits of the AVTOVAZ Group calculated under IFRS between the date of Renault's sale of its investment in AVTOVAZ and the date at which the repurchase option is exercised.

The amount of this contribution will determine the ownership interest acquired by Renault Group (between 51% and 67.69%). A €400 million contribution will automatically give the Group a 51% investment.

The derivative corresponding to this option has nil value at June 30, 2022.

Subsequent events

No significant events have occurred since June 30, 2022.

CONSOLIDATED INCOME STATEMENT

(€ million)	Notes	H1 2021	H1 2020	Year 2020
Revenues	4	23,357	18,425	43,474
Cost of goods and services sold		(19,195)	(15,869)	(36,257)
Research and development expenses	5	(1,247)	(1,310)	(2,569)
Selling, general and administrative expenses		(2,261)	(2,449)	(4,985)
Other operating income and expenses	6	(83)	(804)	(1,662)
<i>Other operating income</i>		225	39	181
<i>Other operating expenses</i>		(308)	(843)	(1,843)
Operating income (loss)		571	(2,007)	(1,999)
Cost of net financial indebtedness		(142)	(142)	(337)
<i>Cost of gross financial indebtedness</i>		(180)	(167)	(355)
<i>Income on cash and financial assets</i>		38	25	18
Other financial income and expenses		(21)	(72)	(145)
Financial income (expenses)	7	(163)	(214)	(482)
Share in net income (loss) of associates and joint ventures		160	(4,892)	(5,145)
<i>Nissan</i>	11	100	(4,817)	(4,970)
<i>Other associates and joint ventures</i>	12	60	(75)	(175)
Pre-tax income		568	(7,113)	(7,626)
Current and deferred taxes	8	(200)	(273)	(420)
NET INCOME		368	(7,386)	(8,046)
Net income – parent company shareholders' share		354	(7,292)	(8,008)
Net income - non-controlling interests' share		14	(94)	(38)
Basic earnings per share ⁽¹⁾ (€)		1.30	(26.91)	(29.51)
Diluted earnings per share ⁽¹⁾ (€)		1.29	(26.91)	(29.51)
Number of shares outstanding (thousands)				
<i>for basic earnings per share</i>	9	272,441	270,977	271,349
<i>for diluted earnings per share</i>	9	273,976	270,977	271,349

(1) Net income – parent company shareholders' share divided by the number of shares stated.

CONSOLIDATED COMPREHENSIVE INCOME

(€ million)	H1 2021			H1 2020			Year 2020		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
Net income	568	(200)	368	(7,113)	(273)	(7,386)	(7,626)	(420)	(8,046)
Other components of comprehensive income from parent company and subsidiaries									
Items that will not be reclassified subsequently to profit or loss	324	(20)	304	(170)	(48)	(218)	76	(66)	10
<i>Actuarial gains and losses on defined-benefit pension plans</i>	131	(29)	102	47	(56)	(9)	(62)	(62)	(124)
<i>Equity instruments at fair value through equity</i>	193	9	202	(217)	8	(209)	138	(4)	134
Items that have been or will be reclassified to profit or loss in subsequent periods	176	(21)	155	(522)	10	(512)	(665)	(1)	(666)
<i>Translation adjustments on foreign activities</i>	94	-	94	(482)	-	(482)	(652)	-	(652)
<i>Translation adjustments on foreign activities in hyperinflationary economies</i>	15	-	15	(13)	-	(13)	(21)	-	(21)
<i>Partial hedge of the investment in Nissan</i>	5	-	5	(10)	-	(10)	-	-	-
<i>Fair value adjustments on cash flow hedging instruments</i>	64	(22)	42	(18)	9	(9)	8	(1)	7
<i>Debt instruments at fair value through equity</i>	(2)	1	(1)	1	1	2			
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	500	(41)	459	(692)	(38)	(730)	(589)	(67)	(656)
Share of associates and joint ventures in other components of comprehensive income									
Items that will not be reclassified to profit or loss in subsequent periods	212	-	212	(123)	-	(123)	146	-	146
<i>Actuarial gains and losses on defined-benefit pension plans</i>	64	-	64	(56)	-	(56)	94	-	94
<i>Other</i>	148	-	148	(67)	-	(67)	52	-	52
Items that have been or will be reclassified to profit or loss in subsequent periods	236	-	236	(587)	-	(587)	(1,268)	-	(1,268)
<i>Translation adjustments on foreign activities</i>	201	-	201	(533)	-	(533)	(1,228)	-	(1,228)
<i>Other</i>	35	-	35	(54)	-	(54)	(40)	-	(40)
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	448	-	448	(710)	-	(710)	(1,122)	-	(1,122)
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	948	(41)	907	(1,402)	(38)	(1,440)	(1,711)	(67)	(1,778)
COMPREHENSIVE INCOME	1,516	(241)	1,275	(8,515)	(311)	(8,826)	(9,337)	(487)	(9,824)
<i>Parent company shareholders' share</i>			1,254			(8,710)			(9,760)
<i>Non-controlling interests' share</i>			21			(116)			(64)

CONSOLIDATED FINANCIAL POSITION

ASSETS (€ million)	Notes	June 30, 2021	December 31, 2020
Non-current assets			
Intangible assets and goodwill	10-A	6,286	6,347
Property, plant and equipment	10-B	16,330	17,135
Investments in associates and joint ventures		15,750	15,120
<i>Nissan</i>	11	15,185	14,618
<i>Other associates and joint ventures</i>	12	565	502
Non-current financial assets	15	336	1,253
Deferred tax assets		604	651
Other non-current assets		901	956
TOTAL NON-CURRENT ASSETS		40,207	41,462
Current assets			
Inventories	14	5,392	5,640
Sales Financing receivables		40,672	40,820
Automotive receivables		959	910
Current financial assets	15	1,225	1,181
Current tax assets		213	153
Other current assets		3,643	3,874
Cash and cash equivalents	15	20,530	21,697
Assets held for sale	3	394	-
TOTAL CURRENT ASSETS		73,028	74,275
TOTAL ASSETS		113,235	115,737
SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)			
	Notes	June 30, 2021	December 31, 2020
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(237)	(284)
Revaluation of financial instruments		(9)	384
Translation adjustment		(3,790)	(4,108)
Reserves		24,783	31,876
Net income – parent company shareholders' share		354	(8,008)
Shareholders' equity – parent company shareholders' share		26,013	24,772
Shareholders' equity – non-controlling interests' share		569	566
TOTAL SHAREHOLDERS' EQUITY	16	26,582	25,338
Non-current liabilities			
Deferred tax liabilities		923	922
Provisions for pension and other long-term employee benefit obligations – long-term	17-A	1,422	1,544
Other provisions – long-term	17-B	1,309	1,356
Non-current financial liabilities	18	12,924	13,423
Provisions for uncertain tax liabilities – long-term		187	179
Other non-current liabilities		1,634	1,685
TOTAL NON-CURRENT LIABILITIES		18,399	19,109
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	17-A	97	103
Other provisions – short-term	17-B	1,402	1,570
Current financial liabilities	18	4,147	3,924
Sales Financing debts	18	45,223	47,547
Trade payables		7,680	8,277
Current tax liabilities		321	221
Provisions for uncertain tax liabilities – short-term		6	6
Other current liabilities		9,310	9,642
Liabilities related to assets held for sale	3	68	-
TOTAL CURRENT LIABILITIES		68,254	71,290
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		113,235	115,737

CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(€ million)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent company shareholders' share)	Shareholders' equity (parent company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total shareholders' equity
BALANCE AT DECEMBER 31, 2020	295,722	1,127	3,785	(284)	384	(4,108)	31,876	(8,008)	24,772	566	25,338
1 st -half 2021 net income								354	354	14	368
Other components of comprehensive income ⁽¹⁾					418	318	164		900	7	907
1 st -HALF 2021 COMPREHENSIVE INCOME		-	-	-	418	318	164	354	1,254	21	1,275
Allocation of 2020 net income							(8,008)	8,008	-		-
Dividends									-	(9)	(9)
(Acquisitions) / disposals of treasury shares and impact of capital increases				47					47		47
Changes in ownership interests									-	(9)	(9)
Cost of share-based payments and other ⁽²⁾					(811)		751		(60)		(60)
BALANCE AT JUNE 30, 2021	295,722	1,127	3,785	(237)	(9)	(3,790)	24,783	354	26,013	569	26,582

(1) Changes in revaluation reserves correspond to the gain on sale of the Daimler shares in 2021 until the date of the sale (note 15-B); changes in reserves mainly correspond to actuarial gains on defined-benefit pension plans recognized during the period.

(2) Including Renault's €554 million gain on sale of the Daimler shares, reclassified in reserves (note 15-B) and Nissan's €252 million gain on sale of its Daimler shares, reclassified in reserves (note 11-C).

Details of changes in consolidated shareholders' equity in 2021 are given in note 16.

(€ million)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves ⁽¹⁾	Net income (parent company shareholders' share)	Shareholders' equity (parent company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total shareholders' equity
BALANCE AT DECEMBER 31, 2019	295,722	1,127	3,785	(344)	232	(2,235)	32,140	(141)	34,564	767	35,331
1 st -half 2020 net income								(7,292)	(7,292)	(94)	(7,386)
Other components of comprehensive income					(335)	(1,018)	(65)		(1,418)	(22)	(1,440)
1st-HALF 2020 COMPREHENSIVE INCOME	-	-	-	-	(335)	(1,018)	(65)	(7,292)	(8,710)	(116)	(8,826)
Allocation of 2019 net income							(141)	141	-		-
Dividends									-	(21)	(21)
(Acquisitions) / disposals of treasury shares and impact of capital increases				54					54		54
Changes in ownership interests									-	(75)	(75)
Cost of share-based payments and other							(70)		(70)	3	(67)
BALANCE AT JUNE 30, 2020	295,722	1,127	3,785	(290)	(103)	(3,253)	31,864	(7,292)	25,838	558	26,396
2 nd -half 2020 net income								(716)	(716)	56	(660)
Other components of comprehensive income					487	(855)	34		(334)	(4)	(338)
2nd-HALF 2020 COMPREHENSIVE INCOME					487	(855)	34	(716)	(1,050)	52	(998)
Dividends									-		-
(Acquisitions) / disposals of treasury shares and impact of capital increases				6					6		6
Changes in ownership interests							(23)		(23)	(44)	(67)
Cost of share-based payments and other							1		1	-	1
BALANCE AT DECEMBER 31, 2020	295,722	1,127	3,785	(284)	384	(4,108)	31,876	(8,008)	24,772	566	25,338

(1) Changes in reserves correspond to actuarial gains and losses on defined-benefit pension plans recognized during the period.

CONSOLIDATED CASH FLOWS

(€ million)	Notes	H1 2021	H1 2020	Year 2020
Net income		368	(7,386)	(8,046)
Cancellation of dividends received from unconsolidated listed investments		-	-	(11)
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment		2,171	2,488	4,750
Share in net (income) loss of associates and joint ventures		(160)	4,892	5,145
Other income and expenses with no impact on cash before interest and tax	19	(14)	770	1,513
Dividends received from unlisted associates and joint ventures		-	1	5
Cash flows before interest and tax ⁽¹⁾		2,365	765	3,356
Dividends received from listed companies ⁽²⁾		-	-	11
Net change in financing for final customers		(81)	785	287
Net change in renewable dealer financing		518	1,783	2,820
Decrease (increase) in Sales Financing receivables		437	2,568	3,107
Bond issuance by the Sales Financing segment		334	1,151	1,598
Bond redemption by the Sales Financing segment		(2,363)	(898)	(2,621)
Net change in other debts of the Sales Financing segment		(484)	(138)	2,195
Net change in other securities and loans of the Sales Financing segment		(84)	215	884
Net change in financial assets and debts of the Sales Financing segment		(2,597)	330	2,056
Change in capitalized leased assets		(279)	(520)	(929)
Change in working capital before tax	19	(277)	(3,503)	(1,192)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX		(351)	(360)	6,409
Interest received		27	44	71
Interest paid		(145)	(189)	(352)
Current taxes (paid) / received		(153)	(166)	(375)
CASH FLOWS FROM OPERATING ACTIVITIES		(622)	(671)	5,753
Property, plant and equipment and intangible investments	19	(1,499)	(2,225)	(4,208)
Disposals of property, plant and equipment and intangible assets		137	28	187
Acquisitions of investments involving gain of control, net of cash acquired		-	-	-
Acquisitions of other investments		(52)	(97)	(129)
Disposals of investments involving loss of control, net of cash transferred		-	-	-
Disposals of other investments ⁽³⁾		1,159	(117)	(146)
Net decrease (increase) in other securities and loans of the Automotive segments		(79)	92	57
CASH FLOWS FROM INVESTING ACTIVITIES		(334)	(2,319)	(4,239)
Dividends paid to parent company shareholders	16	-	-	-
Transactions with non-controlling interests		-	11	10
Dividends paid to non-controlling interests		(9)	(18)	(21)
(Acquisitions) sales of treasury shares		(36)	(41)	(44)
Cash flows with shareholders		(45)	(48)	(55)
Bond issuance by the Automotive segments		600	-	1,000
Bond redemption by the Automotive segments		(499)	(63)	(590)
Net increase (decrease) in other financial liabilities of the Automotive segments		(377)	2,523	5,250
Net change in financial liabilities of the Automotive segments		(276)	2,460	5,660
CASH FLOWS FROM FINANCING ACTIVITIES		(321)	2,412	5,605
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(1,277)	(578)	7,119

(1) Cash flows before interest and tax do not include dividends received from listed companies.

(2) In 2020, dividends received from Daimler (€11 million).

(3) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

(€ million)	H1 2021	H1 2020	Year 2020
Cash and cash equivalents: opening balance	21,697	14,982	14,982
Increase (decrease) in cash and cash equivalents	(1,277)	(578)	7,119
Effect of changes in exchange rate and other changes	120	(272)	(404)
Cash generated by assets held for sale	(10)	-	-
Cash and cash equivalents: closing balance ⁽¹⁾	20,530	14,132	21,697

(1) Cash subject to restrictions on use is described in note 15-C.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

I - INFORMATION ON OPERATING SEGMENTS AND REGIONS

The operating segments defined by Renault Group are the following:

- The “**Automotive**” segments, which in practice consist of two segments:
 - The “Automotive excluding AVTOVAZ” segment, consisting of the Group’s automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS 10. This segment comprises the production, sales, and distribution subsidiaries for passenger cars and light commercial vehicles, automotive service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment’s cash management. It also includes investments in automotive- sector associates and joint ventures, principally Nissan.
 - The “AVTOVAZ” segment, consisting of the Russian automotive group AVTOVAZ and its parent company Alliance Rostec Auto B.V., which was formed at the end of 2016, after Renault acquired control over them, as defined by IFRS 10, in December 2016.
- The “**Sales Financing**” segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures.

- The “**Mobility Services**” segment consisting of services for new mobilities brought together in the holding company Renault M.A.I. (Mobility As an Industry). This segment includes Flit Technologies Ltd and its subsidiaries (a taxi reservation platform), Coolnagour Ltd and its subsidiaries (software development for taxis under the iCabbi brand), Glide.io (car-share services), Elto holding and its European subsidiaries (charging infrastructures and solutions under the Mobilize Power Solutions brand) and the joint venture Car Sharing Mobility (car-share services under the Zity by Mobilize brand).

The segment result regularly reviewed by the Board of Management (which replaces the Group Executive Committee from 2021), identified as the “Chief Operating Decision-Maker”, is the operating margin. The definition of this indicator is unchanged from previous years and is detailed in the consolidated financial statements at December 31, 2020 (note 2-D Presentation of the consolidated financial statements).

The operating margin excludes restructuring costs.

The new brand-based organization announced by Luca de Meo, effective from 2021, did not affect the operating segments defined above. The presentation of business results by segment to the Board of Management, identified as the “Chief Operating Decision-Maker”, continues to use the same segments as at December 31, 2020.

A. Consolidated income statement by operating segment

(€ million)	Automotive (excluding AVTOVAZ) ⁽¹⁾	AVTOVAZ ⁽¹⁾	Intra-Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2021								
External sales	20,339	1,485	-	21,824	1,522	11	-	23,357
Intersegment sales	48	375	(375)	48	9	1	(58)	-
Sales by segment	20,387	1,860	(375)	21,872	1,531	12	(58)	23,357
Operating margin ⁽²⁾	(39)	121	(3)	79	593	(16)	(2)	654
Operating income	(106)	110	(3)	1	589	(17)	(2)	571
Financial income (expenses)	(63)	(25)	-	(88)	(6)	-	(69)	(163)
Share in net income (loss) of associates and joint ventures	153	-	-	153	10	(3)	-	160
Pre-tax income	(16)	85	(3)	66	593	(20)	(71)	568
Current and deferred taxes	(45)	(18)	-	(63)	(138)	-	1	(200)
NET INCOME	(61)	67	(3)	3	455	(20)	(70)	368

(1) External sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €158 million in the first half-year of 2021, and these sales are thus included in the Avtovaz segment’s intersegment transactions.

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(€ million)	Automotive (excluding AVTOVAZ) (1)	AVTOVAZ (1)	Intra- Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2020								
External sales	15,727	1,089	-	16,816	1,600	9	-	18,425
Intersegment sales	45	258	(258)	45	12	1	(58)	-
Sales by segment	15,772	1,347	(258)	16,861	1,612	10	(58)	18,425
Operating margin (2)	(1,653)	(2)	-	(1,655)	469	(22)	5	(1,203)
Operating income	(2,455)	(2)	-	(2,457)	469	(24)	5	(2,007)
Financial income (expenses) (3)	(179)	(31)	-	(210)	(3)	(1)	-	(214)
Share in net income (loss) of associates and joint ventures	(4,902)	-	-	(4,902)	10	-	-	(4,892)
Pre-tax income	(7,536)	(33)	-	(7,569)	476	(25)	5	(7,113)
Current and deferred taxes	89	(283)	-	(194)	(81)	-	2	(273)
NET INCOME	(7,447)	(316)	-	(7,763)	395	(25)	7	(7,386)
YEAR 2020								
External sales	37,736	2,581	-	40,317	3,138	19	-	43,474
Intersegment sales	95	651	(651)	95	21	1	(117)	-
Sales by segment	37,831	3,232	(651)	40,412	3,159	20	(117)	43,474
Operating margin (2)	(1,452)	140	1	(1,311)	1,007	(35)	2	(337)
Operating income	(3,061)	129	1	(2,931)	990	(60)	2	(1,999)
Financial income (expenses) (3)	(414)	(52)	-	(466)	(15)	(1)	-	(482)
Share in net income (loss) of associates and joint ventures	(5,161)	-	-	(5,161)	19	(3)	-	(5,145)
Pre-tax income	(8,636)	77	1	(8,558)	994	(64)	2	(7,626)
Current and deferred taxes	55	(273)	-	(218)	(205)	1	2	(420)
NET INCOME	(8,581)	(196)	1	(8,776)	789	(63)	4	(8,046)

(1) External sales by the Automotive (excluding AVTOVAZ) segment include sales to the AVTOVAZ group, which amount to €218 million in 2020, and these sales are thus included in the Avtovaz segment's intersegment transactions.

(2) Details of amortization, depreciation and impairment are provided in the statement of consolidated cash flows by operating segment.

(3) Dividends paid by the Sales Financing segment to the Automotive segments are included in the Automotive segments' financial income and eliminated in the intersegment transactions. No dividend was paid in 2020.

B. Consolidated financial position by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
June 30, 2021								
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets, and goodwill	20,457	1,650	-	22,107	444	65	-	22,616
Investments in associates and joint ventures	15,602	1	-	15,603	142	5	-	15,750
Non-current financial assets – equity investments	7,484	(1)	(751)	6,732	11	1	(6,684)	60
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	280	-	-	280	-	-	(4)	276
Deferred tax assets	389	12	-	401	203	-	-	604
Other non-current assets	774	8	(48)	734	166	-	1	901
TOTAL NON-CURRENT ASSETS	44,986	1,670	(799)	45,857	966	71	(6,687)	40,207
Current assets								
Inventories	5,029	328	(1)	5,356	36	-	-	5,392
Customer receivables	994	105	(107)	992	41,500	2	(863)	41,631
Current financial assets	1,038	-	(5)	1,033	1,020	-	(828)	1,225
Current tax assets and other current assets	2,926	177	(4)	3,099	5,990	5	(4,844)	4,250
Cash and cash equivalents	12,731	810	(233)	13,308	7,214	17	(9)	20,530
TOTAL CURRENT ASSETS	22,718	1,420	(350)	23,788	55,760	24	(6,544)	73,028
TOTAL ASSETS	67,704	3,090	(1,149)	69,645	56,726	95	(13,231)	113,235
SHAREHOLDERS' EQUITY AND LIABILITIES								
Shareholders' equity	26,577	783	(757)	26,603	6,642	30	(6,693)	26,582
Non-current liabilities								
Long-term provisions	2,310	25	-	2,335	583	-	-	2,918
Non-current financial liabilities	10,950	1,080	-	12,030	880	18	(4)	12,924
Deferred tax liabilities	276	37	-	313	609	1	-	923
Other non-current liabilities	1,340	52	(49)	1,343	289	2	-	1,634
TOTAL NON-CURRENT LIABILITIES	14,876	1,194	(49)	16,021	2,361	21	(4)	18,399
Current liabilities								
Short-term provisions	1,406	55	-	1,461	44	-	-	1,505
Current financial liabilities	5,238	65	(237)	5,066	-	29	(948)	4,147
Trade payables and Sales Financing debts	7,299	598	(111)	7,786	45,940	6	(829)	52,903
Current tax liabilities and other current liabilities	12,308	395	5	12,708	1,739	9	(4,757)	9,699
TOTAL CURRENT LIABILITIES	26,251	1,113	(343)	27,021	47,723	44	(6,534)	68,254
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	67,704	3,090	(1,149)	69,645	56,726	95	(13,231)	113,235

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	TOTAL AUTOMOTIVE	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
December 31, 2020								
ASSETS								
Non-current assets								
Property, plant and equipment and intangible assets, and goodwill	21,432	1,569	-	23,001	415	66	-	23,482
Investments in associates and joint ventures	14,981	2	-	14,983	129	7	1	15,120
Non-current financial assets – equity investments	7,908	-	(670)	7,238	3	-	(6,244)	997
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segments	257	-	-	257	-	-	(1)	256
Deferred tax assets	416	21	-	437	214	-	-	651
Other non-current assets	795	5	(32)	768	188	-	-	956
TOTAL NON-CURRENT ASSETS	45,789	1,597	(702)	46,684	949	73	(6,244)	41,462
Current assets								
Inventories	5,337	262	-	5,599	41	-	-	5,640
Customer receivables	1,053	130	(113)	1,070	41,983	2	(1,325)	41,730
Current financial assets	1,065	-	(4)	1,061	943	-	(823)	1,181
Current tax assets and other current assets	2,667	274	(2)	2,939	6,122	5	(5,039)	4,027
Cash and cash equivalents	12,524	558	(133)	12,949	8,738	15	(5)	21,697
TOTAL CURRENT ASSETS	22,646	1,224	(252)	23,618	57,827	22	(7,192)	74,275
TOTAL ASSETS	68,435	2,821	(954)	70,302	58,776	95	(13,436)	115,737
SHAREHOLDERS' EQUITY AND LIABILITIES								
Shareholders' equity	25,346	678	(671)	25,353	6,195	48	(6,258)	25,338
Non-current liabilities								
Long-term provisions	2,454	21	-	2,475	604	-	-	3,079
Non-current financial liabilities	11,489	1,030	-	12,519	890	15	(1)	13,423
Deferred tax liabilities	314	34	(1)	347	573	2	-	922
Other non-current liabilities	1,408	37	(32)	1,413	270	2	-	1,685
TOTAL NON-CURRENT LIABILITIES	15,665	1,122	(33)	16,754	2,337	19	(1)	19,109
Current liabilities								
Short-term provisions	1,575	56	-	1,631	49	-	(1)	1,679
Current financial liabilities	5,145	139	(137)	5,147	(1)	18	(1,240)	3,924
Trade payables and Sales Financing debts	8,025	452	(108)	8,369	48,298	2	(845)	55,824
Current tax liabilities and other current liabilities	12,679	374	(5)	13,048	1,898	8	(5,091)	9,863
TOTAL CURRENT LIABILITIES	27,424	1,021	(250)	28,195	50,244	28	(7,177)	71,290
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	68,435	2,821	(954)	70,302	58,776	95	(13,436)	115,737

C. Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVA Z	Intra- Automotive Transactions	TOTAL AUTOMOTIV E	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2021								
Net income ⁽¹⁾	(61)	67	(3)	3	455	(20)	(70)	368
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-	-	-	-	-
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	2,048	55	-	2,103	64	4	-	2,171
Share in net (income) loss of associates and joint ventures	(153)	-	-	(153)	(10)	3	-	(160)
Other income and expenses with no impact on cash, before interest and tax	(137)	37	-	(100)	96	1	(11)	(14)
Dividends received from unlisted associates and joint ventures	-	-	-	-	-	-	-	-
Cash flows before interest and tax	1,697	159	(3)	1,853	605	(12)	(81)	2,365
Dividends received from listed companies	-	-	-	-	-	-	-	-
Decrease (increase) in Sales Financing receivables	-	-	-	-	774	-	(337)	437
Net change in financial assets and Sales Financing debts	-	-	-	-	(2,624)	-	27	(2,597)
Change in capitalized leased assets	(198)	-	-	(198)	(81)	-	-	(279)
Change in working capital before tax	(410)	222	(1)	(189)	(92)	3	1	(277)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	1,089	381	(4)	1,466	(1,418)	(9)	(390)	(351)
Interest received	17	13	(3)	27	-	-	-	27
Interest paid	(117)	(39)	3	(153)	-	-	8	(145)
Current taxes (paid) / received	(51)	(6)	-	(57)	(96)	-	-	(153)
CASH FLOWS FROM OPERATING ACTIVITIES	938	349	(4)	1,283	(1,514)	(9)	(382)	(622)
Purchases of intangible assets	(527)	(24)	-	(551)	(2)	(3)	-	(556)
Purchases of property, plant and equipment	(904)	(39)	4	(939)	(4)	-	-	(943)
Disposals of property, plant and equipment and intangibles	134	3	-	137	-	-	-	137
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other ⁽²⁾	1,106	-	-	1,106	-	(1)	2	1,107
Net decrease (increase) in other securities and loans of the Automotive segments	(95)	-	-	(95)	-	4	12	(79)
CASH FLOWS FROM INVESTING ACTIVITIES	(286)	(60)	4	(342)	(6)	-	14	(334)
Cash flows with shareholders	(38)	(1)	-	(39)	(75)	-	69	(45)
Net change in financial liabilities of the Automotive segments	(419)	(70)	(89)	(578)	-	7	295	(276)
CASH FLOWS FROM FINANCING ACTIVITIES	(457)	(71)	(89)	(617)	(75)	7	364	(321)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	195	218	(89)	324	(1,595)	(2)	(4)	(1,277)
Cash and cash equivalents: opening balance	12,524	558	(133)	12,949	8,738	15	(5)	21,697
Increase (decrease) in cash and cash equivalents	195	218	(89)	324	(1,595)	(2)	(4)	(1,277)
Effect of changes in exchange rate and other changes	12	34	(11)	35	71	4	-	110

Cash and cash equivalents: closing balance	12,731	810	(233)	13,308	7,214	17	(9)	20,530
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- (1) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding Avtovaz) segment. They amount to €69 million in 2021 (no dividend was paid in 2020).
- (2) Disposals of other investments include €1,138 million relating to the sale of the Daimler shares.

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVA Z	Intra- Automotive Transactions	TOTAL AUTOMOTIV E	Sales Financin g	Mobility Service s	Intersegmen t transaction s	CONSOLIDAT ED TOTAL
H1 2020								
Net income ⁽¹⁾	(7,447)	(316)	-	(7,763)	395	(25)	7	(7,386)
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-	-	-	-	-
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	2,401	39	-	2,440	43	5	-	2,488
Share in net (income) loss of associates and joint ventures	4,902	-	-	4,902	(10)	-	-	4,892
Other income and expenses with no impact on cash, before interest and tax	219	306	(2)	523	253	6	(12)	770
Dividends received from unlisted associates and joint ventures	-	1	-	1	-	-	-	1
Cash flows before interest and tax	76	29	(2)	103	681	(14)	(5)	765
Dividends received from listed companies	-	-	-	-	-	-	-	-
Decrease (increase) in Sales Financing receivables	-	-	-	-	2,376	-	192	2,568
Net change in financial assets and Sales Financing debts	-	-	-	-	205	-	125	330
Change in capitalized leased assets	(464)	-	-	(464)	(56)	-	-	(520)
Change in working capital before tax	(3,829)	221	(3)	(3,611)	106	3	(1)	(3,503)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	(4,217)	250	(5)	(3,972)	3,312	(11)	311	(360)
Interest received	39	5	-	44	-	-	-	44
Interest paid	(156)	(40)	1	(195)	-	(3)	9	(189)
Current taxes (paid) / received	(65)	(5)	-	(70)	(97)	-	1	(166)
CASH FLOWS FROM OPERATING ACTIVITIES	(4,399)	210	(4)	(4,193)	3,215	(14)	321	(671)
Purchases of intangible assets	(717)	(28)	-	(745)	(1)	(6)	-	(752)
Purchases of property, plant and equipment	(1,386)	(82)	3	(1,465)	(8)	-	-	(1,473)
Disposals of property, plant and equipment and intangibles	24	4	-	28	-	-	-	28
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other	(214)	-	-	(214)	-	(4)	4	(214)
Net decrease (increase) in other securities and loans of the Automotive segments	293	-	(1)	292	-	-	(200)	92
CASH FLOWS FROM INVESTING ACTIVITIES	(2,000)	(106)	2	(2,104)	(9)	(10)	(196)	(2,319)
Cash flows with shareholders	(37)	-	-	(37)	(11)	4	(4)	(48)
Net change in financial liabilities of the Automotive segments	2,152	504	(130)	2,526	-	8	(74)	2,460
CASH FLOWS FROM FINANCING ACTIVITIES	2,115	504	(130)	2,489	(11)	12	(78)	2,412
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(4,284)	608	(132)	(3,808)	3,195	(12)	47	(578)
Cash and cash equivalents: opening balance	12,231	70	(3)	12,298	2,762	-	(78)	14,982
Increase (decrease) in cash and cash equivalents	(4,284)	608	(132)	(3,808)	3,195	(12)	47	(578)
Effect of changes in exchange rate and other changes	(184)	(31)	7	(208)	(104)	27	13	(272)
Cash and cash equivalents: closing balance	7,763	647	(128)	8,282	5,853	15	(18)	14,132

(1) *Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. No dividend was paid in the first half-year of 2020.*

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	TOTAL AUTOMOTIV E	Sales Financin g	Mobility Service s	Intersegmen t transaction s	CONSOLIDAT ED TOTAL
Year 2020								
Net income ⁽¹⁾	(8,581)	(196)	1	(8,776)	789	(63)	4	(8,046)
Cancellation of dividends received from unconsolidated listed investments	(11)	-	-	(11)	-	-	-	(11)
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	4,571	80	-	4,651	83	16	-	4,750
Share in net (income) loss of associates and joint ventures	5,160	-	-	5,160	(19)	4	-	5,145
Other income and expenses with no impact on cash, before interest and tax	754	317	-	1,071	452	14	(24)	1,513
Dividends received from unlisted associates and joint ventures	3	2	-	5	-	-	-	5
Cash flows before interest and tax ⁽²⁾	1,896	203	1	2,100	1,305	(29)	(20)	3,356
Dividends received from listed companies ⁽³⁾	11	-	-	11	-	-	-	11
Decrease (increase) in Sales Financing receivables	-	-	-	-	2,837	-	270	3,107
Net change in financial assets and Sales Financing debts	-	-	-	-	2,154	-	(98)	2,056
Change in capitalized leased assets	(839)	-	-	(839)	(90)	-	-	(929)
Change in working capital before tax	(1,527)	233	(78)	(1,372)	180	2	(2)	(1,192)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	(459)	436	(77)	(100)	6,386	(27)	150	6,409
Interest received	51	22	(4)	69	-	2	-	71
Interest paid	(297)	(81)	4	(374)	-	-	22	(352)
Current taxes (paid) / received	(127)	(8)	-	(135)	(240)	-	-	(375)
CASH FLOWS FROM OPERATING ACTIVITIES	(832)	369	(77)	(540)	6,146	(25)	172	5,753
Purchases of intangible assets	(1,412)	(74)	-	(1,486)	(3)	(11)	-	(1,500)
Purchases of property, plant and equipment	(2,602)	(182)	83	(2,701)	(7)	-	-	(2,708)
Disposals of property, plant and equipment and intangibles	187	6	(6)	187	-	-	-	187
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other	(281)	-	-	(281)	-	(23)	29	(275)
Net decrease (increase) in other securities and loans of the Automotive segments	42	2	(2)	42	-	(2)	17	57
CASH FLOWS FROM INVESTING ACTIVITIES	(4,066)	(248)	75	(4,239)	(10)	(36)	46	(4,239)
Cash flows with shareholders	(44)	-	-	(44)	(11)	29	(29)	(55)
Net change in financial liabilities of the Automotive segments	5,476	437	(143)	5,770	-	23	(133)	5,660
CASH FLOWS FROM FINANCING ACTIVITIES	5,432	437	(143)	5,726	(11)	52	(162)	5,605
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	534	558	(145)	947	6,125	(9)	56	7,119
Cash and cash equivalents: opening balance	12,231	70	(3)	12,298	2,762	-	(78)	14,982
Increase (decrease) in cash and cash equivalents	534	558	(145)	947	6,125	(9)	56	7,119
Effect of changes in exchange rate and other changes	(241)	(70)	15	(296)	(149)	24	17	(404)
Cash and cash equivalents: closing balance	12,524	558	(133)	12,949	8,738	15	(5)	21,697

- (1) *Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. No dividend was paid in 2020.*
- (2) *Cash flows before interest and tax do not include dividends received from listed companies.*
- (3) *Dividends received from Daimler (€11 million) and Nissan (€0 million).*

D. Other information for the Automotive segments: net cash position (net financial indebtedness), operational free cash flow and ROCE

The net cash position or net financial indebtedness, operational free cash flow and ROCE are only presented for the Automotive segments.

The net cash position or net financial indebtedness includes all non-operating interest-bearing financial liabilities and commitments less cash and cash equivalents and other non-operating financial assets such as marketable securities or the segment's loans.

Net cash position (net financial indebtedness)

(€ million)	June 30, 2021			TOTAL AUTOMOTIVE
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	
Non-current financial liabilities	(10,950)	(1,080)	-	(12,030)
Current financial liabilities	(5,238)	(65)	237	(5,066)
Non-current financial assets – other securities, loans and derivatives on financing operations	64	-	-	64
Current financial assets	987	-	(5)	982
Cash and cash equivalents	12,731	810	(233)	13,308
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	(2,406)	(335)	(1)	(2,742)

(€ million)	December 31, 2020			TOTAL AUTOMOTIVE
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	
Non-current financial liabilities	(11,489)	(1,030)	-	(12,519)
Current financial liabilities	(5,145)	(139)	137	(5,147)
Non-current financial assets – other securities, loans and derivatives on financing operations	118	-	-	118
Current financial assets	1,024	-	(4)	1,020
Cash and cash equivalents	12,524	558	(133)	12,949
NET CASH POSITION (NET FINANCIAL INDEBTEDNESS) OF THE AUTOMOTIVE SEGMENTS	(2,968)	(611)	-	(3,579)

Operational free cash flow

(€ million)	June 30, 2021			TOTAL AUTOMOTIVE
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	
Cash flows (excluding dividends from listed companies) before interest and tax	1,697	159	(3)	1,853
Changes in working capital before tax	(410)	222	(1)	(189)
Interest received by the Automotive segments	17	13	(3)	27
Interest paid by the Automotive segments	(117)	(39)	3	(153)
Current taxes (paid) / received	(51)	(6)	-	(57)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,297)	(60)	4	(1,353)
Capitalized leased vehicles and batteries	(198)	-	-	(198)
Operational free cash flow of the Automotive segments	(359)	289	-	(70)
<i>Payments for restructuring expenses</i>	<i>(297)</i>	<i>(5)</i>	<i>-</i>	<i>(302)</i>
Operational free cash flow of the Automotive segments excluding restructuring	(62)	294	-	232

(€ million)	Year 2020			TOTAL AUTOMOTIVE
	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	
Cash flows (excluding dividends from listed companies) before interest and tax	1,896	203	1	2,100
Changes in working capital before tax ⁽¹⁾	(1,527)	233	(78)	(1,372)
Interest received by the Automotive segments	51	22	(4)	69
Interest paid by the Automotive segments	(297)	(81)	4	(374)
Current taxes (paid) / received	(127)	(8)	-	(135)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(3,827)	(250)	77	(4,000)
Capitalized leased vehicles and batteries	(839)	-	-	(839)
Operational free cash flow of the Automotive segments	(4,670)	119	-	(4,551)
<i>Payments for restructuring expenses</i>	(325)	(14)	-	(339)
Operational free cash flow of the Automotive segments excluding restructuring	(4,345)	133	-	(4,212)

(1) *Settlements of supplier payables covered by a reverse factoring program that are analysed as financing operations are not included in the change in working capital, but in cash flows from financing activities. In 2020, such payments gave rise to an amount of €173 million (€127 million in 2019, classified in the change in working capital).*

ROCE

ROCE (Return On Capital Employed) is an indicator that measures the profitability of capital invested. It is reported for the Automotive segments and calculated at the year-end. The ROCE for 2020 is

disclosed in the notes to the 2020 consolidated financial statements.

II - ACCOUNTING POLICIES AND SCOPE OF CONSOLIDATION Note 1 -

Approval of the financial statements

Groupe Renault, referred to in the financial statements as “the Renault Group” or “the Group”, consists of Renault SA, its subsidiaries, joint operations, joint ventures and associates included in the scope of consolidation as presented in note 31 to the consolidated financial statements at December 31, 2020.

The Renault Group’s condensed consolidated half-year financial statements at June 30, 2021 were examined at the Board of Directors’ meeting of July 29, 2021.

Note 2 - Accounting policies

The condensed consolidated half-year financial statements at June 30, 2021 are compliant with IAS 34 “Interim financial reporting”. They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the

financial statements at December 31, 2020.

The Renault Group’s condensed consolidated half-year financial statements at June 30, 2021 are prepared under the IFRS

(International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at June 30, 2021 and adopted by the European Union at the closing date. Except for the changes presented in paragraph A below, the accounting policies are

identical to those applied in the consolidated financial statements at December 31, 2020.

2-A. Changes in accounting policies

The Renault Group applies the accounting standards and amendments

that have been published in the Official Journal of the European Union and are mandatory from January 1, 2021.

New amendments that became mandatory on January 1, 2021

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	Interest rate benchmark reform – Phase 2
Amendments to IFRS 4	Insurance contracts – extension of the provisional exemption to applying IFRS 9 until financial years beginning on or after January 1, 2023

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 concerning Phase 2 of the interest rate benchmark reform and financial instruments were applied early by the Group in its financial statements at December 31, 2020. No other financial instrument

negotiated with a non-Group counterparty was renegotiated during the first half-year of 2021 as a result of the interest rate benchmark reform. In 2020, the Automotive segments (through the intermediary

Other standards and amendments not yet adopted by the European Union

The IASB has also published the following new standards and amendments that have not yet been adopted by the European Union.

New IFRS standards and amendments not yet adopted by the European Union	Application date set by the IASB
Classification of Liabilities as	
Amendments to IAS 1	Current or Non-current Disclosure of Accounting Policies January 1, 2023
Definition of Accounting	
Amendments to IAS 8	Estimates January 1, 2023
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction January 1, 2023
Amendments to IAS 16	Proceeds before Intended Use January 1, 2022
Amendments to IAS 37	Onerous Contracts — Cost of Fulfilling a Contract January 1, 2022
Amendments to IFRS 3	Updating a Reference to the Conceptual Framework January 1, 2022
Amendments to IFRS 16	Covid-19-Related Rent Concessions beyond June 30, 2021 April 1, 2021 (early application possible)
IFRS 17 and amendments	Insurance contracts January 1, 2023
Annual improvements (2018-2020 cycle)	Annual improvements process January 1, 2022

of Renault Finance) adhered to the ISDA 2018 Benchmarks Supplement Protocol. The Sales Financing segment adhered to the ISDA 2020 IBOR Fallbacks Protocol in 2020, and the ISDA 2018 Benchmarks Supplement Protocol in 2021.

The Group has identified the interest rate benchmarks used in interest rate hedging relationships that are concerned by the reform: LIBOR GBP and LIBOR CHF. At June 30, 2021, the Sales Financing segment had interest rate swaps designated as fair value hedges amounting to CHF300 million (floating rate indexed on LIBOR CHF) and £100 million (floating rate indexed on LIBOR GBP). The Group considers there is no uncertainty regarding the future of the EURIBOR rate since it was validated as benchmark regulation-compliant by the European Banking Authority.

The risk hedging strategies have so far not been modified by the transition to the new benchmark rates.

Application of other amendments has no significant impact on the Group's financial statements at June 30, 2021.

In line with the position taken for 2020, the Group will not apply the amendment to IFRS 16, "Covid-19-Related rent concessions beyond June 30, 2021", in accordance with the consolidated financial statements at December 31, 2020. The concessions from which the Group has benefited in 2021, as in 2020, have no significant impact.

The Group is currently analysing the potential impacts, but does not at this stage anticipate that application of these standards and amendments will have any significant impact on the consolidated financial statements.

Other changes

Regarding the IFRIC's Agenda Decision 04/2021 on attribution of benefits to periods of service (IAS 19), analysis is still in progress. No significant impact has been identified at this stage.

2-B. Estimates and judgments

Specific context of 2021

In the context of the Covid-19 pandemic that appeared in the first quarter of 2020 and continued throughout the year and the first half-year of 2021, the global automotive market suffered a year-on-year downturn of 14.4% for 2020, and shrank by 24.0% between June 30, 2019 and June 30, 2021. To protect its employees, and in compliance with the measures introduced by national governments, the Group suspended its commercial and production activities in most countries during March 2020. During the lockdown periods, practically all employees not working in production and sales worked from home, and furlough measures were put in place in 2020 and the first half-year of 2021. Production and sales resumed mainly from May 2020, respecting the end-of-lockdown measures imposed by the governments of the countries where the Renault Group has operations. A second lockdown and curfews were imposed in several countries, including France, during the second half of 2020 and France also introduced a third lockdown and curfews during the first half-year of 2021 ; all these measures also had negative effects on the Group's business activity in 2020 and the first half-year of 2021. During the first half-year of 2021, business also began to be affected by disruptions to supplies of electronic components in the worldwide automotive sector. As a result, after falling by more than 20% in 2020 compared to the previous year, total sales were 24.2% lower in the first half-year of 2021 than the first half-year of 2019, standing at 1,422,563 vehicles.

To maintain a sufficient level of liquidity for operations, the Renault Group arranged a €5 billion credit line guaranteed by the French government, on which it made three drawings totalling €4 billion (note 18-C). The €1 billion undrawn at December 31, 2020 was no longer available at June 30, 2021. The Group also issued a new bond in November 2020 with nominal value of €1 billion (note 18-C), and another bond of €600 million in April 2021. At the date of publication of these consolidated financial statements, the Group has sufficient cash and sources of financing to ensure continuity of operations for the next twelve months and demonstrated its capacity to issue debt (note 18-C).

Expenses and income recognized that are identified as resulting wholly or partly from the Covid-19 pandemic are not considered as "Other operating income and expenses", except for expenses which due to their nature are always included in that category, such as impairment of tangible and intangible assets.

Payroll costs net of state aid received by Renault, additional logistics costs, the costs of introducing new health protocols, and depreciation on assets unused or only partially-used during the period, mainly because of the lockdown rules are allocated to the relevant functions (cost of goods and services sold, research and development expenses, and selling, general and administrative expenses). The amounts concerned are not reported because it is impossible to reliably identify the amounts solely attributable to the Covid-19 pandemic.

The 2020 consolidated financial statements included restatements of some assets and liabilities undertaken in the

context of this pandemic, and the update of the "Renault" medium-term business plan (2021-2025). The principal impacts were €762 million of impairment in respect of certain tangible and intangible assets (note 6), €248 million resulting from discontinuation of recognition of deferred tax assets (note 8), and a €216 million increase in impairment for expected credit losses on Sales Financing receivables (note 13). No comparable significant accounting restatements were made during the first half-year of 2021 as a result of the continuing pandemic or disruption to supplies of electronic components. Estimation of the impacts of the Covid-19 pandemic on the 2020 financial statements, as described in

this paragraph, was particularly complex and involved the use of judgments that are explained in the notes where relevant.

On November 20, 2020 the Renault Group signed an agreement in France with its social partners to transform technical and service skills in preparation for future developments in the automotive world. This agreement lays down the conditions for a new outplacement policy, and includes a voluntary work-exemption plan for relevant personnel in 2021, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. In the foreign subsidiaries, the Group is rolling out restructuring actions in line with the 2022 cost reduction plan. Restructuring and workforce adjustments have been recognized for these plans and re-estimated at June 30, 2021 where relevant (notes 6-A and 17-B).

RBJAC is in financial distress, and at June 30, 2021 its ability to continue as a going concern for the next 12 months was considered uncertain.

In the context of the Covid-19 pandemic, the new strategy in China and the financial difficulties of RBJAC, new workforce reduction plans and the new medium-term business plan “Renaulution” (2021-2025), the main items in the Group’s consolidated financial statements that are dependent on estimates and judgements and have been paid particular attention in 2020 and the first half-year of 2021 are:

- potential impairment of fixed assets, particularly impairment on specific assets linked to vehicles and goodwill (note 10);
- the recoverable value of leased vehicles classified as property, plant and equipment or inventories;
- investments in associates, notably Nissan and RBJAC (notes 11 and 12);
- impairment for expected credit losses concerning Sales Financing receivables (note 13);
- revenue recognition, principally the determination of accrued charges payable under sales incentive programmes, recognized in other liabilities in view of the pressure on sales prices;
- determination of restructuring provisions (notes 6-A and 17);
- determination of risks associated with distressed suppliers;
- the potential impact of the European CAFE (Corporate Average Fuel Economy) regulation from 2020: under this regulation, automakers will be fined if the average CO₂ emissions target for all vehicles registered in Europe each calendar year is exceeded (note 21).

This list is not exhaustive due to the constantly evolving Covid-19 situation and its effects on the financial health of the world’s economies, and it remains very difficult to predict the magnitude and duration of the pandemic’s economic impacts on our business.

Other important estimates and judgments

The Renault Group often has to make estimates and assumptions that affect the book value of certain assets and liabilities, income and expenses, and disclosures made in

certain notes to the financial statements. In preparing its financial statements, the Renault Group regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances. If changes in these assumptions or circumstances are not as anticipated, the figures reported in Renault Group’s future consolidated financial statements could differ from the estimates established at the time these financial statements were finalized. The main items in the Group’s consolidated financial statements at June 30, 2021 that are dependent on estimates and judgments are the following:

- capitalization of research and development expenses and their amortization period (notes 5 and 10-A),
- the depreciation and amortization periods for fixed assets other than capitalized development expenses (note 10),
- recognition of deferred tax assets on tax loss carryforwards (note 8),
- provisions, particularly warranty provisions on vehicles and batteries sold (note 17-B), provisions for pensions and other long-term employee benefit obligations (note 17-A), provisions for workforce adjustment measures (notes 6-A), provisions for legal risks and tax risks (other than income tax risks) and provisions for uncertain tax liabilities,
- valuation of lease liabilities, particularly the incremental borrowing rates and the value of renewal and termination options that are reasonably certain to be exercised (note 18).

Note 3 - Changes in the scope of consolidation and assets (liabilities) held for sale

The principal changes and significant events concerning the scope of consolidation in the first half-year of 2021 were the following.

- In May 2021 the Group set up a joint venture Hyvia, owned in equal shares with the partner Plug Power inc. This joint venture will provide a full ecosystem of turnkey solutions comprising fuelcell-powered light commercial vehicles, hydrogen charging stations, supplies of carbon-free hydrogen, and fleet maintenance and management. The new joint venture is accounted for under the equity method, and is part of the Automotive segment.

- The Group is rolling out its knowhow in recharging infrastructures and solutions across Europe, through subsidiaries and joint ventures owned jointly with Elto Holding, operating under the Mobilize Power Solutions brand. Elto Holding is a French-based subsidiary of Renault s.a.s. that holds the following European entities which have all been fully consolidated since their formation during the first half-year of 2021: Elto BeLux, owned 51%, and Elto UK, Elto DACH GmbH, Elto Italy S.r.l. and Elto Iberia s.l. Unipersonal, all owned 100%. Elto France, a joint venture owned 40%, is accounted for under the equity method. All these entities are included in the Mobility Services segment.
- In April 2021, the Group ceased all commercial operations by its Australian subsidiary Vehicle Distributors Australia, and transferred its assets to an importer that will now take charge of selling Renault and Dacia brand vehicles in the country. Vehicle Distributors Australia is now in liquidation.
- In April 2021, the Group sold its 40% minority shareholding in Renault South Africa, an entity accounted for under the equity method, to the majority shareholder Motus Corporation Proprietary Ltd for the price of €15 million.

In application of its strategic plan “Renaulution”, the Group has started to sell certain real estate assets (land, industrial sites), branches (in France) and vehicle distribution subsidiaries (outside France). Consequently, when a sale is highly probable within the next twelve months, as evidenced by advanced discussions with an identified purchaser, the assets and liabilities concerned are reclassified in accordance with IFRS 5 as “assets held for sale” and “liabilities related to assets held for sale”.

At June 30, 2021, the group of assets held for sale consists of €394 million of assets and €68 million of debts and other liabilities.

(€ million)	Notes	June 30, 2021
Intangible assets and goodwill	10	17
Tangible assets	10	247
Inventories	14	104
Total cash and cash equivalents		10
Other		16
Total assets held for sale		394
Total liabilities associated with assets held for sale		(68)

No impairment has been recognized on these assets held for sale.

III - CONSOLIDATED INCOME STATEMENT

Note 4 - Revenues

4-A. Breakdown of revenues

(€ million)	H1 2021	H1 2020	Year 2020
Sales of goods - Automotive segments	18,646	14,150	34,724
Sales to partners of the Automotive segments	1,888	1,736	3,651
Rental income on leased assets ⁽¹⁾	606	309	660
Sales of other services	684	621	1,283
Sales of services - Automotive segments	1,290	930	1,943
Sales of goods - Sales Financing segment	17	15	38
Rental income on leased assets ⁽¹⁾	55	56	108
Interest income on Sales Financing receivables	942	1,043	1,982
Sales of other services ⁽²⁾	508	486	1,010
Sales of services - Sales Financing segment	1,505	1,585	3,100
Sales of services - Mobility Services segment	11	9	19
TOTAL REVENUES	23,357	18,425	43,474

(1) Rental income recorded by the Group on vehicle sales with a buy-back commitment or fixed asset rentals.

(2) Mainly income on services comprising insurance, maintenance, and replacement vehicles under a financing contract or otherwise.

4-B. Revenues by region

Consolidated revenues are presented by location of customers.

(€ million)	H1 2021	H1 2020	Year 2020
Europe	16,468	12,732	30,426
Including France	6,909	5,065	12,019
Eurasia	3,270	2,367	6,062
Including AVTOVAZ	1,630	1,176	2,784
Africa & Middle East	743	568	1,314
Asia Pacific	1,284	1,661	3,185
Latin America	1,592	1,095	2,486
Total Revenues	23,357	18,425	43,474

In 2021 the Group modified its international organization. The Africa - Middle East - India - Asia Pacific region has been split into two new regions:

- Africa & Middle East;
- Asia Pacific.

The China region as presented at December 31, 2020 is now included in the Asia Pacific region. Romania, Bulgaria and French overseas territories are now included in the Europe region.

The figures for 2020 correspond to the regions adopted in 2021.

Note 5 - Research and development expenses

(€ million)	H1 2021	H1 2020	Year 2020
Research and development expenses	(1,164)	(1,399)	(2,749)
Capitalized development expenses	508	692	1,390
Amortization of capitalized development expenses	(591)	(603)	(1,210)
TOTAL INCLUDED IN INCOME	(1,247)	(1,310)	(2,569)

The decrease in research and development expenses over the first half-year of 2021 is mainly explained by the end of an initial cycle of upgrades to the product range, the lower level

of business, and actions to reduce fixed costs, which focused particularly on subcontracting and purchases of prototypes.

This decrease was accentuated by the Covid-19 pandemic, which had no significant effect on the capitalization rate applied to development

expenses under the rules set out in IAS 38. The lower capitalization rate is notably attributable to deferral of certain technical milestones from which development expenses are capitalized.

Amortization of capitalized development expenses was stable compared to the first half-year of 2020, and therefore higher than the expenses capitalized during the first half-year of 2021.

Note 6 - Other operating income and expenses

(€ million)	H1 2021	H1 2020	Year 2020
Restructuring and workforce adjustment costs	(145)	(166)	(600)
Gains and losses on total or partial disposal of businesses or operating entities, and other gains and losses related to changes in the scope of consolidation	13	(172)	(183)
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	115	19	96
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	(43)	(445)	(762)
Other unusual items	(23)	(40)	(213)
TOTAL	(83)	(804)	(1,662)

6-A. Restructuring and workforce adjustment costs

In the first half-year of 2021, restructuring and workforce adjustment costs mainly concern restructuring plans outside France (principally in South Korea, Spain and Romania) undertaken as part of the plan to reduce fixed costs announced on May 29, 2020.

In 2020, these costs included €(115) million for a work exemption plan in France which eligible employees could join between April 1, 2020 and January 1, 2021, and provisions relating to the agreement to transform technical and service skills in preparation for future developments in the automotive world, signed in France in November, 2020. The agreement is part of the plan to reduce fixed costs by more than €2 billion over 3 years, including a workforce reduction by 4,600 employees in France and 10,000 employees worldwide, announced in May 2020. It defines the conditions for a new outplacement policy, a new voluntary work-exemption plan in 2021, open from February 1, 2021 to January 1, 2022, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. Restructuring provisions were recorded at December 31, 2020 amounting to €(70) million for the new voluntary work-exemption plan, and €(197) million for the Collective Contractual Separation plan.

6-B. Gains and losses on disposal of businesses or operating entities

Among other disposals, the Group sold its 40% investment in Renault South Africa to the company's majority shareholder, Motus Corporation Proprietary Ltd, for the price of €15 million. As the value of this investment accounted for under the equity method was nil, the gain on this sale amounts to €15 million.

In 2020, costs associated with the sale of Renault's share in the joint venture DRAC and the takeover of the after-sales activity were recognized in the total amount of €(172) million.

6-C. Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)

In April 2021, the Group sold a real estate property in Luxembourg, generating a gain of €115 million.

6-D. Impairment of fixed assets and goodwill (excluding goodwill of associates and joint ventures)

Impairment net of reversals amounts to €(43) million at June 2021 (€(762) million in 2020, of which €(445) million was recognized in the first half-year). New impairments concern (i) jointly-owned assets (€(17) million, note 10) as a result of the decision to terminate real estate leases, and (ii) assets associated with vehicles and components the Group has decided to stop producing (€(26) million). No impairment has been recognized in the first half-year of 2021 as a result of the impairment tests of Cash-Generating Units described in note 10. No reversal of impairment was recorded in the first half-year of 2021 (nor in 2020).

6-E. Other unusual items

Provisions for environmental compliance costs amounting to €(15) million were recognized during the first half-year of 2021 in respect of sites that are being sold.

Business activity in Algeria was halted in early 2020 following decisions by the Algerian government, but resumed during 2021. Consequently, during the first half-year of 2021 Renault recovered €13 million of the €(99) million impairment recognized in the second half-year of 2020 on assets associated with its Algerian business (receivables, inventories, etc). Impairment of €9 million was recognized in respect of receivables on Renault Brilliance Jinbei Automotive Company (RBJAC), due to the company's current financial difficulties. Impairment tests on certain vehicles led to recognition of unusual expenses corresponding to advance and future payments to partners and suppliers in connection with those vehicles, amounting to €(75) million in 2020 including €(23) million at the first half-year of 2020.

Note 7 - Financial income (expenses)

(€ million)	H1 2021	H1 2020	Year 2020
Cost of gross financial indebtedness	(180)	(167)	(355)
Income on cash and financial assets	38	25	18
COST OF NET FINANCIAL INDEBTEDNESS	(142)	(142)	(337)
Dividends received from companies that are neither controlled nor under significant influence	1	-	16
Foreign exchange gains and losses on financial operations	22	20	41
Gain/Loss on exposure to hyperinflation	(36)	(16)	(40)
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(5)	(9)	(16)
Other ⁽¹⁾	(3)	(67)	(146)
OTHER FINANCIAL INCOME AND EXPENSES	(21)	(72)	(145)
FINANCIAL INCOME (EXPENSES)	(163)	(214)	(482)

(1) Other items mainly comprise expenses on assignment of receivables, changes in fair value (the investments in FAA and Partech Growth), bank commissions, discounts and late payment interest and income of €23 million resulting from adjustment of the amortized cost of the State-guaranteed loan (note 18-C). At December 31, 2020, other items also included the effects of adjustment to amortized cost of the State-guaranteed credit facility (€(69) million) and redeemable shares (€41 million, note 23-C to the consolidated financial statements for 2020).

The net cash position of the Automotive segments is presented in the information by operating segment (see «NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS» I - INFORMATION ON OPERATING SEGMENTS AND REGIONS - D. Other information for the Automotive segments: net cash position (net financial indebtedness), operational free cash flow and ROCE).

Note 8 - Current and deferred taxes

(€ million)	H1 2021	H1 2020	Year 2020
Current income taxes	(198)	(120)	(306)
Deferred tax income (charge)	(2)	(153)	(114)
CURRENT AND DEFERRED TAXES	(200)	(273)	(420)

In the first half-year of 2021, €(168) million of the current income tax charge comes from foreign entities including AVTOVAZ (€(263) millions in 2020 including €(105) millions in the first half-year of 2020).

The current income tax charge for entities included in the French tax consolidation group amounts to €(30) million in the first half-year of 2021 (€(43) million in 2020 including €(15) million in the first half-year of 2020).

8-A. French tax consolidation group

The effective tax rate in the French tax consolidation group is not relevant (5% in the first half-year of 2020, not relevant at December 31, 2020). The unrecognized deferred tax assets amount to €3,612 million (€3,845 million at December 31, 2020). They comprise tax losses that can be carried forward indefinitely to set against future

taxable income up to a limit of 50% of that income. €315 million of these unrecognized assets were generated by items recognized in shareholders' equity (effects of the partial hedge of the investment in Nissan) and €3,297 million were generated by items affecting the income statement (€372 million and €3,473 million respectively at December 31, 2020).

8-B. Entities not in the French tax consolidation group

For foreign entities including AVTOVAZ, the effective tax rate is 25.8%.

Last year, the effective tax rate across all foreign entities including AVTOVAZ was not relevant, mainly because of the discontinuation of recognition of deferred tax assets on tax loss on the AVTOVAZ segment.

Note 9 - Basic and diluted earnings per share

(thousands of shares)	H1 2021	H1 2020	Year 2020
Shares in circulation	295,722	295,722	295,722
Treasury shares	(3,899)	(5,362)	(4,990)
Shares held by Nissan x Renault's share in Nissan	(19,382)	(19,383)	(19,383)
Number of shares used to calculate basic earnings per share	272,441	270,977	271,349

The number of shares used to calculate the basic earnings per share is the weighted average number of ordinary shares in circulation during

the period, i.e. after neutralization of treasury shares and Renault shares held by Nissan.

(thousands of shares)	H1 2021	H1 2020	Year 2020
Number of shares used to calculate basic earnings per share	272,441	270,977	271,349
Dilutive effect of stock options, performance share rights and other share-based payments	1,535	1,318	-
Number of shares used to calculate diluted earnings per share	273,976	270,977	271,349

The number of shares used to calculate the diluted earnings per share is the weighted average number of ordinary shares potentially in circulation during the period, i.e. the number of shares used to calculate the basic earnings per share plus the number of stock options and rights to performance shares awarded under the relevant plans, that have a dilutive effect and fulfil the performance conditions at the reporting date when issuance is conditional.

IV - OPERATING ASSETS AND LIABILITIES, SHAREHOLDERS' EQUITY

Note 10 - Intangible assets and property, plant and equipment

10-A. Intangible assets and goodwill

(€ million)	Gross value	Amortization and impairment	Net value
Value at December 31, 2020	15,152	(8,805)	6,347
Acquisitions / (amortization and impairment) ⁽¹⁾	556	(658)	(102)
(Disposals) / reversals	(2)	2	-
Translation adjustment	64	(9)	55
Change in scope of consolidation and other	(9)	(5)	(14)
Value at June 30, 2021	15,761	(9,475)	6,286

(1) Including €(19) million of impairment on intangible assets (note 6-D).

10-B. Tangible assets

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2020	49,319	(32,184)	17,135
Acquisitions / (depreciation and impairment) ⁽¹⁾	1,406	(1,513)	(107)
(Disposals) / reversals	(1,001)	440	(561)
Translation adjustment	135	(45)	90
Change in scope of consolidation and other	(257)	30	(227)
Value at June 30, 2021	49,602	(33,272)	16,330

(1) Including €(24) million of impairment on property, plant and equipment (note 6-D).

10-C. Impairment tests on vehicle-specific assets (including components) and entities

Following impairment tests of specific assets dedicated to vehicles (including components) and entities, no impairment was booked during the first half-year of 2021, whereas €762 million was booked in 2020, including €445 million in the first half-year.

The impairment booked in 2020 is comprised of €565 million for intangible assets (including €260 million in the first-half year) and €197 million for property, plant and equipment (including €185 million in the first half-year). In 2020 impairment mainly concerned petrol and diesel engine vehicles (including components) following the lower sales volumes in 2021, the downward revision of business prospects in view of the Covid-19 pandemic, and the assumptions used in the medium-term plan for the period 2021-2025 presented in January 2021.

No reversal of impairment was recognized during the first half-year of 2021.

10-D. Impairment tests of country-specific assets or cash-generating units of the Automotive (excluding AVTOVAZ) segment

Automotive (excluding AVTOVAZ) segment

Renault's market capitalization (€9,947 million at June 30, 2021, based on the number of shares outstanding less treasury shares) is lower than the value of its shareholders'

equity (parent company shareholders' share). In view of the results of the impairment test conducted in December 2020 and the results for the first half-year of 2021, it was not considered necessary to conduct a further test at June 30, 2021.

10-E. Impairment tests on the AVTOVAZ cash-generating unit and the Lada brand

Impairment tests of the AVTOVAZ cash-generating unit

In application of the approach presented in the note on accounting policies (note 2-M to the consolidated financial statements for 2020), an impairment test of the AVTOVAZ cash-generating unit was conducted at December 31, 2020 and did not lead to recognition of any impairment.

No impairment test was conducted at June 30, 2021 due to the favourable developments in business on the Russian market.

Impairment tests of the Lada brand

At December 31, 2020 it was considered that a reasonably possible change in the key assumptions used should not result in a recoverable value that is below the book value of the Lada brand.

The annual impairment test will now be conducted at December 31 every year, and the Lada brand will be included in the impairment test conducted for the AVTOVAZ cash-generating unit.

Renault's investment in Nissan in the income statement and financial position:

(€ million)	H1 2021 at June 30, 2021	H1 2020 at June 30, 2020	Year 2020 at December 31, 2020
Consolidated income statement			
Share in net income (loss) of associates accounted for under the equity method	100	(4,817)	(4,970)
Consolidated financial position			
Investments in associates accounted for under the equity method	15,185	15,147	14,618

11-A. Nissan consolidated financial statements included under the equity method in the Renault Group consolidation

The Nissan accounts included under the equity method in Renault Group's financial statements are Nissan's consolidated accounts published in compliance with Japanese accounting standards (as Nissan is listed on the Tokyo Stock Exchange), after adjustments for the requirements of the Renault Group consolidation.

At June 30, 2021, Nissan held 0.7% of its own treasury shares (0.7% at December 31, 2020). Consequently, Renault's percentage interest in Nissan is 43.7% (43.7% at December 31, 2020).

11-B. Changes in the investment in Nissan as shown in Renault Group's statement of financial position

(€ million)	Share in net assets			Goodwill	Total
	Before neutralization	Neutralization nonproportional to Nissan's investment in Renault ⁽¹⁾	Net		
At December 31, 2020	14,860	(974)	13,886	732	14,618
1 st -half 2021 net income	100	-	100	-	100
Dividend distributed	-	-	-	-	-
Translation adjustment	233	-	233	(28)	205
Other changes ⁽²⁾	262	-	262	-	262
At June 30, 2021	15,455	(974)	14,481	704	15,185

(1) Nissan has held 44,358 thousand Renault shares since 2002, corresponding to an investment of around 15%. The neutralization is based on Renault's percentage holding in Nissan.

(2) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.

11-C. Changes in Nissan equity restated for the purposes of the Renault Group consolidation

	December 31, 2020	1 st -half 2021 net income	Dividends	Translation adjustment	Other changes ⁽¹⁾	June 30, 2021
(¥ billion)						
Shareholders' equity – Parent company shareholders' share under Japanese GAAP	3,674	34	-	246	136	4,090
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	105	(10)	-	(2)	(204)	(111)
Disposal of Daimler shares ⁽²⁾		(76)	-	-	76	-
Capitalization of development expenses	456	26	-	1	13	496
Deferred taxes and other restatements	(143)	(21)	-	11	126	(27)
Net assets restated for compliance with IFRS	4,092	(47)	-	256	147	4,448
Restatements for Renault Group requirements ⁽³⁾	210	78	-	(17)	(70)	201
Net assets restated for Renault Group requirements	4,302	31	-	239	77	4,649
(€ million)						
Net assets restated for Renault Group requirements	34,008	229	-	533	598	35,368
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	14,860	100	-	233	262	15,455

Neutralization of Nissan's investment in Renault ⁽⁴⁾	(974)					(974)
Renault's share in the net assets of Nissan	13,886	100	-	233	262	14,481

- (1) Other changes include the change in actuarial gains and losses on pension obligations, the change in the financial instruments revaluation reserve and the change in Nissan treasury shares.
- (2) Disposal of Daimler shares held by Nissan has been reclassified in other comprehensive income under IFRS (same accounting treatment used for disposal of Daimler shares by Renault (see note 15-B)).
- (3) Restatements for Renault Group requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for under the equity method.
- (4) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%. The neutralization is based on Renault's percentage holding in Nissan.

11-D. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2021 Renault Group consolidation is the sum of Nissan's net income for the final quarter of its 2020 financial year and the first quarter of its 2021 financial year.

	January to March 2021		April to June 2021		January to June 2021	
	Final quarter of Nissan's 2020 financial year		First quarter of Nissan's 2021 financial year		Reference period for Renault Group's 1 st -half 2021 consolidated financial statements	
	(¥ billion)	(€ million) ⁽¹⁾	(¥ billion)	(€ million) ⁽¹⁾	(¥ billion)	(€ million) ⁽¹⁾
Net income – Parent company shareholders' share	(81)	(633)	115	868	34	235

(1) Converted at the average exchange rate for each quarter.

11-E. Valuation of Renault Group's investment in Nissan at stock market prices

Based on the quoted price at June 30, 2021 of ¥551 per share, Renault's investment in Nissan is valued at €7,680 million (€8,110 million at December 31, 2020 based on the price of ¥560 per share).

11-F. Impairment test of the investment in Nissan

At June 30, 2021, the stock market value of the investment was 49.4% lower than the value of Nissan in Renault's statement of financial position (44.5% at December 31, 2020).

In application of the approach presented in the note on accounting policies, an impairment test was carried out at December 31, 2020 due to the Covid-19 pandemic, using an after-tax discount rate of 6.21% and a growth rate to infinity (including the effect of inflation) of 1.71%. The test result did not lead to recognition of any impairment on the investment in Nissan at December 31, 2020 and it was considered that a reasonably possible change in the main assumptions used should not result in a recoverable value lower than the book value of the investment in Nissan.

It was not considered necessary to conduct a further impairment test at June 30, 2021, as no triggering event as identified by IAS 36 was identified.

11-G. Operations between the Renault Group and the Nissan group

11-G1. Automotive (excluding AVTOVAZ) and Sales Financing

Renault Group and Nissan follow joint strategies for vehicle and component development, purchasing, production and distribution resources. This cooperation is reflected in synergies that reduce costs.

The Automotive (excluding AVTOVAZ) segment is involved in operations with Nissan on two levels:

- Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
 - In the first-half of 2021, total sales by the Automotive (excluding AVTOVAZ) segment to Nissan and purchases by the Automotive (excluding AVTOVAZ) segment from Nissan amounted to an

estimated €0.9 billion and €0.7 billion respectively (€1.8 billion and €1.4 billion respectively in 2020, including €0.8 billion and €0.6 billion for the first half-year).

- At June 30, 2021, the balance of Automotive (excluding AVTOVAZ) segment receivables on the Nissan group is €523 million and the balance of Automotive (excluding AVTOVAZ) segment liabilities to the Nissan group is €638 million (€463 million and €664 million respectively at December 31, 2020).
- Finance: in addition to its activity for Renault Group, Renault Finance acts as the Nissan group's counterparty in financial instruments trading to hedge foreign exchange and interest rate risks. In the balance sheet, the derivative assets on the Nissan group amount to €38 million at June 30, 2021 (€36 million at December 31, 2020) and derivative liabilities amount to €94 million at June 30, 2021 (€35 million at December 31, 2020).

Renault Group's Sales Financing segment helps to attract customers and build loyalty to Nissan brands through a range of financing products and services incorporated into the sales policy, principally in Europe. In the first half 2021, RCI Banque recorded €52 million of service revenues in the form of commission and interest received from Nissan (€106 million in 2020, of which €62 million were recorded in the first half-year). The balance of Sales Financing receivables on the Nissan group is €30 million at June 30, 2021 (€68 million at December 31, 2020) and the balance of liabilities is €126 million at June 30, 2021 (€156 million at December 31, 2020).

The Sales Financing segment signed a term sheet with Nissan Europe to set out the principles for cooperation until March 31, 2025.

11-G2. Operations between AVTOVAZ and the Nissan group

In the first half-year of 2021, total sales by AVTOVAZ to Nissan and purchases by AVTOVAZ from Nissan amounted to an estimated €2 million and €13 million respectively (€56 million and €15 million in 2020 respectively including €34 million and €9 million in the first half-year).

In the AVTOVAZ financial position at June 30, 2021, the items resulting from operations between AVTOVAZ and the Nissan group consist mainly of operating payables, amounting to €15 million (€14 million at December 31, 2020).

Note 12 - Investments in other associates and joint ventures

Details of investments in other associates and joint ventures are as follows in the Group's financial statements:

(€ million)	H1 2021 at June 30, 2021	H1 2020 at June 30, 2020	Year 2020 at December 31, 2020
Consolidated income statement			
Share in net income (loss) of other associates and joint ventures	60	(75)	(175)
Associates accounted for under the equity method ⁽¹⁾	31	15	(24)
Joint ventures accounted for under the equity method ⁽²⁾	29	(90)	(151)
Consolidated financial position			
Investments in other associates and joint ventures	565	599	502
Associates accounted for under the equity method	409	454	380
Joint ventures accounted for under the equity method	156	145	122

(1) The impairment of €73 million booked on production assets of Nissan Automotive India Private Limited (RNAIPL) in 2020 is unchanged in the financial statements at June 30, 2021.

(2) As Renault Brilliance Jinbei Automotive Company (RBJAC) is in financial distress, its ability to continue as a going concern for the next 12 months was considered uncertain at June 30, 2021. This has no impact on the value of the investment accounted for under the equity method, which was already nil at December 31, 2020, but led to recognition of impairment of €9 million in respect of receivables on RBJAC (note 6-E).

Note 13 - Sales Financing receivables

13-A. Sales Financing receivables by nature

(€ million)	June 30, 2021	December 31, 2020
Dealership receivables	7,385	7,862
Financing for end-customers	23,246	23,383
Leasing and similar operations	11,084	10,639
Gross value	41,715	41,884
Impairment	(1,043)	(1,064)
Net value	40,672	40,820

13-B. Breakdown of Sales Financing receivables by level of risk

RCI Banque launched its compliance programme for the new definition of default in 2018, opting for the "One Step" approach, which consists of adjusting its internal models concurrently for the Dealer portfolio and Customer portfolio.

For countries whose solvency ratio is calculated by the advanced approach (France, Italy, Spain, Germany, the United Kingdom and South Korea), the ECB's work on new default calibration was finalized in December 2020, and RCI Banque is awaiting authorization from the ECB to implement the new definition of default. Consequently, the new definition of default is not applied to the Customer and Dealer portfolios in these countries at June 30, 2021..

For countries whose solvency ratio is calculated by the standard approach (Brazil and non-G7 countries), the new definition of default has been applied to the Customer and Dealer portfolios since January 1, 2021.

For Customer credit, the increase in doubtful receivables and the lower rate of provisioning is attributable to application of the new definition of default to countries whose solvency ratio is calculated by the standard approach. Receivables identified as doubtful under the new definition of default continue to be covered by the same provisioning methods.

For Dealer credit, application of the new definition of default had no overall impact on the cost of risk.

(€ million)	Financing for final customers	Dealer financing	June 30, 2021
Gross value	34,330	7,385	41,715
Healthy receivables	29,889	7,093	36,982
Receivables showing higher credit risk since initial recognition	3,652	216	3,868
Receivables in default	789	76	865
% of total receivables in default	2.3%	1.0%	2.1%

Impairment	(951)	(92)	(1,043)
Impairment in respect of healthy receivables	(252)	(50)	(302)
Impairment in respect of receivables showing higher credit risk since initial recognition	(209)	(8)	(217)
Impairment in respect of receivables in default	(490)	(34)	(524)
Total net value	33,379	7,293	40,672

(€ million)	Financing for final customers	Dealer financing	December 31, 2020
Gross value	34,022	7,862	41,884
Healthy receivables	29,148	7,514	36,662
Receivables showing higher credit risk since initial recognition	4,170	284	4,454
Receivables in default	704	64	768
% of total receivables in default	2.1%	0.8%	1.8%
Impairment	(951)	(113)	(1,064)
Impairment in respect of healthy receivables	(226)	(63)	(289)
Impairment in respect of receivables showing higher credit risk since initial recognition	(252)	(17)	(269)
Impairment in respect of receivables in default	(473)	(33)	(506)
Total net value	33,071	7,749	40,820

Note 14 - Inventories

(€ million)	June 30, 2021			December 31, 2020		
	Gross value	Impairment	Net value	Gross value	Impairment	Net value
Raw materials and supplies	1,907	(278)	1,629	1,665	(276)	1,389
Work in progress	400	(3)	397	310	(2)	308
Used vehicles	1,323	(158)	1,165	1,376	(162)	1,214
Finished products and spare parts	2,328	(127)	2,201	2,882	(153)	2,729
TOTAL	5,958	(566)	5,392	6,233	(593)	5,640

Note 15 - Financial assets – cash and cash equivalents

15-A. Current / non-current breakdown

(€ million)	June 30, 2021			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Daimler shares	-	-	-	951	-	951
Other investments in non-controlled entities	60	-	60	46	-	46
Marketable securities and negotiable debt instruments	-	501	501	-	426	426
Derivatives on financing operations by the Automotive segments	33	237	270	95	298	393
Loans and other	243	487	730	161	457	618
TOTAL FINANCIAL ASSETS	336	1,225	1,561	1,253	1,181	2,434
<i>Gross value</i>	338	1,229	1,567	1,255	1,207	2,462
<i>Impairment</i>	(2)	(4)	(6)	(2)	(26)	(28)
Cash equivalents ⁽¹⁾	-	9,260	9,260	-	10,340	10,340
Cash	-	11,270	11,270	-	11,357	11,357
TOTAL CASH AND CASH EQUIVALENTS	-	20,530	20,530	-	21,697	21,697

(1) Cash equivalents mainly consist of term deposits with maturities of 3 months or less and a low risk of change in the minimum payments receivable, totalling €3,252 million (€1,201 million at December 31, 2020), and investment funds with "monetary fund" approval that meet the criteria for classification as cash equivalents, totalling €5,714 million (€8,514 million at December 31, 2020).

15-B. Daimler shares

In March 2021 the Group sold its entire investment in the Daimler Group, representing 1.54% of the capital, for the price of €69.50 per share or a total of €1.143 billion, through a placement to qualified investors.

The Group had opted to value the Daimler shares at fair value via other components of comprehensive income, without the possibility of transfer to profit and loss in the event of sale. Their fair value was determined by reference to the share price and amounted to €951 million at December 31, 2020.

At June 30, 2021, the gain realized on the sale (compared

to the acquisition price of €35.52 per share) amounts to €554 million, of which €187 million are recognized in Other Components of Comprehensive Income in 2021.

The Nissan Group also sold its investment in the Daimler Group during the first half-year of 2021 (note 11-C).

15-C. Cash not available to the Group

The Group has liquidities in countries where repatriation of funds can be complex for regulatory or political reasons. In most of these countries, such funds are used locally for industrial or sales financing purposes.

Some current bank accounts held by the Sales Financing Securitization Fund are used to increase credit on securitized receivables, and consequently act as guarantees in the event of default on payment of receivables. These current bank accounts amount to €880 million at June 30, 2021 (€670 million at December 31, 2020).

Note 16 - Shareholders' equity

16-A. Share capital

The total number of ordinary shares issued and fully paid at June 30, 2021 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2020).

Treasury shares do not bear dividends. They account for 1.55% of Renault's share capital at June 30, 2021 (1.53% at December 31, 2020).

The Nissan Group holds approximately 15% of Renault through its wholly-owned subsidiary Nissan Finance Co. Ltd (no voting rights are attached to these shares).

16-B. Distributions

At the General and Extraordinary Shareholders' Meeting of April 23, 2021, it was decided not to distribute dividends (unchanged since 2020).

16-C. Performance share plans and other share-based payments

A new performance share plan was introduced in the first half 2021, concerning 1,605 thousand shares with initial total value of €40 million. The vesting period for rights to shares is 3 years, with no minimum holding period.

Changes in the number of share rights held by personnel and other share-based payments

	Rights not yet vested at January 1, 2021	Granted	Vested rights	Rights expired and other adjustments	Rights not yet vested at June 30, 2021
Share rights	4,414,274	1,604,996	(965,135) ⁽¹⁾	(491,822)	4,562,313

(1) Performance shares vested were mainly awarded under plan 24 for non-French tax residents granted in 2017 and plan 25 for French tax residents granted in 2018.

Note 17 - Provisions

17-A. Provisions for pensions and other long-term employee benefit obligations

Provisions for pensions and other long-term employee benefit obligations amount to €1,519 million at June 30, 2021 (€1,647 million at

December 31, 2020). These provisions decreased by €128 million in the first half-year of 2021. The financial discount rate most frequently used to value the Group's obligations in France is 0.71% at June 30, 2021, against 0.31% at December 31, 2020 and the salary increase rate for the first half-year of 2021 is 2.20%, as at December 31, 2020.

17-B. Changes in provisions

(€ million)	Restructuring provisions	Warranty provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities ⁽¹⁾	Provisions for commitments given and other	Total
At December 31, 2020	812	992	205	496	421	2,926
Increases	131	306	11	6	83	537
Reversals of provisions for application	(257)	(298)	(8)	(27)	(52)	(642)
Reversals of unused balance of provisions	(39)	(8)	(23)	-	(26)	(96)
Changes in scope of consolidation	-	-	-	-	-	-
Translation adjustments and other changes	(26)	5	4	-	3	(14)
At June 30, 2021 ⁽²⁾	621	997	189	475	429	2,711

(1) Technical reserves established by the Sales Financing segment's insurance companies.

(2) Short-term portion of provisions: €1,402 million; long-term portion of provisions: €1,309 million.

All known litigation in which Renault or Group companies are involved is examined at each closing. After seeking the opinion of legal advisors, any provisions deemed necessary are set aside to cover the estimated risk. During first-half 2021, the Group recorded no provisions in connection with significant new litigation. Information on contingent liabilities is provided in note 21-A.

The provision for restructuring costs mainly relates to South Korea and the Europe Region.

Note 18 - Financial liabilities and Sales Financing debts

18-A. Current/non-current breakdown

(€ million)	June 30, 2021			December 31, 2020		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	254	-	254	245	-	245
Bonds	6,424	322	6,746	5,839	842	6,681
Other debts represented by a certificate	-	1,350	1,350	-	1,318	1,318
Borrowings from credit institutions	4,573	1,778	6,351	5,648	866	6,514
<i>France</i>	3,323	1,137	4,460	4,378	98	4,476
<i>Russia</i>	1,068	42	1,110	1,021	133	1,154
<i>USA</i>	1,068	42	1,110	1,021	118	1,139
<i>Including Avtovaz</i>	181	434	615	249	387	636
<i>Brazil</i>	535	103	638	530	119	649
Lease liabilities	183	271	454	158	427	585
Other financial liabilities ⁽¹⁾	11,969	3,824	15,793	12,420	3,572	15,992
Financial liabilities of the Automotive segments (excluding derivatives)	61	299	360	99	337	436
Derivatives on financing operations of the Automotive segments						
Financial liabilities of the Automotive segments	12,030	4,123	16,153	12,519	3,909	16,428
Financial liabilities of the Mobility Services segment	14	24	38	14	15	29
Subordinated loans and Diac redeemable shares ⁽²⁾	880	-	880	890	-	890
Financial liabilities	12,924	4,147	17,071	13,423	3,924	17,347
Bonds	-	15,463	15,463	-	17,560	17,560
Other debts represented by a certificate	-	4,280	4,280	-	4,432	4,432
Borrowings from credit institutions	-	4,008	4,008	-	4,552	4,552
Other interest-bearing borrowings, including lease liabilities ⁽³⁾	-	21,421	21,421	-	20,919	20,919
Debts of the Sales Financing segment (excluding derivatives)	-	45,172	45,172	-	47,463	47,463
Derivatives on financing operations of the Sales Financing segment	-	51	51	-	84	84
Sales Financing debts	-	45,223	45,223	-	47,547	47,547

(1) The financial liability recognized at June 30, 2021 in application of IAS 16 for leases analysed in substance as purchases amounts to €110 million (€86 million at December 31, 2020).

(2) Including subordinated loans of RCI Banque, amounting to €850 million at June 30, 2021 (€850 million at December 31, 2020).

(3) Including lease liabilities of the Sales Financing segment, amounting to €42 million at June 30, 2021 (€45 million at December 31, 2020).

18-B. Changes in Automotive financial liabilities and derivative assets on financing operations

(€ million)	December 31, 2020	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	June 30, 2021
Renault SA redeemable shares	245	-	-	-	9	254
Bonds	6,681	100	-	(28)	(7)	6,746
Other debts represented by a certificate	1,318	14	-	18	-	1,350
Borrowings from credit institutions	6,514	(249)	-	104	(18)	6,351
Lease liabilities	649	(57)	-	3	43	638
Other financial liabilities	585	(119)	-	(11)	(1)	454
Financial liabilities of the Automotive segments (excluding derivatives)	15,992	(311)	-	86	26	15,793
Derivatives on financing operations of the Automotive segments	436	(81)	-	6	(1)	360
Total financial liabilities of the Automotive segments (A)	16,428	(392)	-	92	25	16,153
Derivative assets on Automotive financing operations (B)	393	(109)	-	-	(14)	270
Net change in Automotive financial liabilities in consolidated cash flows by segment (A) - (B)		(283)				

Financial liabilities of the Mobility Services segment	29	7	-	2	-	38
Net change in Automotive financial liabilities in consolidated cash flows		(276)				

18-C. Changes in financial liabilities and Sales Financing debts

Changes in redeemable shares of the Automotive segments

The redeemable shares issued in October 1983 and April 1984 by Renault SA are subordinated perpetual shares listed on the Paris Stock Exchange. They earn a minimum annual return of 9% comprising a 6.75% fixed portion and a variable portion that depends on consolidated revenues and is calculated based on identical Group structure and methods.

Redeemable shares are stated at amortized cost. These shares are traded for €428.08 at June 30, 2021 (€373.65 at December 31, 2020). The financial liability based on the stock market value of the redeemable shares at June 30, 2021 is €342 million (€298 million at December 31, 2020).

Changes in bonds and other debts of the Automotive segments

Under its EMTN program, Renault SA issued a Eurobond on April 2021 with a nominal value of €600 million, 7-year maturity and a 2.5% coupon.

In first-half 2021, Renault SA redeemed bonds for a total of €500 million.

As parts of its Shelf Registration programme, Renault SA launched a dual-tranche bond on the Japanese market on June 29, 2021 for a total of ¥150 billion, consisting of a ¥40 billion tranche with a 2-year maturity, and a ¥110 billion tranche with a 3-year maturity. The proceeds of the issue were received on July 6, 2021 and is not included in financial liabilities at June 30, 2021.

State-guaranteed credit facility of the Automotive segments

In 2020, the Renault Group opened a credit line with a pool of five banks, for the maximum amount of €5 billion covered by a French State guarantee for up to 90% of the amount borrowed. At December 31, 2020, €4 billion had been drawn on this credit line in three tranches: €2 billion drawn on August 5, 2020, €1 billion on September 22, 2020 and €1 billion on December 23, 2020. The remaining €1 billion credit is no longer available.

The initial maturity for each drawing was 12 months, and Renault had the option to extend the maturity by a further three years, with repayment of one third each year. The interest rate on each drawing was indexed on the 12-month Euribor for the first year, then the 6-month Euribor for any extensions. Early repayment after extension is possible for a principal amount of at least €500 million.

If extended, these credit drawings will be repayable in one-third instalments in 2022, 2023 and 2024 on the anniversary dates of the initial drawings, with the possibility of early repayment of outstanding instalments at the Renault Group's initiative at each repayment date.

No extension option was exercised during the first half-year of 2021, but the intent to exercise them is unchanged at June 30, 2021, except for €1 billion of the drawing maturing in August 2021, which should be repaid at that date. As a result,

apart from the scheduled repayment of €1 billion in August 2021 which is classified as a current financial liability, the balance of the credit drawn on August 5, 2020 and the other two drawings are classified as non-current liabilities and total €3 billion.

The change of intent between December 31, 2020 and June 30, 2021 concerning €1 billion of the drawing of August 5, 2020, is treated as a modification of a financial liability in compliance with IFRS 9, paragraph B5.4.6. This led to a decrease in the financial liability with recognition of a corresponding amount of €23 million in financial income (note 7).

Changes in Sales Financing debts

In 2021, RCI Banque group issued new bonds totalling €322 million with maturities between 2023 and 2025, and redeemed bonds for a total of €2,368 million.

Borrowings from credit institutions decreased as term loans matured.

The group also made three drawings during 2020 under the TLTRO III program, for the total amount of €1,750 million, maturing in 2023. The maximum interest rate applicable to this financing is calculated on the basis of the mean rate on the ECB's main refinancing operations (MROs, currently at 0%) less a margin of 0.50%. This rate is subsidized according to lending growth targets. As the group expected to meet these targets for the reference period, these revised interest rates have been used to determine the effective interest rate on the financial liabilities. This revisable rate is considered as a market rate because it applies to all credit institutions benefiting from the European Central Bank's TLTRO III program.

New savings collected rose by €564 million during the first half-year of 2021 (€556 million of sight deposits and €8 million of term deposits) to €21,072 million (€15,271 million of sight deposits and €5,801 million of term deposits), and are classified as other interest-bearing borrowings. These savings are collected in Germany, Austria, Brazil, Spain, France and the United Kingdom.

Changes in assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has provided guarantees to the Banque de France under France's central collateral management system 3G (Gestion Globale des Garanties) in the form of assets with a book value of €7,898 million at June 30, 2021 (€7,465 million at December 31, 2020). These guarantees comprise €7,316 million in the form of shares in securitization vehicles, €42 million in euro bonds and €540 million in Sales Financing receivables (€6,675 million of shares in securitization vehicles, €104 million in euro bonds and €686 million in Sales Financing receivables at December 31, 2020). The funding provided by the Banque de France against these guarantees amounts to €1,750 million at June 30, 2021 (€2,250 million at December 31, 2020).

Changes in financial liabilities of the Mobility Services segment

The financial liabilities of the Mobility Services segment consist of internal Group financing issued by Renault sas in the form of interest-bearing loans and put options concerning minority interests.

Credit lines and liquidity reserves

At June 30, 2021, Renault SA's confirmed credit lines opened with banks amounted to €3,430 million

(unchanged from December 31, 2020). These credit lines have maturities of over one year and were unused at June 30, 2021.

At June 30, 2021, the Automotive segments have a liquidity reserve of €16.7 billion (€16.4 billion at December 31, 2020), sufficient to cover their commitments over a 12-month horizon. This reserve consists of €13.30 billion of cash and cash equivalents (€12.95 billion at December 31, 2020), and €3.43 billion of unused confirmed credit lines (€3.43 billion at December 31, 2020).

At June 30, 2021 the Sales Financing segment has available liquidities of €16 billion (€16.6 billion at December 31, 2020), comprising €4.4 billion of undrawn confirmed credit lines with banks (€4.5 billion at December 31, 2020), €5.5 billion of collateral eligible for the European Central Bank's monetary policy operations (€4.5 billion at December 31, 2020), €5.9 billion of High Quality Liquid Assets (HQLA) (€7.4 billion at December 31, 2020) mainly consisting of deposits with central banks.

18-D. Financing by assignment of receivables and reverse factoring - financing for the independent dealer network

Some of the Automotive segment's external financing comes from assignment of commercial receivables to non-Group financial

establishments and intragroup assignments to the Sales

(€ million)	June 30, 2021		June 30, 2020		December 31, 2020	
	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing
Assignment of receivables Automotive (excluding AVTOVAZ)	1,308	378	1,074	300	1,467	307
Assignment of receivables AVTOVAZ Automotive (excluding AVTOVAZ) network financing	80	-	36	-	116	-
AVTOVAZ network financing	-	5,742	-	6,402	-	5,754
Total assigned	6	-	-	-	25	-
	1,394	6,120	1,110	6,702	1,607	6,061

In the first half-year of 2021, the total amount of tax receivables assigned and derecognized is €182 million, comprising €139 million of CIR receivables and €43 million of VAT receivables (€165 million of CIR receivables and €49 million of VAT receivables in 2020).

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit and "CICE" Tax Credit For Competitiveness and Employment), with transfer of substantially all the risks and benefits associated with ownership of the receivables, are only derecognized if the risk of dilution is deemed to be non-existent. This is notably the case when the assigned receivables have already been subject to a tax

Financing segment. The Sales Financing segment also contributes to the financing of inventories sold by the Automotive segment to the independent dealer network.

The group does not undertake any non-deconsolidating assignments.

Details of financing by assignment of commercial receivables and financing of the dealer network by the Sales Financing segment are as follows:

inspection or preliminary audit. No assigned tax receivables remained in the balance sheets at June 30, 2021.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in note 2-P to the 2020 consolidated financial statements.

At June 30, 2021 the Group does not have any reverse-factoring programs, so there is no related impact in financial liabilities (reverse-factoring programs amounted to €145 million at June 30, 2020 and €26 million at December 31, 2020).

V - CASH FLOWS AND OTHER INFORMATION Note 19 -

Cash flows

19-A. Other income and expenses with no impact on cash before interest and tax

(€ million)	H1 2021	H1 2020	Year 2020
Net allocation to provisions	(216)	(18)	353
Net effects of Sales Financing credit losses	(34)	190	255
Net (gain) loss on asset disposals	(126)	126	64
Change in fair value of other financial instruments	(25)	20	58
Net financial indebtedness	142	142	337
Deferred taxes	2	154	114
Current taxes	198	119	306
Other	45	37	26
OTHER INCOME AND EXPENSES WITH NO IMPACT ON CASH BEFORE INTEREST AND TAX	(14)	770	1,513

19-B. Change in working capital before tax

(€ million)	H1 2021	H1 2020	Year 2020
Decrease (increase) in net inventories	183	(872)	(112)
Decrease (increase) in net receivables	(26)	(144)	338
Decrease (increase) in other assets	236	90	212
Increase (decrease) in trade payables	(732)	(2,428)	(908)

Increase (decrease) in other liabilities	62	(149)	(722)
INCREASE (DECREASE) IN WORKING CAPITAL BEFORE TAX	(277)	(3,503)	(1,192)

19-C. Capital expenditure

(€ million)	H1 2021	H1 2020	Year 2020
Purchases of intangible assets	(556)	(752)	(1,500)
Purchases of property, plant and equipment ⁽¹⁾	(530)	(909)	(2,508)
TOTAL PURCHASES FOR THE PERIOD	(1,086)	(1,661)	(4,008)
Deferred payments	(413)	(564)	(200)
TOTAL CAPITAL EXPENDITURE	(1,499)	(2,225)	(4,208)

(1) Excluding capitalized leases assets and right-of-use assets

Note 20 - Related parties

20-A. Remuneration of directors and executives and Board of Management members

Apart from the points described in PART I CORPORATE INFORMATION, V. STATE OF THE COMPANY, 3. STATE OF CORPORATE GOVERNANCE, ETC., (2) STATE OF DIRECTORS AND OFFICERS of the Securities Report of Renault filed on May 27, 2021, there has been no significant change in the principles for remuneration and related benefits of Directors and Executives and members of the Executive Committee, which was replaced by the Board of Management on January 1, 2021.

20-B. Renault's investments in associates

Details of Renault's investments in Nissan and in other companies accounted for under the equity method are provided in notes 11 and 12.

20-C. Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market

conditions, represent sales of €159 million in first-half 2021, an Automotive receivable of €56 million, a Sales Financing receivable of €306 million and a financing commitment of €57 million at June 30, 2021.

In 2020 the Group benefited from a State-guaranteed credit facility, issued by a pool of banks as described in note 18.

Note 21 - Off-balance sheet commitments and contingent assets and liabilities

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automotive regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc.) are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 21-A).

Renault also receives commitments from customers (deposits, mortgages, etc.) and may benefit from credit lines with credit institutions (note 21-B).

21-A. Off-balance sheet commitments given and contingent liabilities

21-A1. Ordinary operations

The Group is committed for the following amounts:

(€ million)	June 30, 2021	December 31, 2020
Financing commitments in favour of customers ⁽¹⁾	3,023	2,437
Firm investment orders	1,072	984
Assets pledged, provided as guarantees or mortgaged	5	4
Sureties, endorsements and guarantees given and other commitments ⁽²⁾	658	970

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end of a maximum amount of €3,002 million at June 30, 2021 (€2,328 million at December 31, 2020).

(2) Other commitments notably include guarantees granted to administrations, share subscription commitments, and lease commitments relating to leases that are outside the scope of IFRS 16 or exempt from the accounting treatment prescribed by IFRS 16. Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 18-C.

21-A2. Contingent liabilities

Group companies are periodically subject to tax inspections in the countries in which they operate. Accepted tax adjustments are recorded as provisions in the financial statements. Contested tax adjustments are recognized on a case-by-case basis, taking into account the risk that the

proceedings or appeals undertaken may be unsuccessful. Tax liabilities are recognized via provisions when there are uncertainties over the determination of taxes.

RESA (Renault España SA) was notified of a €212 million tax reassessment for transfer prices at December 31, 2020, which the Renault Group is contesting. A procedure for amicable settlement between France and Spain was begun in 2021. No

provision has been recognized in connection with this notification, since Renault considers that it has good chances of winning its case. A deposit of €135 million was paid to the Spanish tax authorities in December 2020, recognized in non-current financial assets and presented in cash flows from investing activities (under Decrease (Increase) in loans of the

Automotive segments) in the consolidated cash flow statement. Another payment of €78 million was made during the first half-year of 2021 and recognized in the same way.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At June 30, 2021, the Group has not identified any significant risk in connection with these operations.

Group companies are periodically subject to investigations by the authorities in the countries in which they operate. When the resulting financial consequences are accepted, they are recognized in the financial statements via provisions. When they are contested, they are recognized on a case-by-case basis, based on estimates that take into account the risk that the proceedings or appeals undertaken may be unsuccessful.

The main investigations by the competition and automotive regulations authorities in progress at June 30, 2021 concern illegal agreements and the level of vehicle emissions in Europe.

On January 9, 2019 the Italian Competition Authority (“Autorità Garante della Concorrenza e del Mercato” - AGCM) fined RCI Banque

€125 million, with Renault SA jointly liable for payment of the fine. The Group is contesting the grounds for this fine and has appealed against the decision. Renault considers that the probability of the decision being cancelled or fundamentally amended by a court order is high. Due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. On April 3, 2019 the Group’s application for suspension of the payment was accepted, with arrangement of a bank guarantee. On October 21, 2020 the court cancelled the AGCM’s decision in its entirety, and the AGCM filed an appeal against that ruling on December 23, 2020. The bank guarantee arranged in 2019 was cancelled in 2021. No provision was recognized in connection with this matter at June 30, 2021 nor at December 31, 2020 or June 30, 2020.

In the ongoing “emissions” affair in France, in which a formal legal investigation was opened on January 12, 2017 at the request of the Paris public prosecution office, Renault s.a.s. was officially placed under investigation for deceit on June 8, 2021.

During the second half-year of 2021 Renault will have to pay bail of €20 million to guarantee its representation at all stages of the proceedings, and payment of any damages and fines. It will also have to provide a bank guarantee of €60 million to cover potential

compensation payments. Renault denies having committed any offence. All Renault vehicles have always been type-approved in accordance with applicable laws and regulations.

The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at June 30, 2021 (or at December 31, 2020).

Group companies are subject to the applicable regulations regarding CO2 emissions, principally in the European Union, but also in China, Switzerland, and South Korea. Renault confirmed in a press release of January 4, 2021 that it had achieved its 2020 CAFE (Corporate Average Fuel Economy) targets for passenger vehicles and light commercial vehicles, subject to validation by the European Commission in the following months.

Approximately 70% of the Group’s sales are subject to this type of regulations. By our estimations, the Group will comply with the European CO2 targets for 2020 and 2021.

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and ground water. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability.

21-B. Off-balance sheet commitments received and contingent assets

(€ million)	June 30, 2021	December 31, 2020
Sureties, endorsements and guarantees received	2,989	2,949
Assets pledged, provided as guarantees or mortgaged ⁽¹⁾	2,853	2,749
Buy-back commitments ⁽²⁾	5,599	5,452
Other commitments	59	44

(1) *The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,826 million at June 30, 2021 (€2,708 million at December 31, 2020). In addition, AVTOVAZ received €15 million in real estate property rights and ownership rights as guarantees of loans, and €10 million in rights to vehicles as guarantees of customer receivables (€14 million and €26 million respectively at December 31, 2020).*

(2) *Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.*

Off-balance sheet commitments received concerning confirmed opened credit lines and a bond issue are presented in note 18.

Note 22 - Subsequent events

No significant events have occurred since June 30, 2021.

KPMG S.A.

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Renault S.A.

**Statutory Auditors' Review Report on the
Half-yearly Financial Information 2022**

For the six-month period ended June 30, 2022

Renault S.A.

122-122 bis avenue du Général Leclerc - 92100 Boulogne-Billancourt

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Renault S.A.

Statutory Auditors' Review Report on the 2022 Half-yearly Financial Information

For the six-month period ended June 30, 2022

To the Shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Renault S.A., for the period from January 1st to June 30th, 2022,
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors and were approved on July 28, 2022. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France.

A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 28, 2022.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 29, 2022

The statutory auditors,

French original signed by

KPMG S.A.

Mazars

Bertrand Pruvost

Loic Wallaert

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Renault S.A.

**Rapport des commissaires aux comptes sur
l'information financière semestrielle 2022**

Période du 1^{er} janvier au 30 juin 2022

Renault S.A.

122-122 bis avenue du Général Leclerc - 92100 Boulogne-Billancourt

Renault S.A.

Rapport des commissaires aux comptes sur l'information financière semestrielle 2022

Période du 1^{er} janvier au 30 juin 2022

Mesdames, Messieurs les Actionnaires,

En exécution de la mission qui nous a été confiée par votre assemblée générale et en application de l'article L.451-1-2 III du code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés résumés de la société Renault S.A., relatifs à la période du 1^{er} janvier au 30 juin 2022, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

Ces comptes semestriels consolidés résumés ont été établis sous la responsabilité du conseil d'administration et arrêtés le 28 juillet 2022. Il nous appartient, sur la base de notre examen limité, d'exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France.

Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l'assurance que les comptes, pris dans leur ensemble, ne comportent pas d'anomalies significatives obtenue dans le cadre d'un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d'un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes semestriels consolidés résumés avec la norme IAS 34, norme du référentiel IFRS tel qu'adopté dans l'Union européenne relative à l'information financière intermédiaire.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité, établi le 28 juillet 2022, commentant les comptes consolidés semestriels résumés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes semestriels consolidés résumés.

Paris La Défense, le 29 juillet 2022

Les commissaires aux comptes,

KPMG S.A.

Mazars

Bertrand Pruvost

Loic Wallaert

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Renault, société anonyme (“Renault”)

Statutory Auditors’ Review Report on the
Half-yearly Financial Information 2021

For the six-month period ended June 30, 2021
Renault, société anonyme (“Renault”)
13-15, quai le Gallo - 92100 Boulogne-Billancourt

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Renault, société anonyme ("Renault")
Statutory Auditors' Review Report on the Half-yearly Financial Information

For the six-month period ended June 30, 2021

To the Shareholders

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("*Code monétaire et financier*"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Renault, for the period from January 1st to June 30th, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors and were approved on July 29, 2021. Our role is to express a conclusion on these financial statements based on our review.

I. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 29, 2021.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 30, 2021

The statutory auditors

French original signed by

KPMG Audit
Département de KPMG S.A.

Mazars

Bertrand Pruvost

Loic Wallaert

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Renault, Société anonyme (“Renault”)

Rapport des commissaires aux comptes sur
l’information financière semestrielle 2021

Période du 1^{er} janvier au 30 juin 2021
Renault, Société anonyme (“Renault”)
13-15 quai le Gallo - 92100 Boulogne-Billancourt

Renault, Société anonyme (“Renault”)
Rapport des commissaires aux comptes sur l’information financière semestrielle 2021

Période du 1^{er} janvier au 30 juin 2021

Mesdames, Messieurs les Actionnaires,
En exécution de la mission qui nous a été confiée par votre assemblée générale et en application de l’article L.451-1-2 III du code monétaire et financier, nous avons procédé à :

- l'examen limité des comptes semestriels consolidés résumés de la société Renault, relatifs à la période du 1^{er} janvier au 30 juin 2021, tels qu'ils sont joints au présent rapport ;
- la vérification des informations données dans le rapport semestriel d'activité.

La crise mondiale liée à la pandémie de Covid-19 crée des conditions particulières pour la préparation et l’examen limité des comptes semestriels consolidés résumés. En effet, cette crise et les mesures exceptionnelles prises dans le cadre de l’état d’urgence sanitaire induisent de multiples conséquences pour les entreprises, particulièrement sur leur activité et leur financement, ainsi que des incertitudes accrues sur leurs perspectives d’avenir. Certaines de ces mesures, telles que les restrictions de déplacement et le travail à distance, ont également eu une incidence sur l’organisation interne des entreprises et sur les modalités de mise en œuvre de nos travaux.

Ces comptes semestriels consolidés résumés ont été établis sous la responsabilité du conseil d’administration et arrêtés le 29 juillet 2021. Il nous appartient, sur la base de notre examen limité, d’exprimer notre conclusion sur ces comptes.

I - Conclusion sur les comptes

Nous avons effectué notre examen limité selon les normes d'exercice professionnel applicables en France.

Un examen limité consiste essentiellement à s'entretenir avec les membres de la direction en charge des aspects comptables et financiers et à mettre en œuvre des procédures analytiques. Ces travaux sont moins étendus que ceux requis pour un audit effectué selon les normes d'exercice professionnel applicables en France. En conséquence, l’assurance que les comptes, pris dans leur ensemble, ne comportent pas d’anomalies significatives obtenue dans le cadre d’un examen limité est une assurance modérée, moins élevée que celle obtenue dans le cadre d’un audit.

Sur la base de notre examen limité, nous n'avons pas relevé d'anomalies significatives de nature à remettre en cause la conformité des comptes semestriels consolidés résumés avec la norme IAS 34, norme du référentiel IFRS tel qu’adopté dans l’Union européenne relative à l’information financière intermédiaire.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité, établi le 29 juillet 2021, commentant les comptes consolidés semestriels résumés sur lesquels a porté notre examen limité.

Nous n'avons pas d'observation à formuler sur leur sincérité et leur concordance avec les comptes semestriels consolidés résumés.

Paris La Défense, le 30 juillet 2021

Les commissaires aux comptes

KPMG Audit

MAZARS

Département de KPMG S.A.

Bertrand Pruvost

Loic Wallaert

2. OTHER MATTERS

(1) Subsequent Events

1. July 28, 2022: Nissan contributes €276 million for second quarter 2022 to Renault Group's earnings

Nissan released today its results for the first quarter of fiscal year 2022/2023 (April 1st, 2022 to March 31st, 2023).

Nissan's results, published in Japanese accounting standards, for the first quarter of fiscal year 2022/2023 (April 1st to June 30th, 2022), after IFRS restatements, will have a positive contribution to Renault Group's second quarter 2022 net income estimated at €276 million ⁽¹⁾.

⁽¹⁾ based on an average exchange rate of 138.1 yen/euro for the period under review.

2. July 29, 2022: 2022 first half results

Renault Group upgrades its 2022 financial outlook and accelerates its transformation

- **2022 H1 results, a new step in the Group's turnaround:**
 - Significant improvement in profitability: 4.7% operating margin
 - Strong free cash flow generation: €956 million
 - Strengthening of the financial structure: net debt reduced by €1.2 billion to -€426 million
- **Acceleration of the strategy focused on value and success of new vehicles**
- **2022 FY financial outlook upgraded**
- **Capital Market Day in the fall to present the 2nd step of the Renault strategy and the update of the Group's mid-term financial outlook**

“Renault Group is resolutely pursuing its in-depth transformation and turnaround of its activities. These first half results are a proof of this: despite all the headwinds related to the stop of the activity in Russia, the semiconductor crisis and cost inflation, the Group continues to improve its operating performance and is beginning to benefit from the success of new launches.

Having more than compensated for the loss of its Russian activities and continuing its high-speed transformation, Renault Group is upgrading its 2022 full-year financial outlook. In the fall, new mid-term financial outlook and the accelerated roll-out of Renault strategy will be presented during its Capital Market Day. All our energies are mobilized to transform Renault Group into a competitive, tech and sustainable player.” said **Luca de Meo, CEO of Renault Group**

- **2022 H1¹ results, a new step in the Group's turnaround: significant improvement in profitability, strong free cash flow generation and strengthening of the financial structure**
 - Group revenue at €21.1 billion, stable compared to 2021 H1, despite 11.9% decline in the Group's global sales over the period, in a still disrupted market
 - Group operating margin at €988 million (4.7% of revenue): up €556 million and +2.6 points compared to 2021 H1
 - Automotive operating margin at €420 million (2.1% of Automotive revenue): +€565 million (+2.8 points) despite a decrease of 136,000 vehicles compared to 2021 H1
 - Net income from continuing operations at €657 million, up €458 million compared to 2021 H1
 - Net income from discontinued operations at -€2.3 billion due to the non-cash adjustment related to the disposal of the Russian industrial activities announced on May 16, 2022
 - Automotive operational free cash flow at +€956 million (including a €800 million dividend from Mobilize Financial Services) up €1,470 million compared to 2021 H1
 - Automotive net debt reduced by €1.2 billion versus December 31, 2021, of which €522 million related to the sale of activities in Russia: -€426 million

¹ The results presented relate to continuing operations (excluding Avtovaz and Renault Russia whose disposals were announced on May 16, 2022)

- **Success of new vehicles and acceleration of the strategy focused on value**
 - Group order book in Europe at 4.1 months of sales, supported by the success of new launches:
 - Renault Arkana recorded more than 100,000 orders since its launch, 60% of which are in E-TECH version and 60% on the retail channel
 - Renault Megane E-TECH Electric is experiencing a promising launch with already more than 25,000 orders, 75% of which are on the highest versions and 80% on the most powerful engines. The first vehicles arrived in French dealerships mid-May; its launch in European countries is underway and will continue until September
 - Dacia Sandero remains the best-selling vehicle to retail customers in Europe
 - With more than 30,000 orders recorded in 2022 H1, Dacia Spring 100% electric is number 1 electric vehicle sold to retail customers in France
 - Dacia Jogger promises to be a new success with more than 50,000 orders in 6 months and a mix of more than 60% on high-end versions in Europe
 - Alpine doubled its orders versus 2021 H1 thanks to the success of its new A110 range
 - Product mix effect of +3.3 points on the Automotive revenue versus 2021 H1 thanks to new launches (Arkana, Jogger and Megane E-TECH Electric)
 - Performance of E-TECH sales² that continue to grow, representing 36% of the registrations of Renault brand passenger cars in Europe (vs. 26% in 2021 H1)
 - Acceleration of the pricing effect, which reached +7.4 points of the Automotive revenue versus 2021 H1. This effect will continue in H2 thanks to the Renault commercial policy
 - Impact of raw materials price increases and cost inflation more than offset by the benefits of this new commercial policy coupled with the Group's productivity

² The E-TECH range consists of electric and hybrid vehicles

- **2022 FY financial outlook upgraded**

Renault Group is upgrading its 2022 FY financial outlook with:

- a Group operating margin superior to 5% versus around 3% previously
- an Automotive operational free cash flow superior to €1.5 billion versus positive previously

The Group confirms an impact of the semiconductor crisis estimated at 300,000 vehicles in 2022.

- During its Capital Market Day in the fall, the Group will present an update of its Renault mid-term financial outlook and its strategy positioning itself as a competitive, tech and sustainable reference player

Boulogne-Billancourt, July 29, 2022 –

On May 16, 2022, the Board of Directors of Renault Group unanimously approved the signing of agreements to sell 100% of Renault Group's shares in Renault Russia to the City of Moscow and its 67.69% stake in AVTOVAZ to NAMI (the Central Institute for Research and Development of Automobiles and Engines). In addition, the agreement provides for a call option for Renault Group to buy back its stake in AVTOVAZ, exercisable at certain periods over the next 6 years.

As a result of these agreements:

- The Russian activities were deconsolidated in Renault Group's 2022 H1 financial statements and treated as discontinued operations under IFRS 5 with retroactive effect from January 1st, 2022.
- The financial aggregates of continuing operations for 2022 H1 therefore no longer include the Russian industrial activities and the year 2021 has been adjusted in line with this new scope of activity.
- The result of discontinued operations represents a loss of -€2.3 billion in 2022 H1, mainly due to the impairment of the property, plant and equipment, intangible assets and goodwill of

AVTOVAZ and Renault Russia as well as the impairment of specific assets held by the other entities of the Group and the result of disposals on the Russian entities sold.

- The Automotive net debt was reduced by €0.5 billion from -€1.6 billion to -€1.1 billion at December 31, 2021.

Group revenue reached €21,121 million, up 0.3% compared to 2021 H1. At constant exchange rates³, it increased by 1.1% (negative exchange rate effect mainly related to the Turkish lira devaluation).

³ In order to analyze the variation in consolidated revenue at constant exchange rates, Renault Group recalculates the revenue for the current period by applying average exchange rates of the previous period.

Automotive revenue stood at €19,574 million, up 0.3% compared to 2021 H1.

The price effect, positive by +7.4 points, reflected the continuation of our commercial policy, launched in 2020 Q3, focused on value over volume as well as price increases to offset cost inflation, and an optimization of commercial discounts. It amounted to +8.4 points in 2022 Q2 after +5.6 points in Q1.

The success of Arkana, launched in 2021 Q2, as well as those of Jogger and Megane E-TECH Electric in H1, emphasized the renewal of Renault brand in the C segment and contributed to generate a positive product mix effect of +3.3 points.

These two effects make it possible to compensate for the loss of volume of -5.2 points, which is mainly explained by the decline of the European automotive market in connection with the shortage of semiconductors.

The impact of sales to partners, negative by -1.8 points, is mainly due to the decrease in production of diesel engines and vehicles for our partners (end of contracts of Master for Opel and Traffic for Fiat at the end of 2021).

The “Other” effect, of -2.1 points, is due to a decrease in the contribution of sales from the Renault Retail Group (RRG) network following the disposals of branches and partially offset by the aftersales performance.

The **Group** recorded a positive **operating margin** of €988 million (4.7% of revenue) versus €432 million in 2021 H1 (+2.6 points).

Automotive operating margin improved by €565 million to €420 million (2.1% of Automotive revenue, or +2.8 points versus 2021 H1).

The positive mix/price/enrichment effect of +€1,548 million illustrates the success of the commercial policy focused on value over volume. This policy more than offset the negative volume effect of -€270 million and the increase in costs (raw materials, purchasing, warranty and manufacturing & logistics costs) which amounted to -€647 million. The latter is mainly explained by the sharp increase in raw materials prices (-€797 million), partially offset by the performance of purchasing (+€167 million).

The contribution of Sales Financing of **Mobilize Financial Services** (formerly RCI Bank and Services) to the Group's operating margin reached €582 million, down €11 million compared to 2021 H1, mainly due to the normalization of the level of risk and an average performing assets (€43.7 billion) decreasing in line with the Group's strategy to optimize vehicle stocks in the network.

The retail business recorded a 2.3% increase in new financings. The 14.8% increase in the average amount financed for new contracts offset the 10.9% decrease of the number of new financing contracts due to the decline of the Group's registrations.

In 2022 H1, Mobilize Financial Services successfully completed its first green bond issue for an amount of €500 million with a 5-year maturity. The proceeds of this issue will be used to finance electric vehicles

and charging infrastructure. This issue was cashed in early July and is therefore not included in the financial liabilities as at June 30, 2022.

Other operating income and expenses were negative at -€49 million (versus -€70 million in 2021 H1) and were notably explained by restructuring provisions of -€134 million and asset disposals (+€56 million) mainly related to the sale of several commercial subsidiaries of the Group and branches of RRG.

After taking into account other operating income and expenses, the Group's operating income stood at €939 million versus €362 million in 2021 H1.

Net financial income and expenses amounted to -€236 million compared to -€138 million in 2021 H1. This deterioration can be explained by the impact of hyperinflation in Argentina, the cost of debt remaining stable.

The **contribution of associated companies** amounted to €214 million, up by €54 million compared with the first half of 2021. This includes €325 million related to Nissan's contribution, which more than offset €111 million negative contribution from other associates, notably in connection with the impairment of Renault Nissan Bank shares in Russia.

Current and deferred taxes represented a charge of -€260 million compared to a charge of -€185 million in 2021 H1 in relation with the improvement in profit.

Net income from continuing operations was €657 million, up by €458 million compared to 2021 H1.

Net income from discontinued operations amounted to -€2.3 billion due to the non-cash adjustment related to the disposals of the Russian industrial activities.

Thus, **net income** was -€1,666 million and net income, Group share, was -€1,357 million (or -€4.98 per share).

The **cash flow of the Automotive business**, excluding restructuring expenses, included €800 million of Mobilize Financial Services dividend and reached €2.6 billion, up €0.9 billion compared to 2021 H1. This cash flow largely covered the tangible and intangible investments before asset disposals which amounted to €1.2 billion (€1.1 billion net of disposals).

Excluding the impact of asset disposals, the Group's net CAPEX and R&D rate was 8.0% of revenue compared to 9.1% in 2021 H1. It amounted to 7.5% including asset disposals.

Automotive operational free cash flow⁴ was positive at +€956 million taking into account -€278 million of restructuring expenses and a negative change in working capital requirement of -€275 million.

⁴ *Automotive operating free cash flow: cash flow after interest and taxes (excluding dividends received from listed companies) less tangible and intangible investments net of disposals +/- change in working capital requirement*

Automotive net debt amounted to -€426 million at June 30, 2022 compared to -€1.6 billion at December 31, 2021 (-€1.1 billion adjusted from the operations of AVTOVAZ and Renault Russia), or a decrease of €1.2 billion.

In 2022 H1, Renault Group made an early repayment of €1 billion of the loan of a banking pool benefiting from the guarantee of the French State (PGE) and will be reimbursed, in H2, €1 billion for the mandatory annual repayment. As announced, the entire loan will be reimbursed by the end of 2023 at the latest.

As part of its Shelf Registration program, Renault SA launched on June 24, 2022 a bond issue on the Japanese market for a total amount of 80.7 billion yen (or €561 million) with a rate of 3.5% and a 3-

year maturity. This issue was cashed in on July 1st , 2022 and is therefore not included in the financial liabilities as at June 30, 2022.

As of June 30, 2022, total inventories of new vehicles (including the independent dealer network) represented 348,000 vehicles compared to 427,000 (including around 12,000 vehicles in Russia) at the end of June 2021, or 60 days of sales.

Outlook & Strategy

Renault Group is upgrading its 2022 FY financial outlook with:

- a **Group operating margin superior to 5%**, versus around 3% previously
- an **Automotive operational free cash flow superior to €1.5 billion**, versus positive previously

The Group confirms an impact of the semiconductor crisis estimated at 300,000 vehicles in 2022.

During its Capital Market Day in the fall, Renault Group will present an update of its Renaulution mid-term financial outlook and its strategy positioning itself as a competitive, tech and sustainable reference player.

Renault Group's consolidated results

In € million	2021 H1 ⁵	2022 H1	Change
Group revenue	21,057	21,121	+0.3%
Operating margin	432	988	+556
<i>% of revenue</i>	<i>2.1%</i>	<i>4.7 %</i>	<i>+2.6 pts</i>
Other operating income and expenses	-70	-49	+21
Operating income	362	939	+577
Net financial income and expenses	-138	-236	-98
Contribution from associated companies	160	214	+54
of which Nissan	100	325	+225
Current and deferred taxes	-185	-260	-75
Net income	368	-1,666	-2,034
of which continuing operations	199	657	+458
of which discontinued operations	169	-2,323	-2,492
Net income, Group share	354	-1,357	-1,711
Automotive operational free cash flow	-514	956	+1,470

Adjustments of AVTOVAZ and Renault Russia activities in 2021

In € million	2021 H1	2021 H1	Change	2021 FY	2021 FY	Change
	publishe d	adjusted		Published	adjusted	
Group revenue	23,357	21,057	-2,300	46,213	41,659	-4,554
Operating margin	654	432	-222	1,663	1,153	-510
<i>% of revenue</i>	<i>2.8%</i>	<i>2.1%</i>	<i>-0.7 pt</i>	<i>3.6%</i>	<i>2.8%</i>	<i>-0.8 pt</i>

Other operating income and expenses	-83	-70	+13	-265	-253	+12
Operating income	571	362	-209	1,398	900	-498
Net financial income and expenses	-163	-138	+25	-350	-295	+55
Contribution from associated companies	160	160	-	515	515	-
Current and deferred taxes	-200	-185	+15	-596	-571	+25
Net income	368	368	-	967	967	-
of which continuing operations	368	199	-169	967	549	-418
of which discontinued operations	-	169	+169		418	+418
Automotive operational free cash flow	-70	-514	-444	1,272	889	-383
Automotive Net Debt				-1,622 at 2021- 12-31	-1,100 at 2021- 12-31	+522 at 2021- 12-31

⁵ The results presented relate to continuing operations (excluding Avtovaz and Renault Russia whose disposals were announced on May 16, 2022)

Additional information

The condensed half-year consolidated financial statements of Renault Group at June 30, 2022 were reviewed by the Board of Directors on July 28, 2022.

The Group's statutory auditors have conducted a limited review of these financial statements and their half-year report will be issued shortly.

The financial report, with a complete analysis of the financial results in the first half of 2022, is available at www.renaultgroup.com in the "Finance" section.

(2) Litigation Cases

Please refer to “VI. FINANCIAL CONDITION, 1. SEMI-ANNUAL FINANCIAL STATEMENTS, 2022 Condensed half-yearly consolidated financial statements, Notes to the condensed consolidated financial statements, Note 21-A2. Contingent liabilities” above.

3. DIFFERENCES BETWEEN IFRS AND JAPANESE GAAP

The accompanying financial statements have been prepared in conformity with IFRS as adopted by the European Union. Such accounting principles differ in certain respects from those prevailing in Japan. The major differences relating to the financial statements presented in the last period are summarized below.

1) Consolidated accounts

a. Foreign accounting standards

Under IFRS, the consolidated accounts are prepared on the basis of uniform accounting policies.

Under Japanese GAAP, and the practical guideline on unification of accounting policies of foreign subsidiaries for consolidated financial statements, in preparing consolidated financial statements, accounting policies and procedures adopted by the parent company and its subsidiaries must be unified for transactions of the same nature which occur under identical circumstances. On the other hand, practical guidance (Practical Issue Task Force No.18) permits, as a tentative treatment, if the financial statements of overseas subsidiaries have been prepared in accordance with IFRS or U.S. GAAP, to use these financial statements for consolidation purposes, except for the following items:

- 1- Goodwill should be amortized over a period of less than 20 years.
- 2- If an entity recognizes actuarial differences in accounting for retirement benefits in other comprehensive income and does not expense them subsequently, the amount should be reclassified to profit or loss for the current year by using a method to amortize them proportionately over a certain number of years within the average remaining service period.
- 3- Capitalization and amortization of intangible assets arising from development phases.
- 4- Reevaluations of investment properties, property, plant and equipment, and intangible assets
- 5- If foreign subsidiaries, etc. have elected to present subsequent changes in fair value of an equity instrument in other comprehensive income, the cumulative amount of gain or loss on sales and impairment losses presented in other comprehensive income will be adjusted to reclassify to profit or loss.

In addition, practical guidance (Practical Issue Task Force No.24) allows entities to apply these accounting for foreign subsidiaries to foreign associates accounted for under the equity method.

b. Translation of the financial statements of foreign subsidiaries

Under IFRS, each individual entity is required to determine its functional currency and to measure its operating results and financial position in that currency. This functional currency may be the local currency or a different currency in case where most transactions are carried out in a different currency for instance.

Although Japanese GAAP is silent about the functional currency, the local currency is treated as the functional currency in practice under Japanese GAAP.

c. Joint arrangements

IFRS requires distinction for joint controlled arrangement between Joint-Venture and Joint-Operation arrangements. In a Joint-Venture arrangement, partners limit their rights to Net asset of the jointly controlled entity whereas in a Joint-Operation arrangement specific rights for partners exist on Assets and Liabilities of the controlled entity. The consequence in terms of consolidation method is that Joint-Venture arrangements for a jointly controlled entity should be consolidated under Equity method and Joint-Operation arrangements should be consolidated and recognized on the basis of the percentage share specific to each balance sheet and income statement item.

Under Japanese GAAP, Joint Ventures are accounted for by equity method and there is no clear guidance for Joint Operation. So, consolidation of Joint Operations on the basis of the percentage share specific to each balance sheet and income statement item is not allowed in Japanese consolidated accounts, unless it is authorized by local GAAP accepted for Japanese GAAP consolidation purposes (see §a).

2) Presentation of statement of financial position, statement of comprehensive income and cash flows

The major differences identified relate to the following items;

a. Current and non-current assets and liabilities

Under IFRS, an entity shall present current and non-current assets and current and non-current liabilities, as separate classifications on the face of its statement of financial position except when a presentation based on liquidity provides information that is reliable and is more relevant, pursuant to IAS 1.60.

Under Japanese GAAP, classifying into current, fixed and deferred assets, and current and fixed liabilities based on liquidity is generally adopted.

b. Non-current assets held for sale

Under IFRS, non-current assets held for sale are measured at lower of their carrying amount or fair value less costs to sell, and are not depreciated. In the statement of financial position, those assets and related liabilities are presented separately from other assets and liabilities.

Under Japanese GAAP, there are no such provisions, and they are treated and presented in the same manner as other non-current assets.

c. Discontinued operations

Under IFRS, an entity discloses a single amount in the statement of comprehensive income comprising the total of:

1. the post-tax profit or loss of discontinued operations and
2. the post-tax gain or loss recognized on the measurement of fair value less costs to sell or on the disposal of the assets or disposal group(s) constituting the discontinued operation.

In addition, an entity discloses an analysis, that may be presented in the statement of comprehensive income or in the notes, of the single amount in the above into:

1. the revenue, expenses and pre-tax profit or loss of discontinued operations;
2. the gain or loss recognized on the measurement to fair value less costs to sell or on the disposal; and
3. the income tax expenses related to 1. and 2. Above.

An entity discloses the net cash flows attributable to the operating, investing and financing activities of discontinued operations. These disclosures may be presented either in the financial

statements or in the notes.

An entity that reports a discontinued operation discloses the basic and diluted amounts per share for the discontinued operation either in the statement of comprehensive income or in the notes.

Under Japanese GAAP, there are no such guidance.

d. Asset-backed securities

The recording of asset-backed securities could differ between IFRS and Japanese GAAP. Even though there is no impact on the shareholders' equity, the statement of financial position presentation can be affected, including the valuation of current / non-current assets and/or liabilities.

Under IFRS, financial assets shall be derecognized based on risk-and-reward approach.

Under Japanese GAAP, financial assets shall be derecognized based on financial component approach, where legal isolation is always required.

e. Classification of extraordinary items

Under IFRS, the concept of extraordinary items is eliminated and the presentation of items of income and expense as extraordinary is prohibited.

Under Japanese GAAP, extraordinary items are defined as items unusual in nature and significant in amount. Those include, but are not limited to, gains or losses on disposal of property, plant and equipment and investment securities other than those classified as trading, losses from disasters and so on.

3) Impairment

a. Impairment of assets

Under IFRS, impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount determined as the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use.

The value in use of an asset under IFRS amounts to the present value of the future cash flow. Under IFRS, the best evidence of an asset's fair value is i) a price in a binding sale agreement, ii) the market price, iii) the best information available to reflect the amount that an entity could obtain, at the balance sheet date, from the disposal of the asset in an arm's length transaction between knowledgeable and willing parties.

Under Japanese GAAP, an impairment loss is measured by comparing the carrying amount and the recoverable amount (the higher of the net selling price or the value in use) of the asset if the carrying amount of assets exceeds the sum of the undiscounted future cash flows expected to be generated from the continued use and potential disposal of the assets. The reversal of an impairment loss is not permitted under JGAAP whereas it is under IFRS (except for goodwill).

b. Impairment on investments in listed affiliates

Under IFRS, when considering whether there is an indication of impairment of an associate's investment, the entity shall assess the indication by considering whether there is a significant or prolonged decline between the fair value of the associate's investment and its book value. If the results indicate that there is an indication, an impairment loss shall be recognized and measured by comparing the carrying amount of the investment with its recoverable amount.

Under Japanese GAAP, investments in affiliates are accounted for under the equity method on the consolidated financial statements regardless of their market value. When a write-down is recorded in the non-consolidated financial statements due to a decline in the market value of an investment in an associate, the unamortized amount of goodwill is required to be amortized on the consolidated financial statements if the book amount after the write-down is less than the amount accounted for equity method.

4) Financial instruments

a. Redeemable shares

Under IFRS, redeemable shares with a return partly indexed on revenues are considered as debts with an embedded derivative accounted for at fair value, when the index is considered as a financial variable which cannot be evaluated separately. Redeemable shares with a return partly indexed on revenues are booked at amortized cost, if the index can be considered as a non-financial variable.

Under Japanese GAAP, redeemable shares are initially recorded as equity at their issuance cost. No specific standards govern subsequent measurement.

b. Hedging

Under IFRS, hedging instruments, along with the hedged items when qualified for hedge accounting, are accounted for at fair value.

Under Japanese GAAP, all derivatives are carried at their fair value and unrealized gain and loss arising from those derivatives are charged to the income statement except when certain criteria for hedge accounting are met. In that case, those unrealized gain and loss are deferred and included in equity. Certain synthetic method is allowed for hedge accounting by using interest rate swap or foreign exchange forward contracts.

c. Impairment of sales finance receivables

Under IFRS, impairment on sales financing receivables is booked with the following rules:

- Upon initial recognition, impairment on the instrument is recorded equivalent to the 12-month with a prospective model based on expected credit losses.
- If there is a significant deterioration in the credit risk after initial recognition, impairment on the instrument is recorded equivalent to the instrument's lifetime expected losses.

Under Japanese GAAP, a valuation allowance is recorded for the whole portfolio, based on the past experience, even in the absence of a delinquency triggering event. In addition, a specific allowance is provided for doubtful receivables based on the relevant factors such as financial condition of debtors and the fair value of collateral, if any.

d. Equity financial assets for which the FVOCI option has been elected

Under IFRS, the valuation difference on equity financial assets for which the option to measure at fair value through other components of comprehensive income (FVOCI option), when sold, would never be reclassified to profit and loss.

Under Japanese GAAP, the valuation difference is reclassified to profit and loss when the financial assets carried at fair value through other components of comprehensive income are sold.

5) Valuation of inventories

Under IFRS, costs in inventory are assigned by using individual cost method, first-in, first-out method weighted average cost method or the retail method.

Under Japanese GAAP, individual cost method, first-in, first-out, average cost (overall or moving) and retail method are applicable. In certain circumstances, use of the last purchase price method is accepted.

6) Amortization of goodwill

Under IFRS, goodwill is not amortized but impaired when required.

Japanese GAAP requires amortization of goodwill on a straight-line basis over a period not exceeding 20 years. Impairment is also recognized when required although the reversal of impairment loss is not permitted.

7) Employee benefits

a. Actuarial differences on pension accrual

Under IFRS, entities shall recognize actuarial differences immediately as a liability in shareholders' equity (accumulated other comprehensive income) and shall not subsequently recycle it to profit or loss.

Under Japanese GAAP, entities may select either of the following methods in accounting for actuarial differences: to expense them for the year in which they occurred or to recognize a portion of actuarial differences that is not expensed in other comprehensive income. If an entity selects the method to recognize them in other comprehensive income, the entity shall subsequently recycle it to profit or loss.

b. Past service cost on pension accrual

Under IFRS, past service cost shall be recognized immediately as cost.

Under Japanese GAAP, entities may select either of the following methods in accounting for past service costs: to expense them for the year in which they occurred or to recognize a portion of service costs that is not expensed in other comprehensive income. If an entity selects the method to recognize them in other comprehensive income, the entity shall subsequently expense them by using a method to allocate the amount on a pro rata basis over a certain number of years within the average remaining service period.

c. Calculation of interest cost on pension liability

IFRS applies the discount rate to the net benefit obligation (i.e. projected benefit obligation less plan asset) to calculate a single net interest cost or income.

Under JGAAP calculation of interest cost (based on the application of a discount rate to the projected benefit obligation) and expected return on assets (based on the application of a long-term expected rate of return on assets to the calculated asset value) are performed independently. Long-term expected rate of return is defined by considering the portfolio and past performance of the plan assets held, long-term investment policies and market trends, among others.

d. Accrual for compensated absence

Under IFRS, an entity recognizes the expected cost of accumulating paid absence as the additional amount that the entity expects to pay as a result of the unused entitlement that has been accumulated at the end of the reporting period.

Under Japanese GAAP, there is no such guidance.

8) Stock option plans granted to employees

Under IFRS, the cost of stock option plans granted to the employees is measured by reference to the fair value of those options. The expense is recognized, together with the corresponding increase in equity, over the specified period of service (the vesting period).

If option is exercised, price difference with underlying new shares is charged to equity.

If the instruments are forfeited or the options are not exercised, previous expense is not reversed.

Under Japanese GAAP, stock option category addressed is limited to equity settled share-based payment transactions and no clear guideline is given for cash-settled share-based payment transactions.

Alike IFRS, under the Japanese GAAP rule for equity-settled plans, the cost of stock option plans granted to the employees is measured by reference to the fair value of those options. Fair-value is fixed upon stock option attribution date, and corresponding expense is recognized, together with the corresponding increase in equity, over the vesting period. When option expires, previous expense is offset through extraordinary income.

9) Research and development expenses

Under IFRS, the development expenses incurred after the approval of the project that includes the decision to implement production facilities and the approval of the design for mass production are capitalized until the start of production. They are amortized on a straight-line basis over the expected market life of the vehicle or part.

Expenses incurred before the formal approval of the product development are recorded as costs in the period they are incurred, in the same way as research expenses.

Under Japanese GAAP, any research and development expenditure is to be recognized as an expense when incurred.

10) Borrowing costs capitalizations

Under IFRS, borrowing costs that are directly attributed to the acquisition, construction or production of a qualifying assets shall be capitalized as part of the cost of that asset.

Under Japanese GAAP, borrowing costs are generally recognized as incurred.

11) Revenue recognition

Under IFRS, revenue is recognized in the amount of consideration an entity expects to receive in exchange for transferring goods or services to the customer according to the following five-step approach.

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation

Under Japanese GAAP, a revenue recognition standard incorporating the fundamental principles of IFRS 15 has been applied from fiscal years beginning on or after April 1, 2021.

12) Leases

Under IFRS, lessee is required to recognize right-of-use assets and lease liabilities without classifying leases into operating leases and finance leases.

Under Japanese GAAP, lessee is required to classify lease transactions into finance lease and operating lease. For finance leases, leased assets and lease obligations are recognized according to accounting for in a similar manner with ordinary sales and purchase transactions. For operating lease, lease transactions are accounted for in a similar manner with ordinary rental transactions.

VII. MOVEMENT OF FOREIGN EXCHANGE QUOTATION

The exchange quotation of the currency (Euro) used in the financial documents of Renault against Japanese yen has been reported for the recent six months in not less than two daily newspapers reporting on general affairs published in Japan.

VIII. REFERENCE INFORMATION RELATING TO THE COMPANY

The following documents were filed with the Director General of the Kanto Local Finance Bureau during the period from the beginning of the relevant interim period to the date of filing of this report

<u>Name of Documents</u>	<u>Filing Date</u>
(1) Annual Securities Report and attachments thereto	May 19, 2022
(2) Shelf Registration Statement (4-Foreign 1) and attachments thereto	May 19, 2022
(3) Extraordinary Report (pursuant to article 24-5, paragraph 4 of the Financial Instruments and Exchange Act and article 19, paragraph 1 and paragraph 2, item 3, item 12 and item 19 of the Cabinet Office Ordinance concerning Disclosure of Affairs, etc. of Corporations)	June 10, 2022
(4) Amendment to the Shelf Registration Statement filed on May 19, 2022 (4-Foreign 1)	June 10, 2022
(5) Supplemental Document to Shelf Registration Statement (4-Foreign 1-1) and attachments thereto	June 24, 2022

PART II INFORMATION CONCERNING GUARANTOR, ETC. OF THE COMPANY

I. INFORMATION ON GUARANTY COMPANY

Not applicable.

II. INFORMATION ON COMPANIES OTHER THAN GUARANTY COMPANY

Not applicable.

III. INFORMATION ON BUSINESS INDICES, ETC.

Not applicable.