(Translation)

SEMI-ANNUAL SECURITIES REPORT

For Interim Period from January 1, 2023 to June 30, 2023

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, 2023 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)

TABLE OF CONTENTS

Cover Page

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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 July 31, 2023 was EUR 1 = JPY156.85. 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 12, 2023, 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 to that of the Securities Report of Renault filed on May 12, 2023.

1. SUMMARY OF CORPORATE SYSTEM, ETC.

(1) CORPORATE SYSTEM IN THE COUNTRY OR STATE TO WHICH RENAULT BELONGS:

[Omitted]

The following is a summary of the major provisions applicable to *Sociétés Anonymes* (hereinafter referred to as an "SA") under the French Commercial Code modified pursuant, amongst others, to a law dated May 15, 2001 titled N.R.E ("*Nouvelles Régulations Economiques*"), a law dated August 1, 2003 titled "*Loi de Sécurité Financière*", an Ordinance n°2004-604 dated June 24, 2004, a law dated July 26, 2005, titled "*Loi pour la confiance et la modernisation de l'économie*, a law dated August, 4, 2008 titled LME ("*Loi de modernisation de l'économie*"), an Ordinance n° 2010-1511 dated December 9, 2010 transposing the European Directive 2007/36 on the rights of the shareholders of the listed companies, a law dated March 22, 2012 titled "*Loi de simplification du droit et d'allègement des démarches administratives*" ("*Loi Warsman II*"), a law dated March 29, 2014 aiming at recapturing the real economy ("*Loi Florange*"), an Ordinance n°2014-863 dated July 31, 2014 relating to company law, an Ordinance n° 2014-948 dated August 20, 2014 on corporate governance and equity transactions in publicly-owned companies, an Ordinance n°2015-1127 dated September 10, 2015 reducing the number of shareholders in a non-listed SA, a Law n°2015-990 dated August 6, 2015 aiming at simplifying economy ("*Loi Macron*"), an Ordinance n°2016-131 dated February 10, 2016, aiming at reforming contract law, a Law n°2016-1691 dated December 9, 2016 aiming at fighting against corruption ("*Loi Sapin II*"), a Decree n° 2017-663 dated April 27, 2017, a Law n° 2018-771 dated September 5, 2018, providing new rules on gender pay equality, Law n° 2019-486 of May 22, 2019 - action plan for business growth and transformation <u>("*Loi PACTE*")</u> and <u>a</u> Law n° 2019-744 of July 19, 2019 aiming at simplifying, clarifying and updating the Companies Law.

[Omitted]

Shareholders

[Omitted]

The shareholders are vested the ultimate power over the SA. In particular, the shareholders appoint the Supervisors ("*membres du conseil de surveillance*"), or the Executive Officers ("*membres du directoire*"), in a two-tier company, or the Directors ("*administrateurs*"), in a unitary company, as the case may be, and the <u>Statutory</u> Auditor (*commissaire aux comptes*) of the corporation, may declare dividends, may approve the financial statements, may decide to dissolve the corporation and may authorize any modification of the registered capital, as well as any other amendments of the By-laws.

[Omitted]

Shareholders' Rights

[Omitted]

(b) Voting Right

[Omitted]

Article L. 22-10-46 of the French Commercial Code provides that, regarding the companies whose shares are admitted on a regulated market, a double voting right is attributed to all fully paid-up shares and for which proof of registration for two years in the name of the same shareholder is provided unless this is expressly disapplied in the By-laws. This registration must be unbroken and is to be considered as from April 2, 2014 for these companies which had not attributed any double voting rights before April 2, 2014. As a consequence, in these companies, eligible holders of registered shares benefit from double voting rights as from April 3, 2016.

[Omitted]

(2) CORPORATE SYSTEM AND ORGANIZATION PROVIDED FOR IN BY-LAWS, ETC. OF RENAULT:

General Matters

Organized as a *société anonyme* (limited company) under French law, Renault is governed by the provisions of Book II of the Commercial Code, on commercial undertakings. Renault was incorporated on June 28, 1955 and will cease to exist on December 31, 2088 except in the case of early termination or renewal. The head office is located at 122-122bis avenue du Général Leclerc – 92100, Boulogne-Billancourt, FRANCE. Renault is registered with the Registrar of Companies in Nanterre under the number 441 639 465 (APE code 6420 Z; Siret code: 441 639 465 00091). Legal documents such as the By-laws, minutes of Annual General Meetings, statutory auditors' reports and all other documents made available to shareholders in accordance with law may be consulted at the company's head office. Renault's corporate purpose is the design, manufacture, trade, repair, maintenance and leasing of motor vehicles (commercial, light commercial and passenger vehicles, tractors, farm machinery and construction equipment) as well as the design and manufacture of spare parts and accessories used in connection with the manufacture and operation of vehicles. It also encompasses all types of services relative to such operations and, more generally, all industrial, commercial, financial, investment and real estate transactions relating directly or indirectly, in whole or in part to any of the above purposes (see Article 3 of the By-laws). Renault's financial year runs for 12 months from January 1 to December 31.

Shareholders' Rights

(a) Rights and Obligations related to Shares

[Omitted]

A shareholders' meeting deciding a share capital increase may abrogate the preferential right. Subject to nullity of the decision, the meeting decides on the basis of a report by the Board of Directors and a report by the statutory auditors made in accordance with legal and regulatory provisions.

[Omitted]

Each time the holding of several shares is required to exercise a right, the shares which are below the amount required shall not grant their owners any right against the company, and the shareholders shall be in charge, in such case, of gathering the necessary number of shares.

[Omitted]

Statutory thresholds

Shares are registered in an account according to the provisions and terms established by law. Fully paid-up shares are in either registered or bearer form, at the discretion of their owner, subject to legislation in force and the By-laws. However, shares that are issued against cash and that are not fully paid-up must be in registered form. Renault is authorized to make use of the appropriate legal provisions for identifying shareholders having immediate or future voting rights in its own shareholders' meetings. In addition to the statutory requirement to inform the company of shareholdings exceeding a certain fraction of the share capital, any shareholder or management company for an undertaking for collective investment in transferable securities in a fund management organization holding, alone or in concert, a number of shares or voting rights greater than 2% of the share capital or a multiple of this percentage which is less than or equal to 5% of the share capital or the voting rights, is obliged to disclose to the company the total number of shares he possesses, by registered letter with acknowledgement of receipt, within a time period of four business days. Beyond 5%, the foregoing mandatory disclosure shall apply to any 1% fraction of the share capital or voting rights. For the purposes of determining the thresholds described above, indirectly held shares or shares assimilated to equity held as defined by the provisions of Article L.233-9 of the French Commercial Code will also be taken into account. The declarer must certify that the said declaration includes all shares held or owned within the meaning of the preceding paragraph and must indicate the acquisition date(s). The declaration requirement applies in the same manner if the holding falls below any of the aforementioned thresholds.

[Omitted]

Management

[Omitted]

Members of the Board of Directors

[Omitted]

C/ Directors elected by the employees

[Omitted]

The status and the methods of election of these Directors are laid down by the provisions of articles L.225-27 to L.225-34, L.22-10-6 and L.22-10-7 of the French Commercial Code and by the By-laws.

[Omitted]

Functions of Chairman

[Omitted]

Since January 24, 2019, the Board of Directors adopted a governance method in which the functions of Chairman of the Board of Directors and Chief Executive Officer have been separated.

[Omitted]

General Meeting of Shareholders

[Omitted]

The Board's report on the company's businesses is reported at the Ordinary Shareholders' Meeting. The statutory auditors' report is also reported to the Ordinary Shareholders' Meeting.

[Omitted]

The Ordinary Shareholders' Meeting appoints the statutory auditors.

The Ordinary Shareholders' Meeting sets the maximum amount of remuneration to be distributed among the directors.

The Ordinary Shareholders' Meeting decides on the statutory auditor's special report on conventions authorized by the Board of Directors in accordance with the law.

[Omitted]

<u>Statutory</u> Auditors (Commissaires aux Comptes)

[Omitted]

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)

	Half-Year ended June 30					Years ended December 31			
Consolidated	2021	2021 restated (6)	2022	2022 restated (7)	2023	2021	2021 restated (6)	2022	2022 restated (7)
Revenues	23,357	21,057	21,121	21,089	26,849	46,213	41,659	46,391	46,328
Pre-tax income (1)	568	384	917	901	2,402	1,563	1,120	2,153	2,128
Net income	368	368	(1,666)	(1,676)	2,124	967	967	(700)	(716)
Net income – parent-company shareholders' share	354	354	(1,357)	(1,367)	2,093	888	888	(338)	(354)
Comprehensive income	1,275	1,275	(126)	(136)	886	2,630	2,630	1,362	1,346
Shareholders' equity (2)	26,582	26,582	27,931	28,088	30,333	27,894	27,894	29,539	29,690
Shareholders' equity – (parent-company shareholders' share)	26,013	26,013	27,399	27,556	29,653	27,320	27,320	28,798	28,949
Total assets	113,235	113,235	110,986	110,986	119,907	113,740	113,740	118,319	118,292
Renault's equity per share (EUR) (3) (rounding to two digits to the right of the decimal point)	87.96	87.96	92.65	93.18	100.27	92.38	92.38	97.38	97.89
Earnings per share (EUR) (4) (rounding to two digits to the right of the decimal point)	1.30	1.30	(4.98)	(5.01)	7.70	3.26	3.26	(1.24)	(1.30)
Capital adequacy ratio (%) (5) (rounding to two digits to the right of the decimal point)	23.48	23.48	25.17	25.31	25.30	24.52	24.52	24.97	25.10
Cash flows from operating activities	(622)	(622)	401	401	1,050	2,409	2,409	3,613	3,613
Cash flows from operating activities of continuing operations	-	-	-	716	1,050	-	-	3,927	3,927
Cash flows from operating activities of discontinued operations	-	-	-	(315)	-	-	-	(314)	(314)
Cash flows from investing	(334)	(344)	(2,197)	(2,197)	(1,493)	(1,616)	(1,616)	(3,294)	(3,294)

activities									
Cash flows from investing activities of continuing operations	-	-	-	(1,382)	(1,493)	-	-	(2,479)	(2,479)
Cash flows from investing activities of discontinued operations	-	-	-	(815)	-	-	-	(815)	(815)
Cash flows from financing activities	(321)	(321)	(1,358)	(1,358)	(2,454)	(631)	(631)	(478)	(478)
Cash flows from financing activities of continuing operations	-	-	-	(1,681)	(2,454)	-	-	(800)	(800)
Cash flows from financing activities of discontinued operations	-	-	-	323	-	-	-	322	322
Cash and cash equivalents	20,530	20,530	19,007	19,007	18,944	21,928	21,928	21,774	21,774
Number of employees as of the end of the term (person) (Excluding employees under the early retirement scheme)	nc	nc	nc	nc	nc	156,466	156,466	105,812	105,812

(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, 2021, June 30 and December 31, 2022, and June 30, 2023.

(4) Based on net income - parent-company shareholders' share and on average number of shares outstanding, i.e 272,441 thousand shares in first half 2021, 272,619 thousand shares in first half 2022, 271,761 thousand shares in first half 2023, 272,102 thousand shares in fiscal year 2021 and 272,097 thousand shares in fiscal year 2022. 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) 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).

(7) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A of the Condensed consolidated financial statements first half 2023).

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 12, 2023, 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 12, 2023, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

4. STATE OF EMPLOYEES

At December 31, 2022, the Renault group's total workforce stood at 105,812 persons, with 101,621 in the Automotive division and 4,191 in the Sales Financing division, and such workforce has not changed significantly during the first half 2023.

Restructuring and workforce adjustment costs in the first half-year of 2023 principally concern France (€(152) million). They relate to the plan to reduce fixed costs announced on May 29, 2020 and cover employee departure plans, fees and other expenses relating to the Horse and Ampere projects, and the Group's digital transformation.

In 2022, these costs principally concerned France (€(174) million, including €(55) million for the first half-year), Germany (€(81) million, including €(2) million for the first half-year), Romania (€(36) million, including €(31) million for the first half-year) and Spain (€(19) million, including €(15) million for the first half-year).

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 12, 2023, 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 12, 2023, 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 12, 2023, 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, 2023.

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.

Renault Group does not identify, for the next 6 months of 2023, risk factors other than those described in III-2 "RISKS IN BUSINESS, ETC." of the Securities Report of Renault filed on May 12, 2023.

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, 2023.

(1) OUTLINE OF RESULTS OF OPERATION, ETC.

A. In brief

Key figures

		H1 2023	H1 2022[1]	Change
Worldwide Group registrations	Thousand vehicles	1,134	1,001	+13.2%
Group revenues	€ million	26,849	21,089	+5,760
Group operating profit	€ million	2,040	972	+1,068
	% revenues	7.6%	4.6%	+3.0 pts
Group operating income	€ million	2,096	923	+1,173
Contribution from associated companies	€ million	566	214	+352
o/w Nissan	*€ million*	*582*	*325*	*+257*
Net income	€ million	2,124	-1,676	+3,800
o/w continuing operations	*€ million*	*2,124*	*647*	*+1,477*
o/w discontinued operations	*€ million*	*0*	*-2,323*	*+2,323*
Net income, Group share	€ million	2,093	-1,367	+3,460

o/w continuing activities	*€ million*	*2,093*	*624*	*+1,469*
o/w discontinued operations	*€ million*	*0*	*-1,991*	*+1,991*
Earnings per share	€	*7.70*	-5.01	+12.71
Free cash flow (2)	€ million	1,775	956	+819
Automotive net financial position	€ million	2,185	549	+1,636
		at Jun. 30, 2023	at Dec. 31, 2022	
Sales Financing, average performing assets	€ billion	49.9	43.7	+14.2%

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (see Note 2-A).
(2) 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

Record profitability & free cash flow

- **2023 H1: further upside versus guidance upgraded on June 29, 2023:**

	Operating margin	**Free cash flow**
2023 H1 guided on June 29	>7%	~€1.5bn
2023 H1 actual	**7.6%**	**€1.8bn**
FY 2023 initial guidance	≥6%	≥€2bn
FY 2023 upgraded guidance on June 29	**between 7% and 8%**	**≥€2.5bn**

- **Strong 2023 H1 results:**
  - **Group revenue:** €26.8 billion, +27.3% vs 2022 H1[1]
  - **Record profitability**:
    - Group operating margin: 7.6% of revenue (+3.0 points vs 2022 H1), more than doubled in value at €2 billion vs 2022 H1
    - Automotive operating margin: 6.2% of revenue (+4.1 points vs 2022 H1), more than tripled in value at €1.5 billion vs 2022 H1
  - **Net income**: €2.1 billion, +€3.8 billion vs 2022 H1
  - **Record free cash flow**: €1.8 billion including a €0.6bn dividend from Mobilize Financial Services, +€0.8 billion vs 2022 H1 driven by a strong operational performance
  - **Solid Automotive net cash financial position**: €2.2 billion at June 30, 2023 (+€1.6 billion vs December 2022)
  - **Breakeven point lowered by 50%** vs 2019 H1

- **First benefits of an unprecedented product offensive:**
  - **Worldwide Group's sales** reached 1,134,000 vehicles in 2023 H1, up 13% compared to 2022 H1. In Europe, sales were up 24% in a market up 17%.
    - Renault brand worldwide sales reached more than 772,000 units, almost +12% versus 2022 H1. In Europe, Renault brand increased its sales by 21% to more than 500,000 units and comes back on the podium, as the second best-selling brand and the first one in France.

[1] The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".

- Dacia recorded sales up 24% to more than 345,000 units worldwide. In Europe, Dacia sales were up 30% to 301,000 units thanks to the success of its line-up. Dacia Sandero remains the best-seller to retail customers in Europe. Dacia moves up to 2nd place on the European podium for retail sales[2].
- Alpine continued to improve its sales with nearly 1,900 units, up 9% versus 2022 H1.

- **Strong price effect at 8.8 points** and **further improvement in product mix at 3.5 points** in the first half of 2023 driven by the commercial policy focused on value and the success of new products:
  - 65% of **Group sales on the retail channel** in the Group's five main countries in Europe[3].
  - Renault brand sales in **C-segment** in Europe improved by 42% compared to 2022 H1, thanks to the success of Megane E-TECH Electric, Arkana and Austral. C & above segments represented 42% of Renault brand sales mix in Europe over the first half.
  - Renault Megane E-TECH Electric recorded 23,000 sales in 2023 H1, with 70% on high trim versions and more than 80% on the most powerful engine.
  - Renault Austral recorded almost 40,000 sales in 2023 H1 with 65% of hybrid mix and 60% of high trim versions. Just launched, Renault Espace will broaden the offer.
- **Renault Group pursues its electrification offensive**:
  - Renault brand recorded a 18% volume increase in electrified passenger[4] car sales versus 2022 H1, accounting for 37% of the brand's passenger car sales in Europe. Full electric vehicles represented 11% of the brand's passenger car sales.
  - The first hybrid version in the Dacia range was launched in January 2023 on Jogger. Dacia Jogger Hybrid 140 already represents more than 25% of its order mix despite components constraints. Jogger is a key product to attract new customer profiles and its hybrid version supports Dacia smooth electrification strategy.
  - Dacia Spring (100% electric) recorded more than 27,000 sales in Europe in 2023 H1. It was again on the podium of retail electric vehicles in Europe in H1.
  - This momentum will be supported, in second half, by Espace E-TECH Hybrid and New Clio with a hybrid engine at the core of its range. From 2024 onwards, Renault's electric line-up will further accelerate the dynamic, with Scenic and Renault 5 in particular.
- **Strong Group's orderbook in Europe** at 3.4 months of sales at the end of June. It would remain above the target of 2 months of sales through 2023, even with a market -30% below 2019.

- **Significant progress on Revolution projects**
  - **Horse:**
    - Carve-out of Horse, Renault Group's dedicated entity for advanced low-emission ICE and hybrid powertrains, effective on July 1st, 2023.
    - Signing of a JV agreement on July 11, 2023 combining Renault Group and Geely entities to launch the leading powertrain technology company.
    - As already announced in March 2023, Aramco is evaluating a strategic investment in this new company.
  - **Ampere:**
    - Carve-out to be completed in 2023 H2 as expected.
    - Targeting the best window for an IPO, most probably in 2024 H1.
    - Progressing towards 40% cost reduction on a car-by-car basis in next vehicles generation by 2027.
  - **Alpine:** RedBird Capital Partners, Otro Capital and Maximum Effort Investments are investing €200 million in Alpine Racing Ltd (United Kingdom) capital, with a 24% equity stake to accelerate Alpine's growth strategy and sporting ambitions in Formula 1. The transaction values Alpine Racing Ltd (chassis entity only) around $900 million following this investment.

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[2] Passenger car sales to retail customers in Europe (Dataforce Source, list of European countries with sales by customer channel) = Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

[3] Passenger cars in France, Germany, Spain, Italy, United Kingdom.

[4] Includes EV, Hybrid (HEV) and Plug-In Hybrid (PHEV), excludes Mild-Hybrid (MHEV).

- **Alliance:** Renault Group and Nissan concluded on July 26, 2023 the definitive agreements to reset the Alliance, to strengthen their long-standing partnership and maximize value creation for all stakeholders.

Group revenue reached €26,849 million, up 27.3% compared to 2022 H1. At constant exchange rates[5], it increased by 30.6%.

Automotive revenue stood at €24,850 million, up 27.0% compared to 2022 H1. It includes 3.2 points of negative exchange rates effect mainly related to the Argentinean peso and the Turkish lira devaluation. At constant exchange rates [5], it increased by 30.2%.
Volume effect stood at +15.0 points thanks to the commercial success of vehicles combined with an improved availability of electronic components. Invoices outperformed sales because of the high level of vehicles still in transit between our plants and our final customers due to remaining outbound logistic tensions in the first half.
The price effect, positive by +8.8 points, continued to be very strong and reflects the Group's commercial policy focused on value over volume, as well as price increases to offset cost inflation, and an optimization of commercial discounts.
In 2023 H1, the product mix effect stood at +3.5 points mainly thanks to the success of Megane E-TECH Electric and Austral.
The impact of sales to partners was positive by +1.6 points, supported by the production of the ASX for Mitsubishi Motors since the beginning of the year as well as a dynamic LCV market driving sales to Nissan, Renault Trucks and Mercedes-Benz.

The **Group** posted a record **operating margin** at 7.6% of revenue versus 4.6% in 2022 H1, up 3.0 points. It continued to improve sequentially from 6.3% in 2022 H2 to 7.6% in 2023 H1. It stood at €2,040 million and more than doubled versus 2022 H1.

Automotive operating margin more than tripled in value and stood at €1,541 million versus €420 million in 2022 H1. It represented 6.2% of Automotive revenue, improving by 4.1 points versus 2022 H1.
The volume effect at +€763 million and the positive mix/price/enrichment effect of +€1,771 million illustrated the success of vehicles and of the commercial policy focused on value. The positive mix/price/enrichment effect more than compensated the increase in costs which amounted to -€1,181 million. The latter was mainly explained by the impact of the carry-over of raw materials and energy price increases, logistics and labor costs.

The operating margin includes, since the beginning of November 2022 and until the deconsolidation of Horse, a positive non-cash effect of the cessation of amortization for these assets held for sale. It accounted for €275 million in 2023 H1. Adjusted from Horse positive impact, the Group operating margin would have been 6.6% in 2023 H1, compared to an operating margin of 4.6% in 2022 H1.

The contribution of **Mobilize Financial Services** (Sales Financing) to the Group's operating margin reached €518 million, down €48 million compared to 2022 H1[6] due to non-recurring impacts of the swaps valuation linked to the interest rate increase in Europe since beginning 2022. Excluding this one-off, Mobilize Financial Services posted an operating margin up 9% compared to 2022 H1. New financings increased by 19% compared to 2022 H1, notably due to the strong increase in registrations and the 11% increase in the average financed amount.

Other operating income and expenses were positive at €56 million (versus -€49 million in 2022 H1) and were notably explained by
+€227 million of asset disposals related to the sale of land in Boulogne-Billancourt and of several commercial subsidiaries of the Group and branches of Renault Retail Group, which more than compensated the restructuring costs linked to the Renaulution reorganization.

After taking into account other operating income and expenses, the **Group's operating income** stood at €2,096 million versus
€923 million in 2022 H1 (+€1,173 million versus 2022 H1).

Net financial income and expenses amounted to -€260 million compared to -€236 million in 2022 H1. The increase is explained by the impact of hyperinflation in Argentina partially compensated by the positive impact of the rise in interest rates on the net cash position.

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[5] 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.
[6] The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".

The **contribution of associated companies** amounted to €566 million compared to €214 million in 2022 H1. This included €582 million related to Nissan's contribution.

Current and deferred taxes represented a charge of -€278 million compared to a charge of -€254 million in 2022 H1. The increase is linked to the improvement of the pretax income.

Thus, **net income** stood at €2,124 million, up €3,800 million compared to 2022 H1 and **net income, Group share,** was €2,093 million (or €7.70 per share). As a reminder, in 2022 H1, net income from discontinued operations amounted to -€2,323 million due to the non-cash adjustment related to the disposals of the Russian industrial activities.

The **cash flow of the Automotive business** is at record level in 2023 H1 and reached €3,292 million, up around €650 million compared to 2022 H1. It includes €600 million of Mobilize Financial Services dividend versus €800 million in 2022 H1.

Excluding the impact of asset disposals, the Group's net CAPEX and R&D stood at €1,859 million i.e., 6.9% of revenue compared to 8.0% of revenue in 2022 H1. It amounted to 6.2% including asset disposals.

Free cash flow[7] stood at €1,775 million taking into account a negative change in working capital requirement of -€138 million. Restated from Mobilize Financial Services dividend, it stood at €1,175 million versus €156 million in 2022 H1.

As of June 30, 2023, **total inventories** of new vehicles (including the independent dealer network) represented 569,000 vehicles. This level is explained by continuing tensions on the downstream logistics which weigh on the ability to deliver vehicles to the final customers. It slightly decreased compared to 2023 Q1, which was at 580,000 units. This improvement will pursue in 2023 H2 as tensions on logistics start to ease.
The level of inventories must be observed considering the very strong orderbook at 3.4 months of sales end of June, largely beyond our optimal level of around 2 months.

The Automotive net financial position stood at €2,185 million on June 30, 2023 compared to €549 million on December 31, 2022, an improvement of €1.6 billion.

In the first half of 2023, Renault Group made, in advance, the last repayment of €1 billion for the mandatory annual repayment of the loan of a banking pool benefiting from the guarantee of the French State (PGE). This loan is now fully reimbursed.

Liquidity reserve at the end of June 2023 stood at a high level at €16.8 billion.

2023 financial outlook

Renault Group confirms its 2023 financial outlook upgraded on 29 June and expects:

- a **Group operating margin between 7% and 8%**
- a **free cash flow superior or equal to €2.5 billion**

Transactions with related third parties

There are no significant transactions between related parties other than those described in Note 27-D of the Appendix to the Annual Consolidated Financial Statements of the Securities Report of Renault filed on May 12, 2023 and in Note 20 of the Appendix to the 2023 Half Year Consolidated Financial Statements summarized in this report.

Highlights

- January 9, 2023: Renault Group has successfully finalised its Renaulution Shareplan, open to all employees. More than 95,000 employees will benefit from 6 free shares. Among them, more than 40,000 have also subscribed to shares at a preferential price of 22.02 euros. Employees will hold around 4.7% of the capital after the operation, a new step in the ambition to reach 10% of employee shareholders by 2030.
- January 10, 2023: Renault Group and PUNCH Torino sign a strategic partnership on low-emission diesel engines. PUNCH to purchase the Renault 4-cylinder diesel engines for light commercial vehicles, produced in the Renault Cleon plant.

[7] 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.

PUNCH will be able to use and sell the current and future Renault 4-cylinder Diesel engines. This partnership on low-emission diesel engines for LCVs, will be brought by Renault Group to the Horse project business.

- January 16, 2023: Electric vehicles: CEA and Renault Group develop a very high efficiency bidirectional on-board charger which will also allow the connected vehicle to inject energy from the battery into the electrical network. This more compact, high-efficiency charger will reduce energy losses by 30% and recharge the vehicle's battery faster. It will be deployed on Renault vehicles by the end of the decade.
- February 6, 2023: Renault-Nissan-Mitsubishi Alliance open a new chapter for their partnership. A three-dimension program to maximize value creation for all Alliance stakeholders will include: high-value-creation operational projects in Latin America, India and Europe; enhanced strategic agility with new initiatives that partners can join; a rebalanced Renault Group-Nissan cross-shareholding and reinforced Alliance governance.
- February 13, 2023: Renault and Nissan renew commitment to Indian operations through $600m USD/₹5300 crores INR investment supporting six new models to be made in India, including two electric vehicles. Additional R&D activities to create up to 2,000 new jobs
- March 2, 2023: Aramco signs letter of intent with Geely and Renault Group for new powertrain company to focus on lower emission technologies. This investment would support development of synthetic fuel solutions, and next-gen hydrogen technologies
- April 13, 2023: Renault Group and Verkor have entered a long-term partnership to supply 12 GWh per year of high-performance, low-carbon batteries for electric vehicles, produced in the future Verkor Gigafactory in Dunkirk, France. These batteries will be used in the upper segment vehicles of the Renault Group brands, starting from 2025 with the future Alpine 100% electric C-Crossover GT which will be manufactured in Dieppe, France.
- April 14, 2023: HYVIA, the joint venture between Renault Group and Plug, dedicated to hydrogen mobility, has just installed its first electrolyzer in its Flins plant, in the Ile-de-France region. This 1 MW electrolyzer, with a capacity of 400 kg/day of green hydrogen production, will initially supply the plant in order to test the fuel cells of the Renault Master H2-TECH vehicles marketed by HYVIA as well as the hydrogen refueling stations.
- May 23, 2023: The Software République reveals, in a world premiere, its vision of the mobility of the future through its concept car called H1st vision ("Human first vision") which integrates more than 20 innovations.
- May 23, 2023: Renault Group and Valeo are extending their collaboration and sign a partnership in Software Defined Vehicle development.
- June 9, 2023: Renault Group joins the CAC 40 ESG index as of Friday, June 16, 2023, following the quarterly review of the CAC 40 ESG index.
- June 19, 2023: The Board of Directors of Renault approved the appointment of Luca de Meo as the future Chairman and CEO of Ampere to assure the company's launch and the success of its planned IPO, while retaining his current responsibilities as Chief Executive Officer of Renault Group.
  The Board of Directors also set up an ad-hoc committee, chaired by Jean-Dominique Senard, to oversee the envisaged Initial Public Offering of Ampere.
- June 19, 2023: Ampere: new team for a new game
  Luca de Meo, Renault Group Chief Executive Officer, personally engages in leading new Ampere executive team.
  2 high potential Renault Group executives, Josep Maria Recasens and Vincent Piquet, to be appointed respectively Chief Operating Officer and Chief Finance Officer of Ampere.
  Ampere designed to lead European BEV race in competitiveness and technology.
  Ampere targets 40% cost reduction on a car-by-car basis in next vehicles generation by 2027+.
  Ampere to hold a Capital Markets Day in H2 2023.
- June 26, 2023: Alpine confirms its growth and international development ambition: over €8 billion in revenue in 2030 and break-even in 2026.
  The company will develop its own high-performance platform (APP) for its future 100% electric sports cars and targets net-zero carbon production in 2030.
  Alpine announces for 2030 a 7-model range.
- June 26, 2023: Alpine Racing Ltd speeds up its development: The Group of Investor - Otro Capital, RedBird Capital Partners and Maximum Effort Investments - is investing €200 million in Alpine Racing Ltd (United Kingdom), representing a 24% equity stake, to support Alpine's growth strategy and sporting ambitions in Formula 1. The transaction values Alpine Racing Ltd around $900 million following this investment.
- June 29, 2023: Renault Group upgrades its financial outlook for the full year 2023 and expects:
  - a Group operating margin between 7% and 8% (versus superior or equal to 6% previously).
  - a free cash flow superior or equal to €2.5 billion (versus superior or equal to €2 billion previously).

- July 5, 2023: 1 July 2023 marked the effective creation of HORSE, a new leading company in the development, the production and the supply of next generation low-emission hybrid & thermal powertrains.
- July 11, 2023: Renault Group and Geely sign Joint-Venture Agreement to launch Leading Powertrain Technology Company with each entity holding 50% stake in it.
  As announced on March 2, 2023 following the letter of intent signed between Aramco, Geely and Renault Group, Aramco is evaluating a strategic investment in this new company.
  The new company will include 17 engine plants and 5 R&D centers in 3 continents with 19,000 employees in a full fledge effective organization strategically structured to provide PWT solutions for multiples OEMs and with an attractive business model to welcome new partners.
- July 26, 2023: Renault Group and Nissan Motor Co., Ltd announced that they have entered into the definitive agreements contemplated by the binding framework agreement executed and announced on February 6, 2023. The transactions contemplated in these definitive agreements are subject to a limited number of conditions precedent, including regulatory approvals, and completion is expected to occur in the fourth quarter of 2023.

B. Sales performance

Overview

- Renault Group **worldwide sales** amounted to 1,133,667 vehicles in the first half of 2023, up 13% versus 2022 H1. In Europe, Group sales were up 24% in a market up 17%.
- The **Renault brand** recorded a 12% growth, with more than 772,000 vehicles sold in the first half of 2023. In Europe, the Renault brand increased its sales by 21% with more than 500,000 units, back on the podium as the second best-selling brand and number one in France.
- **Dacia**'s sales were up 24% to more than 345,000 units in the first half of 2023, thanks to the success of its range.
- **Alpine** also confirmed its growth: with about 1,900 vehicles sold, registrations were up by 9%. The last six months have been marked by the successful launches of two limited editions: the Alpine A110 San Remo 73 and the Alpine A110 R Le Mans.
- The Group's sales policy focused on value creation, is continuing to concentrate on the most profitable channels: **sales to retail customers**, **high trim versions** and the **C segment**.
  - The share of sales to **retail customers** represents 65% in the Group's five main European countries[8].
    - Retail sales account for more than half of the sales of the Renault brand, in Europe.
    - Dacia takes the 2nd place in the European retail market, up 29% on the first half of 2022. With c.139,000 units sold, Dacia Sandero is up 23.5% on the first half of 2022 and remains the best-selling vehicle for retail customers in Europe.
  - In the **C segment** in Europe, the Renault brand recorded growth of 42% on the first half of 2022 thanks to the success of Arkana, Austral and Megane E-TECH electric:
    - Renault Arkana recorded almost 42,000 sales, 55% of which were E-TECH versions.
    - Renault Austral recorded almost 40,000 sales, of which 65% were hybrid versions and 60% top-of-the-range versions.
    - Renault Megane E-TECH electric has recorded 23,000 sales, with 70% of sales for high trim versions and more than 80% for the most powerful engine. Megane E-TECH electric is the best-selling electric vehicle in the C segment in France.
- Renault Group pursues its **electrification offensive:**
  - Sales of Renault brand electrified passenger cars[9] rose by 18%[10], now accounting for 37% of the brand's passenger car sales in Europe. Full electric vehicles represent 11% of passenger car sales in Europe.
  - Dacia Jogger Hybrid 140, which has been on sale since January 2023, accounts for more than 25% of the customers' orders. Dacia Spring, full electric, has sold more than 27,000 units in Europe in 2023 H1 and is still one of the best-selling electric vehicles in Europe.

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[8] Passenger cars in France, Italy, Germany, Spain, United Kingdom.
[9] Includes EV, Hybrid (HEV) and Plug-In Hybrid (PHEV), excludes Mild-Hybrid (MHEV).
[10] Source: DATAFORCE, scope: France, Germany, United Kingdom, Italy, Spain, Belgium, Croatia, Denmark, Finland, Luxembourg, Norway, Netherlands, Poland, Romania, Slovakia, Slovenia, Switzerland.

- The Group's **orderbook** in Europe represents 3.4 months of sales at the end of June 2023. It would remain above the target of 2 months throughout the year, even with a market down 30% compared with 2019.

RENAULT GROUP'S TOP FIFTEEN MARKETS

SALES		Volumes H1 2023 [1] (in units)	PC / LCV market share (%)	Change in market share on H1 2022 (points)
1	France	281,420	26.0	+0.8
2	Italy	96,960	10.4	+0.7
3	Turkey	80,130	14.4	-4.4
4	Germany	74,792	4.9	-0.5
5	Spain	68,836	11.9	+1.7
6	Brazil	52,989	5.7	-0.5
7	United Kingdom	49,004	4.4	+0.9
8	Belgium+Luxembourg	36,603	11.1	+1.1
9	Romania	32,541	39.8	+8.0
10	Morocco	31,102	38.2	-2.0
11	India	29,411	1.3	-0.8
12	Poland	25,666	9.5	-0.6
13	Argentina	25,106	11.3	+0.8
14	Mexico	22,207	3.5	+0.8
15	Netherlands	21,559	9.0	+1.6

(1) Preliminary figures.

B-1 Automotive

B-1.1 Group sales worldwide by region, by brand & by type

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES [2] (Units)	H1 2023 [1]	H1 2022	Change (%)
GROUP	**1 ,133,667**	**1,001,050**	**+13.2**
EUROPE	**80, 321**	**647,390**	**+24.1**
Renault	500,444	413,399	+21.1
Dacia	301,110	232,321	+29.6
Alpine	1,761	1,602	+9.9
Mobilize	6	68	-91.2
EURASIA, AFRICA, MIDDLE-EAST	**153,436**	**143,903**	**+6.6**
Renault	109,114	98,041	+11.3
Dacia	44,322	45,862	-3.4
Alpine	0	0	+++
Jinbei&Huasong [3]	0	0	+++
ASIA PACIFIC	**52,698**	**84,809**	**-37.9**
Renault	38,426	55,562	-30.8
Renault Korea Motors	12,208	25,285	-51.7
Alpine	102	106	-3.8
Jinbei&Huasong [3]	0	0	+++
EVEASY [4]	1,962	3,856	-49.1
LATIN AMERICA	**124,212**	**124,948**	**-0.6**
Renault	124,212	124,881	-0.5
Jinbei&Huasong [3]	0	67	-100.0
BY BRAND			
Renault	772,196	691,883	+11.6
Dacia	345,432	278,183	+24.2
Renault Korea Motors	12,208	25,285	-51.7

Alpine	1,863	1,708	+9.1
Jinbei&Huasong (3)	0	67	-100.0
EVEASY (4)	1,962	3,856	-49.1
Mobilize	6	68	-91.2
BY VEHICLE TYPE			
Passenger cars	944,657	845,273	+11.8
Light commercial vehicles	189,010	155,777	+21.3

(1) Preliminary figures.
(2) 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.
(3) Jinbei & Huasong includes the brands Jinbei JV and Huasong.
(4) EVEASY is the JMEV's brand.

➔ Renault brand: RENAULT COMES BACK ON THE PODIUM, FIRST BRAND IN FRANCE AND SECOND IN EUROPE

- The Renault brand worldwide sales for H1 reached more than 772,000 units, +12% vs first half 2022. The brand increases its share of sales in the most profitable channels and value-creating segments.
- In Europe, the Renault brand increased its sales by 21% with more than 500,000 units and becomes the second best-selling brand on the European market.
- Renault is number 1 in France both on the PC market and on the LCV market.
- Renault continues to expand in the C-segment with a 42% increase in sales (passenger cars, Europe) driven by the success of New Austral, Arkana and Megane E-TECH electric.
- On the electrified market[11], Renault's sales rose by 18%, thanks to its double offer on EV and full hybrid models, accounting for 37% of the brand's passenger car sales in Europe (full electric vehicles represent 11% of the brand's passenger car sales).
- Renault keeps a healthy channel mix with more than 1 in 2 sales to retail customers in Europe.
- Renault continues to outperform on the LCV market with double-digit sales growth worldwide (+21.8%) and especially in Europe (+25.8%).

➔ Dacia brand: THE SUCCESS STORY CONTINUES WITH 24% GROWTH

- Dacia sold a total of more than 345,000 vehicles (PCs+LCVs) in H1 2023, 24% more than the same period in 2022. PC sales stood at almost 343,000 units, placing the brand's market share at 4.7% in its scope, up 0.2 points year on year.
- The brand's four main models posted growth in H1 2023: Spring by 38%, Sandero by 24%, Duster by 13% and Jogger by 130%.
- The four main models powered performance:
  - Dacia Sandero sales rose 24% year on year to 138,978 vehicles. Sandero has been Europe's best-selling car among retail customers since 2017.
  - Dacia Duster sales grew 13% compared to H1 2022, reaching 111,891 units, and this model has kept its position on the podium for SUV sales to retail customers in Europe.
  - The 50,569 Dacia Jogger vehicles sold in H1 2023 have pushed the total to over 100,000 units since the model launched. The hybrid powertrain continues to thrive and still accounts for over 1 in 4 customer orders.
  - Spring sales rose 38% year on year to 27,438 vehicles. Spring held on to its position on the podium for electric vehicle sales to retail customers in Europe.
- In its longest-standing core segment – sales to retail customers, Dacia has solidified its position on the European podium, where it ranked second for the first time ever with an 8.4% share[12].

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[11] Includes EV, Hybrid (HEV) and Plug-In Hybrid (PHEV), excludes Mild-Hybrid (MHEV).
[12] PC sales to retail customers in Europe (Dataforce Source, list of European countries with sales by customer channel) = Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

➔ Alpine brand: ALPINE MAINTAINS ITS MOMENTUM IN THE FIRST HALF OF 2023 AFTER A RECORD-BREAKING YEAR IN 2022

- Alpine sales continue to grow by 9% in the first half of 2023 following a record year in 2022 at +33%.
- With 1,863 Alpine cars sold worldwide, the brand set an all-time sales record in June 2023 with 593 registrations.
- March and June respectively saw the success of two limited edition series: the Alpine A110 San Remo 73 and the Alpine A110 R Le Mans.
- Alpine continues to expand internationally, with the opening of new points of sales bringing the total to 144, particularly in new countries such as Israel and soon Morocco.

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 2023 (2)	H1 2022	Change (%)
WORLDWIDE PRODUCTION RENAULT GROUP PLANTS (1)	**1,193,820**	**986,852**	**+21.0**
o/w produced for partners:			
Nissan	38,584	40,992	-5.9
Mitsubishi	10,540	1,160	+808.6
Daimler	17,750	12,569	+41.2
Renault Trucks	17,493	10,520	+66.3

PRODUCED BY PARTNERS FOR RENAULT GROUP	H1 2023 (2)	H1 2022	Change (%)
Nissan	48,802	57,898	-15.7
China(3)	37,794	23,251	+62.5

(1) Production data concern the number of vehicles leaving the production line.
(2) Preliminary figures.
(3) Chinese subsidiaries: eGT (25%) in the production of partners for Renault Group. JMEV (50%) in Renault Group production.

B-1.3 Geographical organization of the Renault Group by region – countries in each region

At June 30, 2023

EUROPE	EURASIA, AFRICA, MIDDLE-EAST		ASIA PACIFIC	LATIN AMERICA
Austria	Abu Dhabi (UAE)	Morocco	Australia	Argentina
Belgium	Algeria	Mozambique	Bhutan	Bermuda
Bulgaria	Angola	Namibia	China	Bolivia
Croatia	Armenia	Niger	India	Brazil
Czech Republic	Azerbaijan	Nigeria	Indonesia	Chile
Denmark	Bahrain	North Macedonia	Japan	Colombia
Estonia	Belarus	Oman	Malaysia	Costa Rica
Finland	Benin	Palestine	Mongolia	Curacao
France	Bosnia	Qatar	Nepal	Dominican Republic
French Guiana	Burkina Faso	Rwanda	New Zealand	Ecuador
Germany	Cameroon	Saudi Arabia	Singapore	Guatemala
Greece	Cape Verde	Senegal	South Korea	Mexico
Guadeloupe	Dem. Rep. Of the Congo	Serbia		Panama
Hungary	Djibouti	Seychelles		Paraguay
Iceland	Dubai (UAE)	South Africa		Peru
Ireland	Egypt	Sudan		Saint Martin
Italy	Ethiopia	Tanzania		Uruguay
Latvia	Gabon	Togo		

Lithuania Luxembourg Malta Martinique Mayotte Netherlands New Caledonia Norway Poland Portugal Republic of Cyprus Reunion Romania Saint Pierre and Miquelon Slovakia Slovenia Spain + Canary Islands Sweden Switzerland Tahiti United Kingdom	Georgia Ghana Guinea Iraq Israel Ivory Coast Jordan Kazakhstan Kenya Kosovo Kuwait Kyrgyzstan Lebanon Liberia Madagascar Malawi Mali Mauritania Mauritius Moldova Montenegro	Tunisia Turkey Uganda Ukraine Uzbekistan Zambia Zimbabwe		

B-2 Sales financing

Mobilize Financial Services new financings increase by 19.0% compared to the first semester 2022, thanks to the increase of the average financed amount and the Alliance registrations.

Mobilize Financial Services financed 646,739 contracts in the first half of 2023, up 7.4% compared to the first half of 2022. Used Car Financing decreased by 2.4% over the same period with 172,342 financed contracts.

The penetration rate amounts to 43.3% down 3.2 point compared on the first semester of 2022.

New financings (excluding credit cards and personal loans) stood at €10.4 billion, up 19.0% thanks to the growth of the registrations and the 10.8% increase of the average financed amount.

Average performing assets (APA) related to the Retail Activity totalized €39.6 billion on the first semester of 2023. The amount increased by 4.2%, thanks to the progression observed on the new financings.

Average performing assets linked to the Wholesale Activity amounted to €10.3 billion, up 81.3%, driven by increasing dealer inventories.

Overall, average performing assets totalized €49.9 billion, up 14.2% compared to the first semester 2022.

MOBILZE FINANCIAL SERVICES, FINANCING PERFORMANCE

		H1 2023	H1 2022	Change (%)
Number of financing contracts	Thousands	**647**	**602**	**+7.4**
Including Used Vehicles contracts	*Thousands*	*172*	*177*	*-2.4*
New financing	€ billion	**10.4**	**8.8**	**+19.0**
Average performing assets	€ billion	**49.9**	**43.7**	**+14.2**

PENETRATION RATE BY BRAND

	H1 2023 (%)	H1 2022 (%)	Change (points)
Renault	43.8	47.0	-3.2
Alpine	22.3	n.a.	n.a.
Dacia	46.2	48.1	-1.9
Renault Korea Motors	50.4	49.2	+1.2
Mobilize	616.7	n.a.	n.a.
Nissan	36.9	41.3	-4.4
Mitsubishi	5.0	n.a.	n.a.

Mobilize Financial Services	**43.3**	**46.5**	**-3.2**

PENETRATION RATE BY REGION

	H1 2023 (%)	H1 2022 (%)	Change (points)
Europe	45.3	49.5	-4.3
Americas	32.5	33.1	-0.6
Africa Middle-East and Asia Pacific	35.4	39.1	-3.7
Mobilize Financial Services	**43.3**	**46.5**	**-3.2**

Mobilize Financial Services sold 1.9 million insurance and service contracts in the first half of 2023, up 1.3% compared to the same period of 2022.

MOBILIZE FINANCIAL SERVICES, SERVICES PERFORMANCE

		H1 2023	H1 2022	Change
Number of services contracts	Thousands	1,938	1,913	+1.3%
Penetration rate on services	%	**177.3%**	**209.4%**	**-32.1 pts**

(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 2023	H1 2022[(1)]	Change
Group revenues	**26,849**	**21,089**	**+27.3%**
Operating profit	**2,040**	**972**	**+1,068**
Operating income	2,096	923	+1,173
Net financial income & expenses	-260	-236	-24
Contribution from associated companies	**566**	**214**	**+352**
o/w Nissan	*582*	*325*	*+257*
Net income	**2,124**	**-1,676**	**+3,800**
o/w continuing operations	*2,124*	*647*	*+1,477*
o/w discontinued operations	*0*	*-2,323*	*+2,323*
Free cash flow [(2)]	**1,775**	**956**	**+819**
Automotive net financial position	**2,185**	**549**	**+1,636**
	at Jun. 30, 2023	at Dec. 31, 2022	
Shareholders' equity	30,333	29,690	+643
	at Jun. 30, 2023	at Dec. 31, 2022	

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (see Note 2-A).
(2) 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

	2023			2022[(1)]			Change (%)		
(€ million)	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive	10,515	14,335	24,850	8,109	11,465	19,574	+29.7	+25.0	+27.0
Sales financing	974	1,004	1,978	722	776	1,498	+34.9	+29.4	+32.0
Mobility Services	9	12	21	8	9	17	+12.5	+33.3	+23.5

Total	**11,498**	**15,351**	**26,849**	**8,839**	**12,250**	**21,089**	**+30.1**	**+25.3**	**+27.3**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (see Note 2-A).

Group revenue reached €26,849 million, up 27.3% compared to 2022 H1. At constant exchange rates[13], it increased by 30.6%.

Automotive revenue stood at €24,850 million, up 27.0% compared to 2022 H1. It includes 3.2 points of negative exchange rates effect mainly related to the Argentinean peso and the Turkish lira devaluation. At constant exchange rates[1], it increased by 30.2%.

Volume effect stood at +15.0 points thanks to the commercial success of vehicles combined with an improved availability of electronic components. Invoices outperformed sales because of the high level of vehicles still in transit between our plants and our final customers due to remaining outbound logistic tensions in the first half.

The price effect, positive by +8.8 points, continued to be very strong and reflects the Group's commercial policy focused on value over volume, as well as price increases to offset cost inflation, and an optimization of commercial discounts.

In 2023 H1, the product mix effect stood at +3.5 points mainly thanks to the success of Megane E-TECH Electric and Austral.

The impact of sales to partners was positive by +1.6 points, supported by the production of the ASX for Mitsubishi Motors since the beginning of the year as well as a dynamic LCV market driving sales to Nissan, Renault Trucks and Mercedes-Benz.

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	H1 2023	H1 2022(1)	Change
Automotive	**1,541**	**420**	**+1,121**
% of division revenues	*6.2%*	*2.1%*	*+4.1 pts*
Sales financing	**518**	**566**	**-48**
Mobility Services	**-19**	**-14**	**-5**
Total	**2,040**	**972**	**+1,068**
% of Group revenues	*7.6%*	*4.6%*	*+3.0 pts*

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (see Note 2-A)

The **Group** posted a record **operating margin** at 7.6% of revenue versus 4.6% in 2022 H1, up 3.0 points. It continued to improve sequentially from 6.3% in 2022 H2 to 7.6% in 2023 H1. It stood at €2,040 million and more than doubled versus 2022 H1.

Automotive operating margin more than tripled in value and stood at €1,541 million versus €420 million in 2022 H1. It represented 6.2% of Automotive revenue, improving by 4.1 points versus 2022 H1.
The volume effect at +€763 million and the positive mix/price/enrichment effect of +€1,771 million illustrated the success of vehicles and of the commercial policy focused on value. The positive mix/price/enrichment effect more than compensated the increase in costs which amounted to -€1,181 million. The latter was mainly explained by the impact of the carry-over of raw materials and energy price increases, logistics and labor costs.

The operating margin includes, since the beginning of November 2022 and until the deconsolidation of Horse, a positive non-cash effect of the cessation of amortization for these assets held for sale. It accounted for 275 million euros in 2023 H1. Adjusted from Horse positive impact, the Group operating margin would have been 6.6% in 2023 H1, compared to an operating margin of 4.6% in 2022 H1.

The contribution of **Mobilize Financial Services** (Sales Financing) to the Group's operating margin reached €518 million, down €48 million compared to 2022 H1[14] due to non-recurring impacts of the swaps valuation linked to the interest rate increase in Europe since beginning 2022. Excluding this one-off, Mobilize Financial Services posted an operating margin up 9% compared to 2022 H1. New financings increased by 19% compared to 2022 H1, notably due to the strong increase in registrations and the 11% increase in the average financed amount.

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[13] 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.

[14] The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".

(ii) Free cash flow

(€ million)	H1 2023	H1 2022	Change
Cash flow (excluding dividends received from Nissan and Mobilize Financial Services)	+2,473	+1,561	+912
Dividends received from Mobilize Financial Services	+600	+800	-200
Change in the working capital requirement	-138	-275	+137
Tangible and intangible investments net of disposals	-1,145	-1,134	-11
Leased vehicles and batteries	-15	+4	-19
Free cash flow	**+1,775**	**+956**	**+819**

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

In 2023 H1, the **free cash flow** is positive at +€1,775 million, resulting from the following elements:

- cash flow (excluding dividends received from publicly listed companies) of +€2,473 million, including €219 million restructuring costs (vs €278 million in 2022 H1),
- dividends received from Mobilize Financial Services for €600 million in 2023 H1 compared to €800 million in 2022 H1
- a negative change in the working capital requirement of -€138 million,
- property, plant and equipment and intangible investments net of disposals of -€1,145 million (4.3% of Group revenue, -1.1 points below 2022 H1), including asset sales for an amount of €197 million (vs €101 million in 2022),
- investments related to vehicles with buy-back commitments for -€15 million.

(iii) Automotive net financial position at June 30, 2023

CHANGE IN AUTOMOTIVE NET FINANCIAL POSITION (€ million)

Automotive net financial position at December 31, 2022	**+549**
H1 2023 operational free cash flow	+1,775
Dividends received	+116
Dividends paid to Renault's shareholders and minority shareholders	-92
Financial investments and others	-163
Automotive net financial position at June 30, 2023	**+2,185**

Beyond the Automotive segment reported positive operational free cash flow of +€1,775 million, Renault Group received €116 million of dividends from Nissan. The remaining change versus December 31, 2022 is due to dividends paid to Renault's shareholders and minority shareholders for -€92 million and cash effects of currency and IFRS 5 impacts as well as financial investments for a total amount of -€163 million.

AUTOMOTIVE NET FINANCIAL POSITION

(€ million)	Jun. 30, 2023	Dec. 31, 2022
Non-current financial liabilities	-8,936	-9,845
Current financial liabilities	-3,954	-5,191
Non-current financial assets - other securities, loans and derivatives on financial operations	+227	+121
Current financial assets	+1,360	+1,237
Cash and cash equivalents	+13,488	+14,227
Automotive net financial position	**+2,185**	**+549**

The **Automotive** segment's liquidity reserves stood at €16.8 billion as at June 30, 2023. These reserves consisted of:

- €13.5 billion in cash and cash equivalents;
- €3.3 billion in undrawn confirmed credit lines.

At June 30, 2023, **RCI Banque** had available liquidity of €13.3 billion, consisting of:

- €4.4 billion in undrawn confirmed credit lines;
- €5.1 billion in central-bank eligible collateral;
- €3.7 billion in high quality liquid assets (HQLA);
- €0.2 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 12, 2023, 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, 2023 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 12, 2023, 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 2023 (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive	490	655	1,145
Sales Financing	10	0	10
Mobility Services	2	4	6
Total	**502**	**659**	**1,161**

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**

Total gross investment in the first half of 2023 decreased compared to 2022, with Europe accounting for 83% and the rest of the world for 17%.

- **In Europe**, the investments are mainly aimed for renewal and electrification of the C (Espace, Rafale and Austral ICE & HEV), LCV (New Master ICE & EV) and EV (Scenic Electric) ranges as well for electric and hybrid powertrains.
- **Internationally**, the investments are realized mainly for the renewal of the Global Access range in Romania (renewal of the Duster) and in Brazil and the relaunch of the Renault Korea Motors line-up.

RESEARCH AND DEVELOPMENT EXPENSES RECORDED IN THE INCOME STATEMENT

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

(€ million)	H1 2023	H1 2022	Change
R&D expenses	-1,300	-1,149	-151
Capitalized development expenses	659	546	+113
R&D capitalization rate	*50.7%*	*47.5%*	*+3.2 pts*
Amortization	-488	-544	+56
Gross R&D expenses recorded in the income statement[1]	**-1,129**	**-1,147**	**+18**

(1) 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 R&D capitalization rate at 50.7% reflects the projects developments and the deployment of the Renaulution line-up (see Note 5 of the Appendix to the Half Year Consolidated Financial Statement).

NET CAPEX AND R&D EXPENSES IN% OF REVENUES

(€ million)	H1 2023	H1 2022	Change
Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	502	600	-98
CAPEX invoiced to third parties and others	-8	-22	+14
Net industrial and commercial investments excl. R&D (1)	**494**	**578**	**-84**
% of Group revenues	*1.8%*	*2.7%*	*-0.9 pts*
R&D expenses	1,300	1,149	+151
R&D expenses billed to third parties and others	-132	-148	+16
Net R&D expenses (2)	**1,168**	**1,001**	**+167**
% of Group revenues	*4.4%*	*4.7%*	*-0.1 pts*
Net CAPEX and R&D expenses (1) + (2)	**1,662**	**1,579**	**+83**
% of Group revenues	*6.2%*	*7.5%*	*-1.3 pts*
Net CAPEX and R&D expenses excluding asset sales	**1,859**	**1,680**	**+179**
% of Group revenues	***6.9%***	***8.0%***	***-1.0 pts***

Net Capital expenditures and R&D expenses amounted to 6.2% of Group revenues, down -1.3 point compared to H1 2022.

Excluding the disposal of assets, amounting €197 million, this rate amounts to 6.9%.

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 12, 2023, 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 12, 2023, 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, 2023

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, 2022	–	295,722,284	–	–	1,126,701,902.04	176,723,193,334.974
June 30, 2023	–	295,722,284	–	–	1,126,701,902.04	176,723,193,334.974

(4) DESCRIPTION OF MAJOR SHAREHOLDERS

As of June 30, 2023

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)		13,258,263	4.48
Treasury stock (2)		6,549,295	2.21
Public		187,168,468	63.30

Total		295,722,284	100.00

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

(2) Including shares held under the liquidity contract implemented by the Company since 1 July 2022.

* 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 12, 2023, there is no material change to be reported in this Semi-Annual Securities Report during the relevant interim period.

1. The number of members by gender and the percentage of female members (as of September 15, 2023)

There was no change in the number of members of the Board of Directors by gender and percentage of female members therein.

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

Not applicable.

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

Not applicable.

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, 2023 and 2022 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 = ¥156.85. This exchange rate is the Telegraphic Transfer Spot Selling Exchange Rate vis-a-vis Customers by MUFG Bank, Ltd. at July 31, 2023. 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

2023 Condensed half-yearly consolidated financial statements

1. Consolidated income statement

(€ million)	*Notes*	H1 2023	H1 2022 (1)	Year 2022 (1)
Revenues	***4***	**26,849**	**21,089**	**46,328**
Cost of goods and services sold		(21,337)	(16,737)	(37,111)
Research and development expenses	*5*	(1,129)	(1,147)	(2,125)
Selling, general and administrative expenses		(2,343)	(2,233)	(4,522)
Other operating income and expenses	*6*	56	(49)	(379)
Other operating income		*309*	*154*	*425*
Other operating expenses		*(253)*	*(203)*	*(804)*
Operating income (loss)		**2,096**	**923**	**2,191**
Cost of net financial indebtedness		37	(124)	(181)
Cost of gross financial indebtedness		*(181)*	*(164)*	*(349)*
Income on cash and financial assets		*218*	*40*	*168*
Other financial income and expenses		(297)	(112)	(305)
Financial income (expenses)	***7***	**(260)**	**(236)**	**(486)**
Share in net income (loss) of associates and joint ventures		**566**	**214**	**423**
Nissan	*11*	*582*	*325*	*526*
Other associates and joint ventures	*12*	*(16)*	*(111)*	*(103)*
Pre-tax income		**2,402**	**901**	**2,128**
Current and deferred taxes	*8*	(278)	(254)	(524)
Net income from continuing operations		**2,124**	**647**	**1,604**
Net income from continuing operations - parent-company shareholders' share		2,093	624	1,634
Net income from continuing operations - non-controlling interests' share		31	23	(30)
Net income from discontinued operations	***3***	**-**	**(2,323)**	**(2,320)**
Net income from discontinued operations - parent-company shareholders' share		-	(1,991)	(1,988)
Net income from discontinued operations - non-controlling interests' share		-	(332)	(332)
NET INCOME		**2,124**	**(1,676)**	**(716)**
Net income – parent company shareholders' share		2,093	(1,367)	(354)
Net income - non-controlling interests' share		31	(309)	(362)
Basic earnings per share (2) (€)		7.70	(5.01)	(1.30)
Basic earnings per share of continuing operations - parent-company shareholders' share (€)		*7.70*	*2.29*	*6.01*
Basic earnings per share of discontinued operations - parent-company shareholders' share (€)		*-*	*(7.30)*	*(7.31)*
Diluted earnings per share (2) (€)		7.59	(5.01)	(1.30)
Diluted earnings per share of continuing operations - parent-company shareholders' share (€)		*7.59*	*2.29*	*6.01*
Diluted earnings per share of discontinued operations - parent-company shareholders' share (€)		*-*	*(7.30)*	*(7.31)*
Number of shares outstanding (thousands)				
for basic earnings per share	*9*	*271,761*	*272,619*	*272,097*
for diluted earnings per share	*9*	*275,755*	*274,308*	*274,251*

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(2) Items that have been reclassified to profit or loss from discontinued operations in 2022 include the reclassification to profit and loss of translation adjustments of the Russian entities that have been sold (Note 3-C).

2. Consolidated comprehensive income

	H1 2023			H1 2022 [1]			Year 2022 [1]		
(€ million)	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
Net income	**2,402**	**(278)**	**2,124**	**(1,422)**	**(254)**	**(1,676)**	**(192)**	**(524)**	**(716)**
Other components of comprehensive income from parent company and subsidiaries									
Items that will not be reclassified subsequently to profit or loss	**(14)**	**(53)**	**(67)**	**326**	**(18)**	**308**	**320**	**31**	**351**
Actuarial gains and losses on defined-benefit pension plans	*(14)*	*(53)*	*(67)*	*326*	*(18)*	*308*	*320*	*31*	*351*
Equity instruments at fair value through equity	-	-	-	-	-	-	-	-	-
Items that have been or will be reclassified to profit or loss in subsequent periods	**(49)**	**66**	**17**	**872**	**(41)**	**831**	**878**	**(73)**	**805**
Translation adjustments on foreign activities	*53*	-	*53*	*94*	-	*94*	*(10)*	-	*(10)*
Translation adjustments on foreign activities in hyperinflationary economies	*(7)*	-	*(7)*	*73*	-	*73*	*71*	-	*71*
Partial hedge of the investment in Nissan	*149*	-	*149*	*7*	-	*7*	*(25)*	-	*(25)*
Fair value adjustments on cash flow hedging instruments	*(245)*	*66*	*(179)*	*177*	*(44)*	*133*	*327*	*(77)*	*250*
Debt instruments at fair value through equity	*1*	-	*1*	*(7)*	*3*	*(4)*	*(13)*	*4*	*(9)*
Items that have been reclassified to profit or loss from discontinued operations [2]	-	-	-	*528*	-	*528*	*528*	-	*528*
TOTAL OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES (A)	**(63)**	**13**	**(50)**	**1,198**	**(59)**	**1,139**	**1,198**	**(42)**	**1,156**
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	**50**	**-**	**50**	**117**	**-**	**117**	**196**	**-**	**196**
Actuarial gains and losses on defined-benefit pension plans	*55*	-	*55*	*110*	-	*110*	*193*	-	*193*
Other	*(5)*	-	*(5)*	*7*	-	*7*	*3*	-	*3*
Items that have been or will be reclassified to profit or loss in subsequent periods	**(1,238)**	**-**	**(1,238)**	**284**	**-**	**284**	**710**	**-**	**710**
Translation adjustments on foreign activities	*(1,239)*	-	*(1,239)*	*429*	-	*429*	*755*	-	*755*
Other	*1*	-	*1*	*(145)*	-	*(145)*	*(45)*	-	*(45)*
TOTAL SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME (B)	**(1,188)**	**-**	**(1,188)**	**401**	**-**	**401**	**906**	**-**	**906**
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	**(1,251)**	**13**	**(1,238)**	**1,599**	**(59)**	**1,540**	**2,104**	**(42)**	**2,062**
COMPREHENSIVE INCOME	**1,151**	**(265)**	**886**	**177**	**(313)**	**(136)**	**1,912**	**(566)**	**1,346**
Parent company shareholders' share			*882*			*103*			*1,654*
Non-controlling interests' share			*4*			*(239)*			*(308)*

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(2) Items reclassified to profit or loss from discontinued operations in 2022 include the reclassification to profit and loss of translation adjustments of the Russian entities that have been sold (Note 3-C).

3. Consolidated financial position

ASSETS (€ million)	Notes	June 30, 2023	December 31, 2022 [1]
Non-current assets			
Intangible assets and goodwill	*10-A*	4,741	4,700
Property, plant and equipment	*10-B*	11,709	11,705
Investments in associates and joint ventures		17,459	18,210
Nissan	*11*	*16,780*	*17,487*
Other associates and joint ventures	*12*	*679*	*723*
Non-current financial assets	*15*	507	413
Deferred tax assets		637	593
Other non-current assets		757	911
TOTAL NON-CURRENT ASSETS		**35,810**	**36,532**
Current assets			
Inventories	*14*	5,669	5,213
Sales Financing receivables		47,901	44,247
Automotive receivables		1,274	998
Current financial assets	*15*	1,505	1,416
Current tax assets		206	154
Other current assets		4,547	4,097
Cash and cash equivalents	*15*	18,944	21,774
Assets held for sale	*3*	4,051	3,861
TOTAL CURRENT ASSETS		**84,097**	**81,760**
TOTAL ASSETS		**119,907**	**118,292**

SHAREHOLDERS' EQUITY AND LIABILITIES (€ million)	Notes	June 30, 2023	December 31, 2022 [1]
Shareholders' equity			
Share capital		1,127	1,127
Share premium		3,785	3,785
Treasury shares		(257)	(208)
Revaluation of financial instruments		31	208
Translation adjustment		(3,163)	(2,146)
Reserves		26,037	26,537
Net income – parent company shareholders' share		2,093	(354)
Shareholders' equity – parent company shareholders' share		**29,653**	**28,949**
Shareholders' equity – non-controlling interests' share		680	741
TOTAL SHAREHOLDERS' EQUITY	***16***	**30,333**	**29,690**
Non-current liabilities			
Deferred tax liabilities		1,021	1,102
Provisions for pension and other long-term employee benefit obligations – long-term	*17-A*	1,038	1,029
Other provisions – long-term	*17-B*	1,204	1,082
Non-current financial liabilities	*18*	9,826	10,738
Provisions for uncertain tax liabilities – long-term		238	234
Other non-current liabilities		1,230	1,372
TOTAL NON-CURRENT LIABILITIES		**14,557**	**15,557**
Current liabilities			
Provisions for pension and other long-term employee benefit obligations – short-term	*17-A*	30	45
Other provisions – short-term	*17-B*	1,117	1,087
Current financial liabilities	*18*	3,277	4,605
Sales Financing debts	*18*	51,580	48,999
Trade payables		8,166	8,405
Current tax liabilities		393	312
Provisions for uncertain tax liabilities – short-term		20	21
Other current liabilities		9,635	8,698
Liabilities related to assets held for sale	*3*	799	873
TOTAL CURRENT LIABILITIES		**75,017**	**73,045**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**119,907**	**118,292**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

4. Changes in consolidated shareholders' equity

(€ million)	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves [2]	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, 2021	**295,722**	**1,127**	**3,785**	**(237)**	**5**	**(3,407)**	**25,159**	**888**	**27,320**	**574**	**27,894**
Transition to IFRS 17 – Opening adjustments [1]							167		167	-	167
ADJUSTED BALANCE AT DECEMBER 31, 2021	**295,722**	**1,127**	**3,785**	**(237)**	**5**	**(3,407)**	**25,326**	**888**	**27,487**	**574**	**28,061**
Adjusted 1st-half 2022 net income								(1,367)	(1,367)	(309)	(1,676)
Adjusted other components of comprehensive income					(10)	1,060	420		1,470	70	1,540
ADJUSTED 1st-HALF 2022 COMPREHENSIVE INCOME	**-**	**-**	**-**	**-**	**(10)**	**1,060**	**420**	**(1,367)**	**103**	**(239)**	**(136)**
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)
ADJUSTED BALANCE AT JUNE 30, 2022	**295,722**	**1,127**	**3,785**	**(183)**	**(5)**	**(2,347)**	**26,546**	**(1,367)**	**27,556**	**532**	**28,088**
adjusted 2nd-half 2022 net income								1,013	1,013	(53)	960
adjusted other components of comprehensive income					213	188	137		538	(16)	522
ADJUSTED 2nd-HALF 2022 COMPREHENSIVE INCOME					**213**	**188**	**137**	**1,013**	**1,551**	**(69)**	**1,482**
Dividends									-	-	-
(Acquisitions) / disposals of treasury shares and impact of capital increases				(25)					(25)		(25)
Changes in ownership interests						13	(150)		(137)	278	141
Cost of share-based payments and other						-	4		4	-	4
ADJUSTED BALANCE AT DECEMBER 31, 2022	**295,722**	**1,127**	**3,785**	**(208)**	**208**	**(2,146)**	**26,537**	**(354)**	**28,949**	**741**	**29,690**
1st-half 2023 net income								2,093	2,093	31	2,124
Other components of comprehensive income					(177)	(1,017)	(17)		(1,211)	(27)	(1,238)
1st-HALF 2023 COMPREHENSIVE INCOME		**-**	**-**	**-**	**(177)**	**(1,017)**	**(17)**	**2,093**	**882**	**4**	**886**
Allocation of 2022 net income							(354)	354	-		-
Dividends							(68)		(68)	(92)	(160)
(Acquisitions) / disposals of treasury shares and impact of capital increases				(49)					(49)		(49)
Changes in ownership interests						-	1	-	1	27	28
Cost of share-based payments and other					-		(62)		(62)		(62)
BALANCE AT JUNE 30, 2023	**295,722**	**1,127**	**3,785**	**(257)**	**31**	**(3,163)**	**26,037**	**2,093**	**29,653**	**680**	**30,333**

(1) The figures for 2021 and 2022 include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

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

Details of changes in consolidated shareholders' equity in 2023 are given in Note 16.

5. Consolidated cash flows

(€ million)	Notes	H1 2023	H1 2022 [1]	Year 2022 [1]
Net income from continuing operations		**2,124**	**647**	**1,604**
Cancellation of income and expenses with no impact on cash				
Depreciation, amortization and impairment		1,349	1,819	3,532
Share in net (income) loss of associates and joint ventures		(566)	(214)	(423)
Other income and expenses with no impact on cash before interest and tax	19	439	74	304
Dividends received from unlisted associates and joint ventures		43	24	23
Cash flow before interest and tax [2]		**3,389**	**2,350**	**5,040**
Dividends received from listed companies [3]		**116**	**64**	**64**
Net change in financing for final customers		(2,147)	(362)	(1,383)
Net change in renewable dealer financing		(1,256)	(143)	(3,677)
Decrease (increase) in Sales Financing receivables		**(3,403)**	**(505)**	**(5,060)**
Bond issuance by the Sales Financing segment		2,647	1,329	3,614
Bond redemption by the Sales Financing segment		(3,140)	(2,737)	(3,588)
Net change in other debts of the Sales Financing segment		2,667	1,508	4,185
Net change in other securities and loans of the Sales Financing segment		38	(310)	137
Net change in financial assets and debts of the Sales Financing segment		**2,212**	**(210)**	**4,348**
Change in capitalized leased assets		**(276)**	**(119)**	**(217)**
Change in working capital before tax	19	**(695)**	**(511)**	**404**
Cash flows from operating activities before interest and tax		**1,343**	**1,069**	**4,579**
Interest received		241	47	172
Interest paid		(194)	(174)	(345)
Current taxes (paid) / received		(340)	(226)	(479)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS		**1,050**	**716**	**3,927**
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	3	**-**	**(315)**	**(314)**
Property, plant and equipment and intangible investments	19	(1,358)	(1,247)	(2,640)
Disposals of property, plant and equipment and intangible assets		197	101	410
Acquisitions of investments involving gain of control, net of cash acquired		-	-	-
Acquisitions of other investments		(55)	(97)	(132)
Disposals of investments involving loss of control, net of cash transferred		26	(38)	(38)
Disposals of other investments		1	19	47
Net decrease (increase) in other securities and loans of the Automotive segment		(304)	(120)	(126)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS		**(1,493)**	**(1,382)**	**(2,479)**
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	3	**-**	**(815)**	**(815)**
Dividends paid to parent company shareholders	16	(73)	-	-
Transactions with non-controlling interests		(18)	16	54
Dividends paid to non-controlling interests		(92)	(41)	(41)
(Acquisitions) sales of treasury shares		(135)	(33)	(60)
Cash flows with shareholders		**(318)**	**(58)**	**(47)**
Bond issuance by the Automotive segment		-	-	2,062
Bond redemption by the Automotive segment		(750)	4	(240)
Net increase (decrease) in other financial liabilities of the Automotive segment		(1,386)	(1,627)	(2,575)
Net change in financial liabilities of the Automotive segment		**(2,136)**	**(1,623)**	**(753)**
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS		**(2,454)**	**(1,681)**	**(800)**
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	3	**-**	**323**	**322**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		**(2,897)**	**(3,154)**	**(159)**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(2) The cash flow before interest and tax is presented net of dividends received from listed companies.

(3) Dividends received from Nissan (€116 million).

(€ million)	H1 2023	H1 2022	Year 2022
Cash and cash equivalents: opening balance	**21,774**	**21,928**	**21,928**
Increase (decrease) in cash and cash equivalents	(2,890)	(2,368)	678
Effects of change of scope	(7)	(786)	(837)
Effect of changes in exchange rate and other changes	50	248	28
Cash generated by assets held for sale	17	(15)	(23)
Cash and cash equivalents: closing balance [1]	**18,944**	**19,007**	**21,774**

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

6. Notes to the condensed consolidated financial statements

6.1. Information on operating segments

The operating segments used by 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.

In the 2022 figures, the segment previously named AVTOVAZ (which was sold in May 2022) is presented separately as Discontinued operations in the Automotive segment, in accordance with IFRS 5.

The segment result regularly reviewed by the Leadership Team (formerly the Board of Management), identified as the "Chief Operating Decision-Maker", is the operating margin. The definition of this indicator is detailed in the consolidated financial statements at December 31, 2022 (Note 2-D Presentation of the consolidated financial statements). The operating margin excludes restructuring costs.

A. Consolidated income statement by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2023					
External sales	**24,850**	**1,978**	**21**	**-**	**26,849**
Intersegment sales	60	11	1	(72)	-
Sales by segment	**24,910**	**1,989**	**22**	**(72)**	**26,849**
Operating margin (1)	**1,542**	**518**	**(19)**	**(1)**	**2,040**
Operating income	**1,608**	**507**	**(18)**	**(1)**	**2,096**
Financial income (expenses) (2)	**361**	**(20)**	**(1)**	**(600)**	**(260)**
Share in net income (loss) of associates and joint ventures	**576**	**(7)**	**(3)**	**-**	**566**
Pre-tax income	**2,545**	**480**	**(22)**	**(601)**	**2,402**
Current and deferred taxes	(135)	(143)	-	-	(278)
Net income from continuing operations	**2,410**	**337**	**(22)**	**(601)**	**2,124**
Net income from discontinued operations	**-**	**-**	**-**	**-**	**-**
NET INCOME	**2,410**	**337**	**(22)**	**(601)**	**2,124**

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

(2) 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. They amounted to €600 million in the first half-year of 2023.

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2022 (1)					
External sales	**19,574**	**1,498**	**17**	**-**	**21,089**
Intersegment sales	48	8	1	(57)	-
Sales by segment	**19,622**	**1,506**	**18**	**(57)**	**21,089**
Operating margin (2)	**419**	**566**	**(14)**	**1**	**972**
Operating income	**390**	**547**	**(15)**	**1**	**923**
Financial income (expenses) (3)	**578**	**(13)**	**(1)**	**(800)**	**(236)**
Share in net income (loss) of associates and joint ventures	**311**	**(93)**	**(4)**	**-**	**214**
Pre-tax income	**1,279**	**441**	**(20)**	**(799)**	**901**
Current and deferred taxes	(138)	(116)	-	-	(254)
Net income from continuing operations	**1,141**	**325**	**(20)**	**(799)**	**647**
Net income from discontinued operations	**(2,323)**	**-**	**-**	**-**	**(2,323)**
NET INCOME	**(1,182)**	**325**	**(20)**	**(799)**	**(1,676)**
YEAR 2022 (1)					
External sales	**43,121**	**3,172**	**35**	**-**	**46,328**
Intersegment sales	96	16	3	(115)	-
Sales by segment	**43,217**	**3,188**	**38**	**(115)**	**46,328**
Operating margin (2)	**1,401**	**1,198**	**(30)**	**1**	**2,570**
Operating income	**1,044**	**1,177**	**(31)**	**1**	**2,191**
Financial income (expenses) (3)	**347**	**(31)**	**(2)**	**(800)**	**(486)**
Share in net income (loss) of associates and joint ventures	**557**	**(127)**	**(7)**	**-**	**423**
Pre-tax income	**1,948**	**1,019**	**(40)**	**(799)**	**2,128**
Current and deferred taxes	(203)	(320)	(1)	-	(524)
Net income from continuing operations	**1,745**	**699**	**(41)**	**(799)**	**1,604**
Net income from discontinued operations	**(2,320)**	**-**	**-**	**-**	**(2,320)**
NET INCOME	**(575)**	**699**	**(41)**	**(799)**	**(716)**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(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 €800 million was paid in 2022.

B. Consolidated financial position by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
June 30, 2023					
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets, and goodwill	15,422	982	46	-	16,450
Investments in associates and joint ventures	17,373	82	4	-	17,459
Non-current financial assets – equity investments	6,198	10	-	(6,158)	50
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	457	-	-	-	457
Deferred tax assets	406	231	-	-	637
Other non-current assets	698	59	-	-	757
TOTAL NON-CURRENT ASSETS	**40,554**	**1,364**	**50**	**(6,158)**	**35,810**
Current assets					
Inventories	5,640	28	1	-	5,669
Customer receivables	1,300	48,420	6	(551)	49,175
Current financial assets	1,417	996	1	(909)	1,505
Current tax assets and other current assets	6,873	6,333	8	(4,410)	8,804
Cash and cash equivalents	13,488	5,449	16	(9)	18,944
TOTAL CURRENT ASSETS	**28,718**	**61,226**	**32**	**(5,879)**	**84,097**
TOTAL ASSETS	**69,272**	**62,590**	**82**	**(12,037)**	**119,907**

SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	**30,367**	**6,122**	**10**	**(6,166)**	**30,333**
Non-current liabilities					
Long-term provisions	2,152	328	-	-	2,480
Non-current financial liabilities	8,936	875	15	-	9,826
Deferred tax liabilities	187	833	1	-	1,021
Other non-current liabilities	959	271	-	-	1,230
TOTAL NON-CURRENT LIABILITIES	**12,234**	**2,307**	**16**	**-**	**14,557**
Current liabilities					
Short-term provisions	1,119	47	-	1	1,167
Current financial liabilities	3,954	-	38	(715)	3,277
Trade payables and Sales Financing debts	8,292	52,301	11	(858)	59,746
Current tax liabilities and other current liabilities	13,306	1,813	7	(4,299)	10,827
TOTAL CURRENT LIABILITIES	**26,671**	**54,161**	**56**	**(5,871)**	**75,017**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**69,272**	**62,590**	**82**	**(12,037)**	**119,907**

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
December 31, 2022 [(1)]					
ASSETS					
Non-current assets					
Property, plant and equipment and intangible assets, and goodwill	15,566	796	43	-	16,405
Investments in associates and joint ventures	18,141	66	3	-	18,210
Non-current financial assets – equity investments	6,313	11	-	(6,261)	63
Non-current financial assets – other securities, loans and derivatives on financing operations of the Automotive segment	350	-	1	(1)	350
Deferred tax assets	354	239	-	-	593
Other non-current assets	831	80	-	-	911
TOTAL NON-CURRENT ASSETS	**41,555**	**1,192**	**47**	**(6,262)**	**36,532**
Current assets					
Inventories	5,188	24	1	-	5,213
Customer receivables	1,009	44,732	8	(504)	45,245
Current financial assets	1,294	980	-	(858)	1,416
Current tax assets and other current assets	6,583	5,798	7	(4,276)	8,112
Cash and cash equivalents	14,227	7,549	17	(19)	21,774
TOTAL CURRENT ASSETS	**28,301**	**59,083**	**33**	**(5,657)**	**81,760**
TOTAL ASSETS	**69,856**	**60,275**	**80**	**(11,919)**	**118,292**
SHAREHOLDERS' EQUITY AND LIABILITIES					
Shareholders' equity	**29,571**	**6,368**	**18**	**(6,267)**	**29,690**
Non-current liabilities					
Long-term provisions	2,039	306	-	-	2,345
Non-current financial liabilities	9,845	886	8	(1)	10,738
Deferred tax liabilities	224	876	2	-	1,102
Other non-current liabilities	1,082	288	2	-	1,372
TOTAL NON-CURRENT LIABILITIES	**13,190**	**2,356**	**12**	**(1)**	**15,557**
Current liabilities					
Short-term provisions	1,103	50	-	-	1,153
Current financial liabilities	5,191	-	36	(622)	4,605
Trade payables and Sales Financing debts	8,487	49,739	8	(830)	57,404
Current tax liabilities and other current liabilities	12,314	1,762	6	(4,199)	9,883
TOTAL CURRENT LIABILITIES	**27,095**	**51,551**	**50**	**(5,651)**	**73,045**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**69,856**	**60,275**	**80**	**(11,919)**	**118,292**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

C. Consolidated cash flows by operating segment

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2023					
Net income from continuing operations [(1)]	**2,410**	**337**	**(22)**	**(601)**	**2,124**
Cancellation of income and expenses with no impact on cash					
Depreciation, amortization and impairment	1,229	116	4	-	1,349
Share in net (income) loss of associates and joint ventures	(576)	7	3	-	(566)
Other income and expenses with no impact on cash, before interest and tax	155	286	3	(5)	439
Dividends received from unlisted associates and joint ventures	43	-	-	-	43
Cash flow before interest and tax [(2)]	**3,261**	**746**	**(12)**	**(606)**	**3,389**
Dividends received from listed companies [(3)]	**116**	**-**	**-**	**-**	**116**
Decrease (increase) in Sales Financing receivables	-	(3,427)	-	24	(3,403)
Net change in financial assets and Sales Financing debts	-	2,146	-	66	2,212
Change in capitalized leased assets	(15)	(261)	-	-	(276)
Change in working capital before tax	(138)	(560)	2	1	(695)
Cash flows from operating activities before interest and tax	**3,224**	**(1,356)**	**(10)**	**(515)**	**1,343**
Interest received	251	-	-	(10)	241
Interest paid	(209)	-	(1)	16	(194)
Current taxes (paid) / received	(230)	(110)	-	-	(340)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	**3,036**	**(1,466)**	**(11)**	**(509)**	**1,050**
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
Purchases of intangible assets	(662)	(6)	(4)	-	(672)
Purchases of property, plant and equipment	(680)	(4)	(2)	-	(686)
Disposals of property, plant and equipment and intangibles	197	-	-	-	197
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	26	-	-	-	26
Acquisitions and disposals of other investments and other	(28)	(36)	(3)	13	(54)
Net decrease (increase) in other securities and loans of the Automotive segment	(307)	-	3	-	(304)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS	**(1,454)**	**(46)**	**(6)**	**13**	**(1,493)**
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
Cash flows with shareholders	(288)	(630)	13	587	(318)
Net change in financial liabilities of the Automotive segment	(2,058)	-	3	(81)	(2,136)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS	**(2,346)**	**(630)**	**16**	**506**	**(2,454)**
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	**-**	**-**	**-**	**-**	**-**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**(764)**	**(2,142)**	**(1)**	**10**	**(2,897)**
Cash and cash equivalents: opening balance	**14,227**	**7,549**	**17**	**(19)**	**21,774**
Increase (decrease) in cash and cash equivalents	(757)	(2,142)	(1)	10	(2,890)
Effects of change of scope	(7)	-	-	-	(7)
Effect of changes in exchange rate and other changes	8	42	-	-	50
Cash generated by assets held for sale	17	-	-	-	17
Cash and cash equivalents: closing balance	**13,488**	**5,449**	**16**	**(9)**	**18,944**

(1) Dividends paid by the Sales Financing segment to the Automotive segment are included in the net income of the Automotive segment. They amounted to €600 million in the first half-year of 2023.

(2) The cash flow before interest and tax is presented net of dividends received from listed companies.

(3) Dividends received from Nissan (€116 million).

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
H1 2022 (1)					
Net income from continuing operations (2)	**1,141**	**325**	**(20)**	**(799)**	**647**
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)	132	1	(5)	74
Dividends received from unlisted associates and joint ventures	24	-	-	-	24
Cash flow before interest and tax (3)	**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**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(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 €800 million in the first half-year of 2022.

(3) The cash flow before interest and tax is presented net of dividends received from listed companies.

(€ million)	Automotive	Sales Financing	Mobility Services	Intersegment transactions	CONSOLIDATED TOTAL
Year 2022 (1)					
Net income from continuing operations (2)	**1,745**	**699**	**(41)**	**(799)**	**1,604**
Cancellation of income and expenses with no impact on cash					
Depreciation, amortization and impairment	3,391	135	6	-	3,532
Share in net (income) loss of associates and joint ventures	(557)	127	7	-	(423)
Other income and expenses with no impact on cash, before interest and tax	(49)	362	2	(11)	304
Dividends received from unlisted associates and joint ventures	23	-	-	-	23
Cash flow before interest and tax (3)	**4,553**	**1,323**	**(26)**	**(810)**	**5,040**
Dividends received from listed companies	**64**	**-**	**-**	**-**	**64**
Decrease (increase) in Sales Financing receivables	-	(5,026)	-	(34)	(5,060)
Net change in financial assets and Sales Financing debts	-	4,370	-	(22)	4,348
Change in capitalized leased assets	87	(304)	-	-	(217)
Change in working capital before tax	7	400	(2)	(1)	404
Cash flows from operating activities before interest and tax	**4,711**	**763**	**(28)**	**(867)**	**4,579**
Interest received	175	-	-	(3)	172
Interest paid	(357)	-	(1)	13	(345)
Current taxes (paid) / received	(143)	(335)	(1)	-	(479)
CASH FLOWS FROM OPERATING ACTIVITIES OF CONTINUING OPERATIONS	**4,386**	**428**	**(30)**	**(857)**	**3,927**
CASH FLOWS FROM OPERATING ACTIVITIES OF DISCONTINUED OPERATIONS	**(315)**	**-**	**-**	**-**	**(315)**
Purchases of intangible assets (4)	(1,216)	(15)	(12)	-	(1,243)
Purchases of property, plant and equipment	(1,395)	(2)	-	-	(1,397)
Disposals of property, plant and equipment and intangibles (5)	408	-	2	-	410
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	(112)	(14)	(6)	47	(85)
Net decrease (increase) in other securities and loans of the Automotive segment	(121)	-	(7)	2	(126)
CASH FLOWS FROM INVESTING ACTIVITIES OF CONTINUING OPERATIONS	**(2,474)**	**(31)**	**(23)**	**49**	**(2,479)**
CASH FLOWS FROM INVESTING ACTIVITIES OF DISCONTINUED OPERATIONS	**(815)**	**-**	**-**	**-**	**(815)**
Cash flows with shareholders (4)	(35)	(812)	48	752	(47)
Net change in financial liabilities of the Automotive segment	(803)	-	10	40	(753)
CASH FLOWS FROM FINANCING ACTIVITIES OF CONTINUING OPERATIONS	**(838)**	**(812)**	**58**	**792**	**(800)**
CASH FLOWS FROM FINANCING ACTIVITIES OF DISCONTINUED OPERATIONS	**323**	**-**	**-**	**-**	**323**
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	**267**	**(415)**	**5**	**(16)**	**(159)**
Cash and cash equivalents: opening balance	**13,877**	**8,040**	**14**	**(3)**	**21,928**
Increase (decrease) in cash and cash equivalents	1,105	(416)	5	(16)	678
Effects of change of scope (6)	(838)	1	-	-	(837)
Effect of changes in exchange rate and other changes	106	(76)	(2)	-	28
Cash generated by assets held for sale	(23)	-	-	-	(23)
Cash and cash equivalents: closing balance	**14,227**	**7,549**	**17**	**(19)**	**21,774**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(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 €800 million in 2022.

(3) The cash flow before interest and tax is presented net of dividends received from listed companies.

(4) Reciprocal, interdependent cash flows corresponding to the Korean company RKM's capital increase subscribed by its minority shareholder Geely in exchange for RKM's concomitant acquisition of a technological licence from Geely for the same amount of 264 billion won, approximately €194 million, are presented net in the cash flow statement, to reflect the substance of the operation.

(5) The principal gains on disposals of property, plant and equipment and intangibles (€410 million at December 31, 2022) are presented in Note 6-C.

(6) The effects of change of scope mainly concern the disposal of AVTOVAZ for €578 million and Renault Russia for €163 million.

D. 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. Cash and cash equivalents and current financial liabilities classified as Assets and Liabilities held for sale are excluded.

Net cash position (net financial indebtedness)

(€ million)	June 30, 2023	December 31, 2022
Non-current financial liabilities	(8,936)	(9,845)
Current financial liabilities	(3,954)	(5,191)
Non-current financial assets – other securities, loans and derivatives on financing operations	227	121
Current financial assets	1,360	1,237
Cash and cash equivalents	13,488	14,227
Net cash position (net financial indebtedness) of the Automotive segment	**2,185**	**549**

Operational free cash flow

(€ million)	June 30, 2023	H1 2022	Year 2022
Cash flow (excluding dividends from Nissan and the Sales Financing segment) before interest and tax	2,661	1,757	3,753
Dividends received from the Sales Financing segment	600	800	800
Changes in working capital before tax	(138)	(275)	7
Interest received by the Automotive segment	251	47	175
Interest paid by the Automotive segment	(209)	(178)	(357)
Current taxes (paid) / received	(230)	(65)	(143)
Acquisitions of property, plant and equipment, and intangible assets net of disposals	(1,145)	(1,134)	(2,203)
Capitalized leased vehicles and batteries	(15)	4	87
Operational free cash flow of the Automotive segment	**1,775**	**956**	**2,119**
Payments for restructuring expenses	*(219)*	*(278)*	*(590)*
Operational free cash flow of the Automotive segment excluding restructuring	**1,994**	**1,234**	**2,709**

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 2022 year-end. The ROCE for 2022 is reported in the notes to the 2022 financial statements (the Securities Report of Renault filed on May 12, 2023)

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6.2. Accounting policies and scope of consolidation

Note 1 - Approval of the financial statements

Groupe Renault, referred to in the financial statements as "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 30 to the consolidated financial statements at December 31, 2022.

Renault Group's condensed consolidated half-year financial statements at June 30, 2023 were examined at the Board of Directors' meeting of July 26, 2023.

Note 2 - Accounting policies

The condensed consolidated half-year financial statements at June 30, 2023 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, 2022.

Renault Group's condensed consolidated half-year financial statements at June 30, 2023 are prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at June 30, 2023 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, 2022.

2-A. Changes in accounting rules and methods

2-A1. Changes in accounting policies

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, 2023.

New amendments that became mandatory on January 1, 2023

IFRS 17 and amendments	Insurance contracts
Amendments to IAS 12	Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction
Amendments to IAS 1	Disclosure of Accounting Policies
Amendments to IAS 8	Definition of Accounting Estimates

Application of the amendments to IAS 12, IAS 1 and IAS 8 from January 1, 2023 has no material impact on the Group's financial statements. The impacts of application of IFRS 17 are presented in Note 2-A2.

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, 2024
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback	January 1, 2024
Amendments to IAS 12	International Tax Reform – Pillar Two Model Rules	January 1, 2023
Amendments to IAS 7	Supplier Finance Arrangements	January 1, 2024

The Group does not anticipate that application of these amendments will have any significant impact on the consolidated financial statements.

2-A2. Changes in the financial statements resulting from first application of IFRS 17 - Insurance Contracts

IFRS 17 – Insurance Contracts, published on May 18, 2017 and modified by amendments of June 25, 2020, sets out the principles of recognition, measurement, presentation and disclosures for insurance contracts. This standard replaces IFRS 4 - Insurance Contracts and became applicable on January 1, 2023. The Sales Financing segment had already applied IFRS 9 since January 1, 2018, having decided not to use the exemption option.

Impacts for classification and measurement

For the Group, IFRS 17 mainly applies to insurance contracts issued and reinsurance agreements signed by the Sales Financing segment's insurance companies.

Contracts are now valued in groups (known as "cohorts") under the general "building block" approach which comprises: (1) estimates of discounted future cash flows weighted by the probability of occurrence, (2) an adjustment for non-financial risks, and (3) the contractual service margin. The contractual service margin is recognized in the income statement based on the coverage units provided during the period.

Impacts of the transition

As the Group considered it was not feasible to collect all the historical data required to estimate the value of the contracts in the portfolio at the transition date, it chose to use the simplified retrospective approach to record the impact of the transition on the financial statements at January 1, 2022.

Under this approach, for each annual cohort with active contracts at the transition date, the contractual service margin is defined by the estimated future cash flows discounted to the subscription date, including historical cash flows prior to January 1, 2022, and by the adjustment for non-financial risk.

The transition has a positive impact on shareholders' equity of €167 million in the opening balance sheet at January 1, 2022.

In accordance with IFRS 17, the comparative figures for 2022 have been restated to take account of the application of the standard as of January 1, 2022. The IFRS 17 technical provisions at January 1, 2022 and December 31, 2022 have been determined by applying the general model to the portfolio existing at these dates.

At June 30, 2023 and after application of IFRS 17, provisions covering the insurance activities of the Sales Financing segment represented an amount of €171 million in provisions. Assets related to reinsurance contracts held for these same activities represent an amount of €25 million in other non-current assets. The impacts of applying IFRS 17 on the Group's consolidated financial position at the transition date and at December 31, 2022 are detailed in the table below:

(€ million)	December 31, 2021 published	January 01, 2022 restated	Variation	December 31, 2022 published	December 31, 2022 restated	Variation
Assets / Other non-current assets	966	920	(46)	938	911	(27)
Liabilities / Provisions	1,291	988	(303)	1,341	1,082	(259)
Liabilities / Deferred tax liabilities	1,009	1,099	90	1,021	1,102	81
Shareholders' equity / Reserves	25,159	25,326	167	26,370	26,537	167
Shareholders' equity / Net income				(700)	(716)	(16)

The first-time application of IFRS 17 impact represents a reduction in net income of €(10) million over the first half of 2022 and €(16) million over the full year 2022. The impacts of applying IFRS 17 on the Group's consolidated income statement on the first half of 2022 and the full year 2022 are detailed in the table below:

(€ million)	H1 2022 published	H1 2022 restated	Variation	FY 2022 published	FY 2022 restated	Variation
Revenues	21,121	21,089	(32)	46,391	46,328	(63)
Operating income (loss)	939	923	(16)	2,216	2,191	(25)
Pre-tax income	917	901	(16)	2,153	2,128	(25)
Current and deferred taxes	(260)	(254)	6	(533)	(524)	9
Net income	**(1,666)**	**(1,676)**	**(10)**	**(700)**	**(716)**	**(16)**

2-B. Estimates and judgments

Estimates and judgments specific to the first half-year of 2023

Plan to sell the Horse powertrain project

Since announcing its Renaulution plan in 2020, Renault Group has worked to transform its business and its organization. At the Capital Market Day held on November 8, 2022, it announced that it would be letting go of some of its powertrain technologies (the Horse project), which will be combined into a joint venture with Geely dedicated to hybrid and low-emission powertrains. The groups of assets and liabilities concerned were therefore reclassified as assets and liabilities held for sale in the consolidated financial position at December 31, 2022, in accordance with IFRS 5, and this remains the case at June 30, 2023. Depreciation and amortization of these tangible and intangible assets ceased at the date of their classification as held for sale, i.e. November 8, 2022. The Group has verified that the net amount presented in Assets held for sale is below the market value of these assets and liabilities. In March 2023, a new partner, Aramco, announced its intent to join the new entity by taking a minority interest. On July 11, 2023, Renault Group and Geely signed a joint venture agreement (Note 22).

New foundations for the partnership with Nissan

In early 2023 Renault Group and Nissan announced the new foundations of their partnership, including operational projects, investment by Nissan in Ampere, the pure player in electric vehicles and software set up by Renault Group and transfer of 28.4% of the Nissan shares held by Renault Group to a French trust in which the Group's voting rights would be "neutralized" for most decisions but it would retain full benefit of its economic rights (to dividends and the proceeds of share sales) until the shares are sold. Ultimately Renault Group and Nissan would retain cross-shareholdings of 15% subject to a lock-up obligation and a standstill obligation. The new basis of the general agreement with Nissan had no impact on the financial statements at June 30, 2023.

Renault Group's exit from the Russian Federation

Renault Group sold its investments in Renault Russia and the AVTOVAZ Group on May 15, 2022 and presented these entities as Discontinued operations in the 2022 financial statements, in accordance with IFRS 5. At June 30, 2023, the Group has noted no significant change compared to the 2022 estimates for certain liabilities and has not recorded any adjustment to the net income from Discontinued operations reported at December 31, 2022.

The Group has an option to buy back its investment in AVTOVAZ, as stated in Note 28-B Off-balance sheet commitments received, contingent assets and assets received as collateral in the notes to the 2022 financial statements. This option has nil value for the Group in the current context.

In the Sales Financing segment, the Group consolidates the fully-owned entity RNL Leasing, which is included in Assets held for sale and written down, with a net asset value of €9 million. The Group is actively engaged in negotiations to sell this entity. The Group has also finalized the sale of RN Bank, a 30%-owned entity accounted for under the equity method, for RUB 7 billion
(€76 million). The shares of RN Bank were fully written off at December 31, 2022.

Employee shareholding

Following on from the Renaulution Shareplan launched in 2022, Renault Group again wishes to engage all employees in the Group's strategy and future performances. This new employee shareholding operation will attribute 8 free shares to eligible employees in France and internationally. It will also offer employees the opportunity to buy shares at a 30% discount on the reference price. The cost of this plan recognized at June 30, 2023 is limited to the prorated cost of the 8 free shares. The other components of the cost will be recognized during the second half-year of 2023.

Worldwide economic context

Since 2021, the Automotive industry has faced disruptions in supplies of electronic components that have affected the worldwide automotive sector, causing in part a 4.5% decrease in sales volumes in 2021 and a 5.9% decrease in 2022, when 2,051,174 vehicles were sold. 2022 was also affected by the rising prices of significant raw materials, which have continued in 2023. Nevertheless, the Group returned to positive growth with 1,133,667 volumes sold during the first half-year of 2023, despite a crisis in the logistics sector that has reduced its supply and distribution capacities.

Sustainable development and climate considerations

Sustainable development considerations are key in Renault Group's strategy. Through the Paris Agreements and the European Green Deal, the Group has made concrete commitments to reach carbon neutrality at the Renault Electricity hub by 2025, in Europe by 2040 and worldwide by 2050.

In this context, the Group assesses the depreciation periods for its fixed assets at the end of each accounting period, and tests their recoverable value in the light of changes in its product plan and its medium-term plan.

To meet its decarbonization commitments, the Group has begun to electrify its range, and is securing its procurement through long-term contracts for purchase volumes along the electric vehicle value chain. These actions are part of the Ampere project involving new subsidiaries dedicated to electric vehicles and software, due to be formed during the second half-year of 2023. The Group also engages in green energy purchases contracts that require significant investment, including for the Group's production sites. The volumes for which the Group has given firm commitments are stated in the off-balance sheet commitments in the notes to the financial statements. At the end of each accounting period, these commitments are reviewed to ensure they are not onerous. When purchase contracts require significant investments by the supplier, which is the case for green energy purchase contracts, the Group analyzes the contract clauses to identify which party controls the assets. In every case, the conclusion has been that they should be deconsolidated.

European and foreign regulations have penalty and/or bonus mechanisms based on achievement of CO_2 emissions targets by production sites or by vehicles sold. Emission levels have to be estimated at the end of each accounting period, but the final values are only confirmed one or even two years later. This is how the European CAFE (Corporate Average Fuel Economy) operates, for example. The Group has set up a Committee to identify the relevant CO_2 emissions and estimate the corresponding income and expenses.

Other estimates and judgments

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 Group regularly revises its estimates and assessments to take account of past experience and other factors deemed relevant in view of the economic circumstances.

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 2023:

- determination of compliance with the requirements of IFRS 5 for reclassification of assets or groups of assets (liabilities) held for sale and reporting them on specific lines in the balance sheet in the current assets and current liabilities (Note 3-B),
- capitalization of research and development expenses and their amortization period (Notes 5 and 10-A),
- potential impairment of fixed assets, particularly impairment on specific assets linked to vehicles (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 (Notes 6-A and 17),
- determination of risks associated with financially distressed suppliers,
- recognition of deferred tax assets on tax loss carry forwards (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).

Note 3 - Changes in the scope of consolidation, discontinued operations and assets and liabilities held for sale

3-A. Changes in the scope of consolidation

Automotive

In February 2023 the Group sold the fully owned company Renault Nissan Bulgaria EAD to Emil Frey Holding AG for the value of €7.6 million.

Sales Financing

In June 2023 the Group finalized the sale of the Russian entity RN Bank to AVTOVAZ for RUB 7 billion (€76 million). RN Bank was a 30%-owned entity by RN SF B.V accounted for under the equity method.

3-B. Assets and liabilities held for sale

At the Capital Market Day on November 8, 2022, Renault Group announced the signature of a framework agreement with the Geely Group for the creation of a new worldwide entity to develop, manufacture and supply hybrid and low-emission engines and powertrains. The framework agreement stipulates that Renault Group and Geely will each hold 50% of the shares in this new venture. The assets and liabilities held for sale, collectively referred to as Horse below, should be deconsolidated in the second half-year of 2023.

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).

At June 30, 2023, the group of assets held for sale consists of €4,051 million of assets and €(799) million of debts and other liabilities. The variation in these amounts between December 31, 2022 and June 30, 2023, i.e. a €190 million increase in assets held for sale and a €(74) million decrease in the associated liabilities, is mainly explained by the evolution in the reclassification of Horse project assets and liabilities in preparation for the new joint venture dedicated to hybrid and thermal powertrains (Note 2-B). The Group stopped recording amortization on these tangible and intangible assets from November 8, 2022, the date of their reclassification as assets held for sale.

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

The reclassification of these assets held for sale and the associated liabilities is reflected in other changes in the relevant notes.

(€ million)	*Notes*	June 30, 2023	*Including Horse*	December 31, 2022	*Including Horse*
Intangible assets and goodwill	*10*	888	*874*	795	*795*
Tangible assets	*10*	2,634	*2,256*	2,537	*2,166*
Inventories	*14*	408	*386*	418	*338*
Total cash and cash equivalents		7	*6*	23	*8*
Other		114	*102*	88	*71*
Total assets held for sale		**4,051**	***3,624***	**3,861**	***3,378***
Total liabilities associated with assets held for sale		**(799)**	***(735)***	**(873)**	***(841)***
Including financial liabilities		*(76)*	*(42)*	*(129)*	*(102)*

3-C. Operations discontinued in 2022

In May 2022 the Group sold its investments in Renault Russia and Lada Auto Holding (the parent company of AVTOVAZ).

The contribution by these entities to the financial statements was reported as results of discontinued operations, in accordance with IFRS 5.

There was no change in 2023 in the value of contributions classified as IFRS 5 Discontinued Operations at the end of 2022.

6.3. Consolidated income statement

Note 4 - Revenues

4-A. Breakdown of revenues

(€ million)	H1 2023	H1 2022 [1]	Year 2022 [1]
Sales of goods - Automotive segment	**21,961**	**16,897**	**37,684**
Sales to partners of the Automotive segment	**1,915**	**1,633**	**3,130**
Rental income on leased assets [2]	342	323	842
Sales of other services	632	721	1,465
Sales of services - Automotive segment	**974**	**1,044**	**2,307**
Sales of goods - Sales Financing segment	**9**	**12**	**23**
Rental income on leased assets [2]	90	62	141
Interest income on Sales Financing receivables	1,334	915	1,983
Sales of other services [3]	545	509	1,025
Sales of services - Sales Financing segment	**1,969**	**1,486**	**3,149**
Sales of services - Mobility Services segment	**21**	**17**	**35**
Total Revenues	**26,849**	**21,089**	**46,328**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

(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.

4-B. Revenues by region

Consolidated revenues are presented by location of customers.

(€ million)	H1 2023	H1 2022 [1]	Year 2022 [1]
Europe	20,951	15,841	35,622
Including France	*7,536*	*6,040*	*13,814*
Eurasia	1,538	1,012	1,899
Africa & Middle East	921	828	1,757
Asia Pacific	939	1,320	2,699
Americas	2,500	2,088	4,351
Total Revenues	**26,849**	**21,089**	**46,328**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

Note 5 - Research and development expenses

(€ million)	H1 2023	H1 2022	Year 2022
Research and development expenses	(1,300)	(1,149)	(2,259)
Capitalized development expenses	659	546	1,110
Amortization of capitalized development expenses	(488)	(544)	(976)
TOTAL INCLUDED IN INCOME	**(1,129)**	**(1,147)**	**(2,125)**

Research and development expenses are reported net of research tax credits for the vehicle development activity.

The increase in research and development expenses and capitalized development expenses in 2023 in Europe is explained by renewal and electrification of the C segment range (Espace, Rafale and Austral), light commercial vehicles, and electric and hybrid engines. Internationally, this increase was mainly due to renewal of the Global Access range in Romania and Brazil, and the relaunch of the RKM range.

Amortization of capitalized development expenses decreased compared to the first half-year of 2022 and is lower than the amount of capitalized expenses in the first half-year of 2023, notably due to the cessation of amortization of development expenses classified as Assets held for sale (€97 million).

Note 6 - Other operating income and expenses

(€ million)	H1 2023	H1 2022	Year 2022
Restructuring and workforce adjustment costs	(188)	(134)	(354)
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	24	29	(14)
Gains and losses on disposal of property, plant and equipment and intangible assets (except leased asset sales)	203	27	178
Impairment of property, plant and equipment, intangible assets and goodwill (excluding goodwill of associates and joint ventures)	1	(2)	(257)
Other unusual items	16	31	68
TOTAL	**56**	**(49)**	**(379)**

6-A. Restructuring and workforce adjustment costs

Restructuring and workforce adjustment costs in the first half-year of 2023 principally concern France (€(152) million). They relate to the plan to reduce fixed costs announced on May 29, 2020 and cover employee departure plans, fees and other expenses relating to the Horse and Ampere projects, and the Group's digital transformation.

In 2022, these costs principally concerned France (€(174) million, including €(55) million for the first half-year), Germany (€(81) million, including €(2) million for the first half-year), Romania (€(36) million, including €(31) million for the first half-year) and Spain (€(19) million, including €(15) million for the first half-year).

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

In 2023 the Group recorded a €24 million gain on the disposal of sales subsidiaries and the distribution network in Europe.

In the first-half 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. In the second half 2022, costs associated with the sale of Fonderie de Bretagne were recognized at the total amount of €(57) million.

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

The Group undertook real estate operations during 2023 that generated a gain of €203 million, principally in France with a sale of land and sale of an industrial site.

The Group undertook real estate operations in 2022 that generated a gain of €178 million, principally including the sale of a logistic warehouse and a real estate property in France generating a gain of €97 million, and sales of various real estate complexes in France and Europe, generating a gain of €98 million (€27 million at June 30, 2022).

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

No significant impairment was recognized in 2023.

In 2022, impairment amounting to €(257) million net of reversals was recorded, principally recognized on excess production capacity assets in China. No impairment was recorded in the first-half 2022.

6-E. Other unusual items

Other unusual items in 2023 include various amounts, all of them individually non-significant.

In 2022, the partial resumption of business activity in Algeria, which had been halted in 2020 following decisions by the Algerian government, led to recovery of €19 million (€16 million at June 30, 2022).

Note 7 - Financial income (expenses)

(€ million)	H1 2023	H1 2022	Year 2022
Cost of gross financial indebtedness	(181)	(164)	(349)
Income on cash and financial assets	218	40	168
Cost of net financial indebtedness	**37**	**(124)**	**(181)**
Dividends received from companies that are neither controlled nor under significant influence	1	1	2
Foreign exchange gains and losses on financial operations	40	36	74
Gain/Loss on exposure to hyperinflation (1)	(235)	(132)	(292)
Net interest expenses on the defined-benefit liabilities and assets corresponding to pension and other long-term employee benefit obligations	(22)	(8)	(21)
Other (2)	(81)	(9)	(68)
Other financial income and expenses	**(297)**	**(112)**	**(305)**
Financial income (expenses)	**(260)**	**(236)**	**(486)**

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

(2) Other items mainly comprise the effects of the +€1 million adjustment of the amortized cost of the State-guaranteed credit facility (+€29 million at December 31, 2022), 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 (Note 6.1–D).

Note 8 - 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 2023	H1 2022 (1)	Year 2022 (1)
Current income taxes	(391)	(272)	(561)
Deferred tax income (charge)	113	18	37
CURRENT AND DEFERRED TAXES	**(278)**	**(254)**	**(524)**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

In 2023, €(70) million of the current income tax charge comes from French entities and from foreign entities for €(321) million (respectively €(20) million and €(252) million at June 30, 2022 and respectively €(61) million and €(500) million for year-end 2022). This charge increased in 2023, due to the favorable taxable income linked to the Group's economic activity. An exceptional tax charge of €(21) million was recorded in Turkey following the earthquake in February 2023. The French tax group is profitable, contributing €(37) million to the current tax charge.

In France, the current tax charge for tax consolidation entities amounts to €(70) million at June 30, 2023 (€(20) million at June 30, 2022).

The change in deferred taxes was positive and stands at €113 million, rising significantly in 2023 due to the recognition of deferred tax asset positions in France and abroad.

On December 15, 2022, the EU member states formally adopted the Council directive for EU-level implementation of the minimum taxation component, known as Pillar 2, of the OECD's international taxation reform. This directive has yet to be transposed into member states' tax systems, but a short-term transitional "Safe harbour" measure has been defined.

This directive aims to establish a global minimum corporate tax rate of 15% by introducing an additional "top-up tax" for multinationals and large-scale national groups in the EU, to implement the global agreement reached on October 8, 2021 under the OECD's Inclusive Framework and respond to concerns about unequal distribution of the profits and tax contributions of large multinational companies.

The Group is currently examining the implementation of these measures.

Note 9 - Basic and diluted earnings per share

(thousands of shares)	H1 2023	H1 2022	Year 2022
Shares in circulation	295,722	295,722	295,722
Treasury shares	(4,594)	(3,726)	(4,253)
Shares held by Nissan x Renault's share in Nissan	(19,367)	(19,377)	(19,372)
Number of shares used to calculate basic earnings per share	**271,761**	**272,619**	**272,097**

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 2023	H1 2022	Year 2022
Number of shares used to calculate basic earnings per share	271,761	272,619	272,097
Dilutive effect of stock options, performance share rights and other share-based payments	3,994	1,689	2,154
Number of shares used to calculate diluted earnings per share	**275,755**	**274,308**	**274,251**

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.

6.4. 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, 2022	**13,723**	**(9,023)**	**4,700**
Acquisitions / (amortization and impairment) [(1)]	672	(528)	144
(Disposals) / reversals	(2)	1	(1)
Translation adjustment	(20)	9	(11)
Change in scope of consolidation and other [(2)]	(19)	(72)	(91)
Value at June 30, 2023	**14,354**	**(9,613)**	**4,741**

(1) Including € (5) million of impairment on intangible assets (Note 6-D).

(2) Including a variation of € (93) million of assets reclassified as assets held for sale (Note 3-B).

10-B. Tangible assets

(€ million)	Gross value	Depreciation and impairment	Net value
Value at December 31, 2022	**40,742**	**(29,037)**	**11,705**
Acquisitions / (depreciation and impairment) [(1)]	1,383	(820)	563
(Disposals) / reversals	(1,220)	703	(517)
Translation adjustment	(854)	869	15
Change in scope of consolidation and other [(2)]	879	(936)	(57)
Value at June 30, 2023	**40,930**	**(29,221)**	**11,709**

(1) Including € 6 million of reversals on property, plant and equipment (Note 6-D).

(2) Including a variation of € (97) million of assets reclassified as assets held for sale (Note 3-B).

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

Following 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 2023. In 2022, impairment tests led to recognition of €246 million of impairment (none of it booked during the first half-year), comprising €(41) million for intangible assets and €(205) million for property, plant and equipment.

10-D. Impairment tests of cash-generating units of the Automotive segment

Renault's market capitalization (€11,232 million at June 30, 2023, 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 2022 impairment test and the results for the first half-year of 2023, it was not considered necessary to perform another impairment test at June 30, 2023. A sensitivity analysis on the test conducted in 2022 using the after-tax discount rate as updated at June 30, 2023 did not indicate any risk of impairment.

The recoverable value used for the impairment test conducted for the Automotive segment in 2022 was the value in use, determined under the discounted future cash flow method on the basis of the following assumptions:

	December 31, 2022	December 31, 2021
Growth rate to infinity	1.0 %	1.0 %
After-tax discount rate	11.6 %	8.9 %

The assumptions used for impairment testing at December 31, 2022 are derived from the medium-term plan for the period 2021-2025, which was presented in January 2021 and updated in late 2022. They incorporate assumptions concerning the negative effects of the electronic components supply crisis, inflation and increasing climate risks.

The growth rates to infinity used in the test at December 31, 2022 included the impacts of commitments made by the States that are signatories to the Paris Agreements on climate change.

At December 31, 2022, no impairment was recognized on assets of the Automotive segment as a result of the impairment test, 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 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 12.5%.

Note 11 - Investment in Nissan

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

(€ million)	H1 2023, At June 30, 2023	H1 2022, At June 30, 2022	Year 2022, At December 31, 2022
Consolidated income statement			
Share in net income (loss) of associates accounted for under the equity method	582	325	526
Consolidated financial position			
Investments in associates accounted for under the equity method	16,780	16,888	17,487

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, 2023, Nissan held 0.6% of its own treasury shares (0.6% at December 31, 2022). Consequently, Renault's percentage interest in Nissan is 43.7 % (43.7% at December 31, 2022).

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

(€ million)	Share in net assets: Before neutralization	Share in net assets: Neutralization proportional to Nissan's investment in Renault (1)	Share in net assets: Net	*Goodwill*	Total
At December 31, 2022	**17,803**	**(974)**	**16,829**	**658**	**17,487**
1st-half 2023	582	-	582	-	582
Dividend distributed	(116)	-	(116)	-	(116)
Translation adjustment	(1,163)	-	(1,163)	(69)	(1,232)
Other changes (2)	59	-	59	-	59
At June 30, 2023	**17,165**	**(974)**	**16,191**	**589**	**16,780**

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

(2) Other changes include the effect of Renault SA dividends received by Nissan, 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.

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

	December 31, 2022	1st-half 2023 net income	Dividends	Translation adjustment	Other changes (1)	June 30, 2023
(¥ billion)						
Shareholders' equity – Parent-company shareholders' share under Japanese GAAP	**5,072**	**212**	**(39)**	**278**	**(31)**	**5,492**
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	(12)	(20)	-	-	64	32
Capitalization of development expenses	599	52	-	2	-	653
Deferred taxes and other restatements	(82)	(26)	-	-	(20)	(128)
Net assets restated for compliance with IFRS	**5,577**	**218**	**(39)**	**280**	**13**	**6,049**
Restatements for Renault Group requirements (2)	159	(24)	(3)	(7)	5	130
Net assets restated for Renault Group requirements	**5,736**	**194**	**(42)**	**273**	**18**	**6,179**
(€ million)						
Net assets restated for Renault Group requirements	**40,775**	**1,333**	**(266)**	**(2,664)**	**136**	**39,314**
Renault Group's percentage interest	43.7%					43.7%
Renault Group's share (before neutralization effect described below)	17,803	582	(116)	(1,163)	59	17,165
Neutralization of Nissan's investment in Renault Group (3)	(974)					(974)
Renault Group's share in the net assets of Nissan	**16,829**	**582**	**(116)**	**(1,163)**	**59**	**16,191**

(1) Other changes include the effect of Renault SA dividends received by Nissan, 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 Group accounted for under the equity method and historically the revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002.

(3) Nissan has held 44,358 thousand Renault SA shares in Renault since 2002, an ownership interest of about 15%. The neutralization is based on Renault SA'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 2023 Renault consolidation is the sum of Nissan's net income for the final quarter of its 2022 financial year and the first quarter of its 2023 financial year.

	January to March 2023 Final quarter of Nissan's 2022 financial year		April to June 2023 First quarter of Nissan's 2023 financial year		January to June 2023 Reference period for Renault Group's 1st-half 2023 consolidated financial statements	
	(¥ billion)	(€ million) (1)	(¥ billion)	(€ million) (1)	(¥ billion)	(€ million) (1)
Net income – Parent-company shareholders' share	107	753	105	705	**212**	**1,458**

(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, 2023 of ¥588 per share, Renault's investment in Nissan is valued at €6 854 million (€5 444 million at December 31, 2022 based on the price of ¥418 per share).

11-F. Impairment test of the investment in Nissan

At June 30, 2023, the stock market value of the investment was 59.2% lower than the value of Nissan in Renault's statement of financial position (68.9% at December 31, 2022).

In application of the accounting standards, an impairment test was carried out at December 31, 2022. An after-tax discount rate of 7.73% and a growth rate to infinity (including the effect of inflation) of 1.42% 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, 2023, as no triggering event as identified by IAS 36 was identified.

11-G. Operations between Renault Group and Nissan Group

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

Operations between the Automotive segment and Nissan

Renault Group's 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 2023, total sales by the Automotive segment to Nissan and purchases by the Automotive segment from Nissan amounted to around €1.0 billion and €0.7 billion respectively (€2.0 billion and €1.6 billion respectively in 2022, including €0.9 billion and €0.8 billion for the first half-year).
  - In the first half-year of 2023, the balance of Automotive segment receivables on the Nissan Group is €625 million and the balance of Automotive segment liabilities to the Nissan Group is €414 million (€504 million and €500 million respectively at December 31, 2022).
- 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 €255 million at June 30, 2023 (€188 million at December 31, 2022) and derivative liabilities amount to €38 million at June 30, 2023 (€54 million at December 31, 2022).

Operations between the Sales Financing segment and Nissan

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, mainly in Europe. In the first half-year of 2023, RCI Banque recorded €54 million of service revenues in the form of commission and interest received from Nissan (€89 million in 2022, of which €43 million were recorded in the first half-year). The balance of Sales Financing receivables on the Nissan group is €50 million at June 30, 2023 (€34 million at December 31, 2022) and the balance of liabilities is €128 million at June 30, 2023 (€115 million at December 31, 2022).

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 2023, At June 30, 2023	H1 2022, At June 30, 2022	Year 2022, At December 31, 2022
Consolidated income statement			
Share in net income (loss) of other associates and joint ventures	**(16)**	**(111)**	**(103)**
Associates accounted for under the equity method [(1)]	1	(67)	(70)
Joint ventures accounted for under the equity method	(17)	(44)	(33)
Consolidated financial position			
Investments in other associates and joint ventures	**679**	**644**	**723**
Associates accounted for under the equity method [(2)]	494	422	527
Joint ventures accounted for under the equity method	185	222	196

(1) At June 30, 2023, RN Bank, a Sales Financing segment company that operates in the Russian Federation has been disposed of (Note 3). The net income of associates includes the impairment of €(101) million at end of June 2022 and of €(119) million at the end of December 2022 on the assets of RN Bank.

(2) Including impairment of €46 million (€51 million at December 31, 2022) on production assets of Renault Nissan Automotive India Private Limited (RNAIPL).

Note 13 - Sales Financing receivables

13-A. Sales Financing receivables by nature

(€ million)	June 30, 2023	December 31, 2022
Dealership receivables	11,302	10,003
Financing for end-customers	24,841	23,519
Leasing and similar operations	12,926	11,836
Gross value	**49,069**	**45,358**
Impairment	(1,168)	(1,111)
Net value	**47,901**	**44,247**

13-B. 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.) Since June 2022, the Loss Given Default is being updated monthly for all countries.

(€ million)	Financing for final customers	Dealer financing	June 30, 2023
Gross value	**37,766**	**11,303**	**49,069**
Healthy receivables	33,479	11,077	44,556
Receivables showing higher credit risk since initial recognition	3,242	176	3,418
Receivables in default	1,045	50	1,095
% of total receivables in default	2.8%	0.4%	2.2%
Impairment	**(1,120)**	**(48)**	**(1,168)**
Impairment in respect of healthy receivables	(337)	(22)	(359)
Impairment in respect of receivables showing higher credit risk since initial recognition	(205)	(5)	(210)
Impairment in respect of receivables in default	(578)	(21)	(599)
Total net value	**36,646**	**11,255**	**47,901**

(€ million)	Financing for final customers	Dealer financing	December 31, 2022
Gross value	**35,355**	**10,003**	**45,358**
Healthy receivables	31,283	9,787	41,070
Receivables showing higher credit risk since initial recognition	3,093	167	3,260
Receivables in default	979	49	1,028
% of total receivables in default	2.8%	0.5%	2.3%
Impairment	**(1,063)**	**(48)**	**(1,111)**
Impairment in respect of healthy receivables	(323)	(20)	(343)
Impairment in respect of receivables showing higher credit risk since initial recognition	(179)	(6)	(185)
Impairment in respect of receivables in default	(561)	(22)	(583)
Total net value	**34,292**	**9,955**	**44,247**

Note 14 - Inventories

(€ million)	June 30, 2023 Gross value	Impairment	Net value	December 31, 2022 Gross value	Impairment	Net value
Raw materials and supplies	1,746	(228)	1,518	1,701	(216)	1,485
Work in progress	277	(4)	273	252	(7)	245
Used vehicles	1,062	(86)	976	946	(93)	853
Finished products and spare parts	3,030	(128)	2,902	2,751	(121)	2,630
TOTAL	**6,115**	**(446)**	**5,669**	**5,650**	**(437)**	**5,213**

Note 15 - Financial assets – cash and cash equivalents

15-A. Current / non-current breakdown

(€ million)	June 30, 2023 Non-current	Current	Total	December 31, 2022 Non-current	Current	Total
Investments in non-controlled entities	50		50	63		63
Marketable securities and negotiable debt instruments	-	567	567	-	587	587
Derivatives on financing operations by the Automotive segment	60	404	464	85	410	495
Loans and other	397	534	931	265	419	684
TOTAL FINANCIAL ASSETS	**507**	**1,505**	**2,012**	**413**	**1,416**	**1,829**
Gross value	*531*	*1,509*	*2,040*	*437*	*1,420*	*1,857*
Impairment	*(24)*	*(4)*	*(28)*	*(24)*	*(4)*	*(28)*
Cash equivalents [1]	-	8,712	8,712	-	10,713	10,713
Cash	-	10,232	10,232	-	11,061	11,061
TOTAL CASH AND CASH EQUIVALENTS	**-**	**18,944**	**18,944**	**-**	**21,774**	**21,774**

(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 €6,013 million (€6,377 million at December 31, 2022), and euro investment funds with “monetary fund” approval that meet the criteria for classification as cash equivalents, totalling €2,366 million (€3,629 million at December 31, 2022).

15-B. 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 €961 million at June 30, 2023 (€1 169 million at December 31, 2022).

Note 16 - Shareholders’ equity

16-A. Share capital

The total number of ordinary shares issued and fully paid at June 30, 2023 is 295,722 thousand, with par value of €3.81 per share (unchanged since December 31, 2022).

Treasury shares do not bear dividends. They account for 2.21% of Renault’s share capital at June 30, 2023 (1.80% at December 31, 2022).

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).

16-B. Renault treasury shares

In application of decisions approved at General Shareholders’ Meetings, Renault treasury shares consist of shares allocated to performance share plans and other share-based payment agreements awarded to Group managers and executives, and shares purchased for the purposes of the liquidity agreement signed in May 2022 with investment bank Exane.

Under that agreement, Renault SA is progressively making a deposit of a maximum €25 million with BNP, and Exane’s annual fee for monitoring operations amounts to €80,000. Renault SA has purchased 4 816 809 shares for an average price of €36.95 and sold 4 898 720 shares for the average price of €36.90, in application of this agreement

	Plan	liquidity contract	June 30, 2023	December 31, 2022
Total value of treasury plans (€ million)	256	1	**257**	208
Total number of treasury shares	6,519,706	29,589	**6,549,295**	5,310,961

16-C. Distributions

At the General and Extraordinary Shareholders' Meeting of May 11, 2023, it was decided to distribute a dividend of €0.25 per share representing a total amount of €72.6 million (no dividends distributed in 2022).

16-D. Performance share plans and other share-based payment arrangements

During the first half-year of 2023 performance share plan 30 was introduced, concerning 1 670 thousand shares with initial total value of €50 million. The vesting period for shares is 3 years, and there is no minimum holding period.

The Group has announced that its employees will be granted eight free shares with a vesting period during 2023, and no minimum holding period. An expense of €7 million was recognized in this respect at June 30, 2023.

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

	Rights not yet vested at January 1, 2023	Granted	Vested rights (1)	Rights expired and other adjustments	Rights not yet vested at June 30, 2023
Share rights	**4,473,701**	4,514,215	(3,628,513)	(318,445)	**5,040,958**

(1) Performance shares rights were awarded under plan 27 granted in 2020 and Renaulution shareplan 2022 granted in 2023.

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 €1,068 million at June 30, 2023 (€1,074 million at December 31, 2022). These provisions decreased by €6 million in the first half-year of 2023. The consequences of the pension reforms in France and Turkey are analysed as a change of plan and recognized in the net income in the financial statements at June 30, 2023 (€12 million). The financial discount rate most frequently used to value the Group's obligations in France is 3.54% at June 30, 2023 (3.74% at December 31, 2022) and the salary increase rate for the first half-year of 2023 is 2.4% (2.4% at December 31,2022).

17-B. Changes in provisions

(€ million)	Restructuring provisions	Warranty provisions	Provisions for litigation and risks concerning other taxes	Provisions for insurance activities (2)	Provisions for commitments given and other	Total
At December 31, 2022 (1)	**369**	**874**	**171**	**200**	**555**	**2,169**
Increases	58	353	45	110	178	744
Reversals of provisions for application	(90)	(324)	(18)	(100)	(58)	(590)
Reversals of unused balance of provisions	(7)	38	(9)	-	(30)	(8)
Changes in scope of consolidation	-	-	1	-	(4)	(3)
Translation adjustments and other changes	-	5	(6)	(2)	12	9
At June 30, 2023 (3)	**330**	**946**	**184**	**208**	**653**	**2,321**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

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

(3) Short-term portion of provisions: €1,117 million; long-term portion of provisions: €1,204 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 2023, the Group recorded no provision in connection with significant new litigation. Information on contingent liabilities is provided in Note 21.

Increases to restructuring provisions essentially comprise the effect of workforce adjustment measures in the Europe Region (Note 6-A).

At June 30, 2023, other provisions include €135 million of provisions established in application of environmental regulations (€107 million at December 31, 2022). These include provisions to cover expenses relating to end-of-life vehicles and batteries, environmental compliance costs for industrial land in the Europe Region and for industrial sites in the Americas and Eurasia Regions.

Note 18 - Financial liabilities and Sales Financing debts

18-A. Current/non-current breakdown

(€ million)	June 30, 2023			December 31, 2022		
	Non-current	Current	Total	Non-current	Current	Total
Renault SA redeemable shares	265	-	265	253	-	253
Bonds	7,675	1,096	8,771	8,674	1,218	9,892
Other debts represented by a certificate	-	888	888	-	930	930
Borrowings from credit institutions	250	518	768	300	1,556	1,856
- France	*250*	*156*	*406*	*300*	*1,112*	*1,412*
- Brazil	-	*47*	*47*	-	*130*	*130*
- Morocco	-	*151*	*151*	-	*270*	*270*
Lease liabilities	437	100	537	446	107	553
Other financial liabilities (1)	123	238	361	73	373	446
Financial liabilities of the Automotive segment (excluding derivatives)	**8,750**	**2,840**	**11,590**	**9,746**	**4,184**	**13,930**
Derivatives on financing operations of the Automotive segment	186	434	620	99	419	518
Financial liabilities of the Automotive segment	**8,936**	**3,274**	**12,210**	**9,845**	**4,603**	**14,448**
Financial liabilities of the Mobility Services segment (2)	15	3	18	7	2	9
Subordinated loans and Diac redeemable shares (3)	875	-	875	886	-	886
Financial liabilities	**9,826**	**3,277**	**13,103**	**10,738**	**4,605**	**15,343**
Bonds	-	13,206	13,206	-	13,570	13,570
Other debts represented by a certificate	-	5,318	5,318	-	4,539	4,539
Borrowings from credit institutions	-	5,521	5,521	-	5,727	5,727
Other interest-bearing borrowings, including lease liabilities (4)	-	27,145	27,145	-	24,810	24,810
Debts of the Sales Financing segment (excluding derivatives)	**-**	**51,190**	**51,190**	**-**	**48,646**	**48,646**
Derivatives on financing operations of the Sales Financing segment	-	390	390	-	353	353
Sales Financing debts	**-**	**51,580**	**51,580**	**-**	**48,999**	**48,999**
Total financial liabilities and sales financing debts	**9,826**	**54,857**	**64,683**	**10,738**	**53,604**	**64,342**

(1) The financial liability recognized at June 30, 2023 in application of IAS 16 for leases analysed in substance as purchases amounts to €74 million (€16 million at December 31, 2022).

(2) Financial liabilities of the Mobility Services segment, including internal financing, amount to €53 million (€44 million at December 31, 2022).

(3) Including subordinated loans of RCI Banque, amounting to €856 million at June 30, 2023 (€856 million at December 31, 2022).

(4) Including lease liabilities of the Sales Financing segment, amounting to €66 million at June 30, 2023 (€69 million at December 31, 2022).

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

(€ million)	December 31, 2022	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, 2023
Renault SA redeemable shares	253	-	-	-	12	265
Bonds	9,892	(750)	-	(348)	(23)	8,771
Other debts represented by a certificate	930	(47)	-	4	1	888
Borrowings from credit institutions	1,856	(1,180)	-	11	81	768
Lease liabilities	553	(53)	(1)	1	37	537
Other financial liabilities	446	(40)	25	(37)	(33)	361
Financial liabilities of the Automotive segment (excluding derivatives)	**13,930**	**(2,070)**	**24**	**(369)**	**75**	**11,590**
Derivatives on financing operations of the Automotive segment	518	(97)	-	195	4	620
Total financial liabilities of the Automotive segment (A)	**14,448**	**(2,167)**	**24**	**(174)**	**79**	**12,210**
Derivative assets on Automotive financing operations (B)	495	(28)	-	-	(3)	464
Net change in Automotive financial liabilities in consolidated cash flows by segment (section *6.1. - C.*) (A) – (B)		**(2,139)**				
Financial liabilities of the Mobility Services segment	**9**	**3**	**-**	**-**	**6**	**18**
Net change in Automotive financial liabilities in consolidated cash flows		**(2,136)**				

18-C. 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.

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 €308.00 at June 30, 2023 (€270.58 at December 31, 2022). The financial liability based on the stock market value of the redeemable shares at June 30, 2023 is €246 million (€216 million at December 31, 2022).

Changes in bonds and other debts of the Automotive segment

During the first half-year of 2023, bonds repayments amounted to €750 million.

Repayment of the State-guaranteed credit facility of the Automotive segment

In 2020, 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.

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

The Group made three early repayments in half-year 2023 totalling €990 million, corresponding to the final instalments (August, September and December 2023) of the three drawings. 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 €1 million in financial income at June 30, 2023. The total amount was repaid in 2023.

Changes in Sales Financing debts

During the first half-year of 2023, the Sales Financing segment issued the equivalent of €2.5 billion of debt and launched its first green bond of €750 million. It also placed a CHF200 million 5-year bond and undertook two €750 million bond issues, with respective maturities of 3.5 and 4 years.

The Sales Financing segment 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, €750 million has been redeemed in June 2023 and €1,000 million maturing in the second semester of 2023. Two other drawings were made during 2021, for a total of €1,500 million, maturing in 2024.

The interest rate applicable to TLTRO drawings is calculated based on the average deposit facility rate "DFR" of the European Central Bank (ECB).

New savings collected rose by €2,243 million during the year (€1,054 million of sight deposits and € 1,190 million of term deposits) to €26,684 million (€18,715 million of sight deposits and €7,969 million of term deposits), and are classified as other interest-bearing borrowings. 89.3% of these deposits are covered by a deposit guarantee scheme at 30 June 2023, compared to 89.2% at December 31, 2022.

To hedge certain floating-rate liabilities (savings collected and TLTRO financing), the Sales Financing segment set up interest rate derivatives that do not qualify as hedging derivatives under IFRS 9. The operating income was negatively affected by a €37 million increase in the value of these swaps.

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 SA 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.

All receivables assigned by the Automotive segment are derecognized.

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

	June 30, 2023		June 30, 2022		December 31, 2022	
(€ million)	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	1,581	479	1,299	389	1,555	244
Automotive independent dealer financing	-	8,760	-	4,949	-	7,662
Total assigned	**1,581**	**9,239**	**1,299**	**5,338**	**1,555**	**7,906**

In the first half-year of 2023, the total amount of tax receivables assigned and derecognized is €439.6 million, corresponding to €128.1 million of the "CIR" Research Tax Credit and €311.4 million of VAT (€136 million of CIR receivables and €100 million of VAT receivables in 2022).

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, 2023.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in note 2-P to the 2022 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.

6.5. Cash flows and other information

Note 19 - Cash flows

19-A. Other income and expenses with no impact on cash before interest and tax of continuing operations

(€ million)	H1 2023	H1 2022 (1)	Year 2022 (1)
Net allocation to provisions	151	(240)	(311)
Net effects of Sales Financing credit losses	38	43	93
Net (gain) loss on asset disposals	(258)	(111)	(273)
Change in fair value of other financial instruments	12	(32)	(28)
Net financial indebtedness	(37)	124	181
Deferred taxes	(113)	(18)	(37)
Current taxes	391	272	561
Other	255	36	118
Other income and expenses with no impact on cash before interest and tax	**439**	**74**	**304**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts" in 2023 (Note 2-A).

19-B. Change in working capital before tax of continuing operations

(€ million)	H1 2023	H1 2022	Year 2022
Decrease (increase) in net inventories	(466)	(914)	(1,368)
Decrease (increase) in net receivables	(258)	(161)	(283)
Decrease (increase) in other assets	(592)	(283)	(481)
Increase (decrease) in trade payables	(146)	1,071	1,752
Increase (decrease) in other liabilities	767	(224)	784
Increase (decrease) in working capital before tax	**(695)**	**(511)**	**404**

19-C. Capital expenditure of continuing operations

(€ million)	H1 2023	H1 2022	Year 2022
Purchases of intangible assets	(672)	(606)	(1,243)
Purchases of property, plant and equipment (1)	(581)	(506)	(1,441)
Total purchases for the period	**(1,253)**	**(1,112)**	**(2,684)**
Deferred payments	(105)	(135)	44
Total capital expenditure	**(1,358)**	**(1,247)**	**(2,640)**

(1) Excluding capitalized leased assets and right-of-use assets

Note 20 - Related parties

20-A. Remuneration of directors and executives and Board of Leadership Team

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 12, 2023, there has been no significant change in the principles for remuneration and related benefits of Directors and Executives and members of the Leadership Team (which replaced the Board of Management and the Corporate Management Committee on February 1, 2023).

The Leadership Team had 20 members at June 30, 2023.

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 note 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 €160 million in first-half 2023, an Automotive receivable of €70 million, a Sales Financing receivable of €102 million and no financing commitment.

In 2020 the Group benefited from a State-guaranteed credit facility, issued by a pool of banks as described in note 18. This borrowing was fully repaid at June 30, 2023.

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, 2023	December 31, 2022
Assets pledged as collateral by Sales Financing segment (1)	9,623	9,710
Financing commitments in favour of customers (2)- Sales Financing segment	4,138	4,208
Financial guarantees given by Sales Financing segment (3)	255	305
Other financial guarantees given (4)	655	425
Commitments related to supply contracts (5)	6,616	4,280
Firm investment orders	1,530	1,126
Lease commitments (6)	312	97
Other financing commitments (7)	336	354
Other commitments (8)	1,111	993
Other assets pledged as collateral	41	43

(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 favor of customers by the Sales Financing segment will give rise to cash outflows mostly during less than 6 months following the year-end.

(3) Financial guarantees given by the Sales Financing segment will give rise to cash outflows amounting to €255 million during the 5 years following the year-end.

(4) Other financial guarantees given mainly concern administrations.

(5) Commitments related to supply contracts include minimum payment obligations to suppliers when the Group has made a firm commitment for collection and payment. The principal new commitments in 2023 aim to secure battery supplies for electric vehicles.

(6) Lease commitments comprise commitments relating to leases signed but not yet effective at the year-end 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 (Note 2).

(7) Other financing commitments comprise commitments taken as a part of lithium and nickel supply agreements.

(8) Other commitments include commitments made in contracts signed as part of the new partnership to design and produce the digital architecture for the Software Defined Vehicle, commitments concerning acceleration of the Group's digitization, and share subscription commitments.

Multi-year supply commitments will give rise to cash outflows over a period of 16 years starting from the 2023 year-end. The maximum payable within one year is €557 million at June 30, 2023 (€485 million at December 31, 2022). Irrevocable commitments at June 30, 2023 were essentially made to secure raw material and battery supplies for electric vehicles.

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.

On December 19, 2019 Renault SAS. received notification, interrupting the limitation period, 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. On December 21, 2022, the French tax authorities issued a proposed reassessment for the year 2019 relating to a further inspection covering the period 2019-2020, also interrupting the relevant limitation period. Renault Group is challenging the most significant amounts of these notifications, and no provision has been recognized in the financial statements at June 30, 2023 in connection with this matter (nor at December 31, 2022).

RESA (Renault España SA) was notified in late 2020 of a €213 million tax reassessment for transfer prices concerning the years 2013 to 2016 and of a €84 million tax reassessment for transfer prices in June 2023 concerning the years 2017 and 2019. No provision has been recognized in connection to these notifications, since Renault Group considers that it has good chances of winning its case. A procedure for amicable settlement between France and Spain was began in 2021. A deposit of €213 million was paid to the Spanish tax authorities (€135 million in 2020 and €78 million in 2021), recognized in non-current financial assets.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At June 30, 2023, 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, 2023 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 SAS. 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, 2023 (nor at December 31, 2022 and 2021).

More than 80% of the Group's sales are subject to CO2 emission regulations, principally in the European Union but also notably in the United Kingdom, South Korea and Brazil.

In 2020, 2021 and 2022, 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. Renault did not recognize any provision in connection with the EU CAFE regulation at June 30, 2023 (nor at December 31,2022).

A provision of €2 million was recognized for CAFE penalties payable for 2023 in South Korea (€10 million in 2022), raising the total provision for the years 2019 to 2023 to €45 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.

The Group establishes provisions for the recycling of its products based on regulatory requirements, once the practical organization of recycling operations is defined. In France, the "AGEC" law of February 10, 2020 to fight waste and promote a circular economy was adopted to extend industrial operators' legal responsibility for management of their waste. Renault Group's obligation was increased by this law and its implementing decree 2022-1495 which applies to all vehicles on the road. A study is in progress to assess whether the obligation is onerous. On 15 March 2022, the European Commission conducted inspections at the premises of companies and associations active in the automotive sector located in several EU Member States. In parallel, the European Commission has sent out formal requests for information to several companies active in the automotive sector. The investigation concerns possible anticompetitive collusion in relation to the collection, treatment and recovery of end-of-life (ELV) cars and vans, relating in particular to (i) the compensation of ELV collection, treatment, and recovery companies, and (ii) the use of data relating to the recyclability or recoverability of ELVs in advertising materials. Renault was one of the companies visited on 15 March 2022. In parallel, Renault has received a request for information from the UK Competition and Markets Authority (CMA), which is investigating similar conduct. Renault has replied to the European Commission's and the CMA's requests for information. The possible consequences of the ongoing investigation cannot be reliably estimated at this stage and no provision in connection with this matter has been recorded at June 30, 2023.

1-A1. 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.

Put options granted by the Group to minority shareholders concern Banco RCI Brasil SA, Rombo Compania Financiera, RCI Colombia SA and RCI Financial Services SRO. The consequences for the financial statements are explained in Note 18-H of 2022 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 SAS, 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 SAS'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 June 30, 2023 in connection with these options (nor at December 31,2022).

1-A2. Assets pledged as guarantees for management of the liquidity reserve

For management of its liquidity reserve, the Sales Financing segment has access to the monetary policy operations of the European Central Bank (ECB) and the Bank of England (BOE).

To benefit from European Central Bank monetary policy operations, the 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 book value of €8,720 million at June, 2023 (€8,907 million at December 31, 2022). These assets comprise €7,372 million of shares in securitization vehicles and €1,348 million of sales financing receivables (€7,647 million of shares in securitization vehicles and €1,260 million of sales financing receivables at December 31, 2022). The financing provided by the Banque de France against these guarantees amounts to €2,523 million at June, 2023 (€3,250 million at December 31, 2022).

To benefit from Bank of England monetary policy operations, the Sales Financing segment has provided guarantees to the Bank of England's in the form of assets with book value of £775 million (€903 million) consisting of a self-subscribed securitization program and a bond. The financing received from the Bank of England against these guarantees amounts to €482 million at June 30, 2023. All assets provided as guarantees to the Banque de France and the Bank of England remain in the balance sheet.

21-B. Off-balance sheet commitments received and contingent assets

(€ million)	June 30, 2023	December 31, 2022
Buy-back commitments received by the Sales Financing segment (1)	8,168	6,506
Financial guarantees received	3,848	3,390
Including Sales Financing segment (2)	*3,565*	*3,250*
Assets received as collateral	2,852	2,811
Including Sales Financing segment (2)	*2,784*	*2,736*
Other commitments received (3)	342	162

(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 €3,565 million and assets pledged by customers as collateral amounting to €2,784 million at June 30, 2023 (€ 3,250 million and € 2,736 million respectively at December 31, 2022).

(3) Other commitments received include €200 million of commitments concerning the acquisition of a 24% stake in Alpine Racing Ltd by a group of investors consisting of Otro Capital, RedBird Capital Partners and Maximum Effort Investments.

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 had a call option to increase its investment in Whylot to 70% and take control of the company by 2023. In view of the development prospects for Whylot, which will require revenue diversification beyond the automotive segment, when its financing strategy was defined the parties agreed to suspend this call option temporarily.

The Group holds derivative instruments to subscribe to future capital increases by Verkor, without 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, 2023 (as at December 31, 2022).

Note 22 - Subsequent events

On July, 11th 2023, following the framework agreement announced in November 2022, Geely Holding Group (Geely Holding), Geely Automobile Holdings Limited (Geely Auto HK.0175) (collectively "Geely") and Renault Group signed a binding 50/50 joint venture agreement for a new powertrain technology company, with the aim of becoming the world leader in development, production and supply of state-of-the-art hybrid and thermal powertrain solutions. Aramco, which signed a letter of intent with Renault Group and Geely on March 2, 2023, is considering making a strategic investment in this new company. The group of assets and liabilities concerned being classified in assets and liabilities held for sale in the consolidated statement of financial position since December 31, 2022, in accordance with IFRS 5 (Note 3).

On July, 13th 2023, Mobilize Lease&Co, subsidiary of Mobilize Financial Services, has announced the acquisition of Mobility Concept and MeinAuto. This transaction will accelerate the growth and development of long-term leasing offers in Germany.

On July, 26th 2023, Renault Group and Nissan Motor Co., Ltd today announced that they have entered into the definitive agreements contemplated by the binding framework agreement executed and announced on February 6, 2023. The transactions contemplated in these definitive agreements are subject to a limited number of conditions precedent, including regulatory approvals, and completion is expected to occur in the fourth quarter of 2023.

These announcements have no impact on the consolidated financial statements as of June 30, 2023.

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)
Other operating income		*154*	*222*	*720*
Other operating expenses		*(203)*	*(292)*	*(973)*
Operating income (loss)		**939**	**362**	**900**
Cost of net financial indebtedness		(124)	(117)	(255)
Cost of gross financial indebtedness		*(164)*	*(145)*	*(301)*
Income on cash and financial assets		*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**
Nissan	*11*	*325*	*100*	*380*
Other associates and joint ventures	*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
Basic earnings per share of continuing operations - parent-company shareholders' share (€)		*2.32*	*0.76*	*1.92*
Basic earnings per share of discontinued operations - parent-company shareholders' share (€)		*(7.30)*	*0.54*	*1.33*
Diluted earnings per share (2) (€)		(4.98)	1.30	3.24
Diluted earnings per share of continuing operations - parent-company shareholders' share (€)		*2.32*	*0.76*	*1.91*
Diluted earnings per share of discontinued operations - parent-company shareholders' share (€)		*(7.30)*	*0.54*	*1.33*
Number of shares outstanding (thousands)				
for basic earnings per share	*9*	*272,619*	*272,441*	*272,102*
for diluted earnings per share	*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 Gross	H1 2022 Tax effect	H1 2022 Net	H1 2021 [1] Gross	H1 2021 [1] Tax effect	H1 2021 [1] Net	Year 2021 [1] Gross	Year 2021 [1] Tax effect	Year 2021 [1] 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**
Actuarial gains and losses on defined-benefit pension plans	*326*	*(18)*	*308*	*131*	*(29)*	*102*	*134*	*(35)*	*99*
Equity instruments at fair value through equity	-	-	-	*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**
Translation adjustments on foreign activities	*94*	-	*94*	*47*	-	*47*	*30*	-	*30*
Translation adjustments on foreign activities in hyperinflationary economies	*73*	-	*73*	*15*	-	*15*	*21*	-	*21*
Partial hedge of the investment in Nissan	*7*	-	*7*	*5*	-	*5*	*4*	-	*4*
Fair value adjustments on cash flow hedging instruments	*177*	*(44)*	*133*	*64*	*(22)*	*42*	*65*	*(28)*	*37*
Debt instruments at fair value through equity	*(7)*	*3*	*(4)*	*(2)*	*1*	*(1)*	*(5)*	*1*	*(4)*
Items that have been reclassified to profit or loss from discontinued operations [2]	*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**
Actuarial gains and losses on defined-benefit pension plans	*110*	-	*110*	*64*	-	*64*	*421*	-	*421*
Other	*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**
Translation adjustments on foreign activities	*429*	-	*429*	*201*	-	*201*	*580*	-	*580*
Other	*(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**
Parent company shareholders' share			*113*			*1,254*			*2,539*
Non-controlling interests' share			*(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
Nissan	*11*	*16,888*	*16,234*
Other associates and joint ventures	*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)	Notes	June 30, 2022	December 31, 2021
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

(€ 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**
1st-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**
2nd-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**
1st-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.

A. 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.

B. 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**

C. 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.

D. 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**
Payments for restructuring expenses	*(278)*	*(301)*	*(598)*
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

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, 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.

Note 2 - 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.

2-A. Changes in accounting policies

2-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 reassurance 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.

2-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).

Note 3 - Changes in the scope of consolidation, discontinued operations and assets and liabilities held for sale

3-A. 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.

3-B. 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.

3-C. 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

Note 4 - Revenues

4-A. 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.

4-B. 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).

Note 5 - 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.

Note 6 - 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).

6-A. 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.

6-B. 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.

6-C. 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.

6-D. 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.

6-E. 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 Brillance Jinbei Automotive Company (RBJAC), which was placed in receivership on January 12, 2022.

Note 7 - 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).

Note 8 - 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).

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

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.

Note 9 - 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

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, 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).

10-B. 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).

10-C. 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.

10-D. 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%.

Note 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

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, 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).

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

	Share in net assets				
(€ million)	Before neutralization	Neutralization proportional to Nissan's investment in Renault (1)	Net	*Goodwill*	Total
At December 31, 2021	**16,498**	**(974)**	**15,524**	**710**	**16,234**
1st-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.

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

	December 31, 2021	1st-half 2022 net income	Dividends	Translation adjustment	Other changes (1)	June 30, 2022
(¥ billion)						
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**
(€ million)						
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.

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 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 Final quarter of Nissan's 2021 financial year		April to June 2022 First quarter of Nissan's 2022 financial year		January to June 2022 Reference period for Renault Group's 1st-half 2022 consolidated financial statements	
	(¥ billion)	(€ million) (1)	(¥ billion)	(€ million) (1)	(¥ 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.

11-E. 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).

11-F. 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.

11-G. 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).

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 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.

Note 13 - Sales Financing receivables

13-A. 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**

13-B. 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**

(€ million)	Financing for final customers	Dealer financing	December 31, 2021
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**

Note 14 - Inventories

	June 30, 2022			December 31, 2021		
(€ million)	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**

Note 15 - Financial assets – cash and cash equivalents

15-A. Current / non-current breakdown

	June 30, 2022			December 31, 2021		
(€ million)	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**
Gross value	*575*	*2,233*	*2,808*	*373*	*1,383*	*1,756*
Impairment	-	*(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).

15-B. 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).

Note 16 - Shareholders' equity

16-A. 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).

16-B. Distributions

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

16-C. 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.

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 €1,102 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.

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, 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.

Note 18 - Financial liabilities and Sales Financing debts

18-A. Current/non-current breakdown

(€ million)	June 30, 2022 Non-current	June 30, 2022 Current	June 30, 2022 Total	December 31, 2021 Non-current	December 31, 2021 Current	December 31, 2021 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).

18-B. 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)**				

18-C. 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 To non-group entities	June 30, 2022 To Sales Financing	June 30, 2021 To non-group entities	June 30, 2021 To Sales Financing	December 31, 2021 To non-group entities	December 31, 2021 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

Note 19 - Cash flows

19-A. 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).

19-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).

19-C. 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.

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 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.

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 €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.

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, 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.

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.

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 CO_2 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.

21-A3. 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.

21-A4. 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.

21-B. 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
Including Sales Financing segment [2]	*3,025*	*2,851*
Assets received as collateral	2,889	2,763
Including Sales Financing segment [2]	*2,813*	*2,757*
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.

Note 22 - Subsequent events

No significant events have occurred since June 30, 2022.

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Renault S.A.

Statutory Auditors' Review Report on the Half-yearly Financial Information

For the six-month period ended June 30, 2023
Renault S.A.
122-122 bis avenue du Général Leclerc - 92100 Boulogne-Billancourt

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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 2023 Half-yearly Financial Information

For the six-month period ended June 30, 2023

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, 2023,
- 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 26, 2023. 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.

Without qualifying our conclusion, we draw your attention to the matter set out in note 2-A2 to the condensed half-yearly consolidated financial statements regarding the changes resulting from the first application of IFRS 17 "Insurance Contracts".

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.

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 27, 2023

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

Période du 1er janvier 2023 au 30 juin 2023

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Renault S.A.
Rapport des commissaires aux comptes sur l'information financière semestrielle

Période du 1er janvier au 30 juin 2023

Aux 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 1er janvier au 30 juin 2023, 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 26 juillet 2023. 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.

Sans remettre en cause la conclusion exprimée ci-dessus, nous attirons votre attention sur la note 2.A2 de l'annexe aux comptes consolidés semestriels résumés qui expose l'impact de la première application de la norme IFRS 17 « Contrats d'assurance » sur les états financiers.

II – Vérification spécifique

Nous avons également procédé à la vérification des informations données dans le rapport semestriel d'activité 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 27 juillet 2023

Les commissaires aux comptes,

KPMG S.A.	Mazars
Bertrand Pruvost	Loic Wallaert

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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 1er 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 1er 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 1er 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

2. OTHER MATTERS

(1) Subsequent Events

1. July 11th, 2023: Renault Group and Geely Sign Joint Venture Agreement to Launch Leading Powertrain Technology Company

- **Renault Group and Geely signed a joint venture agreement, with each entity holding 50% stake in the new company, which aims to become the leader in next-generation hybrid and highly efficient powertrain solutions to meet worldwide demand for the years to come.**
- **As announced on March 2, 2023 following the letter of intent signed between Aramco, Geely and Renault Group, Aramco is evaluating a strategic investment in this new powertrain technology company.**
- **The new company will include 17 engine plants and 5 R&D centers in 3 continents with 19,000 employees in a full fledge effective organization strategically structured to provide PWT solutions for multiples OEMs and with an attractive business model to welcome new partners.**
- **Share capital ownership of the joint venture company will be co-controlled by both Renault Group and Geely.**
- **The joint venture company aims to have an annual production capacity up to five million internal combustion, hybrid and plug-in hybrid engines and transmissions per year. It will supply multiple brands worldwide with a complete range of best-in-class powertrains.**
- **The completion of the transaction is expected to take place in H2 2023 and remains subject to the conditions normally applicable to this type of transaction, in particular the prior approval of the relevant antitrust and foreign direct investment authorities.**

Hangzhou, Hong Kong SAR, China and Boulogne-Billancourt, France – July 11, 2023 – Following the framework agreement announced in November 2022, Geely Holding Group (Geely Holding), Geely Automobile Holdings Limited (Geely Auto HK.0175) (collectively referred to above as "Geely") and Renault Group have signed today a binding 50/50 joint venture agreement to launch a new powertrain technology company that aims to become the global leader in developing, manufacturing, and supplying best-in-class hybrid powertrains and highly efficient ICE powertrain.

Aramco, which signed letter of intent with Renault and Geely on March 2, 2023, is evaluating a strategic investment in this new powertrain technology company. Aramco's investment would support the growth of the company and contribute to key research and development across synthetic fuels solutions and next-gen hydrogen technologies. Synthetic fuels including e-fuels, and hydrogen are part of the solution for decarbonation in the automotive industry, including for the ICE vehicles on the road today.

The joint venture will be jointly led by Renault Group and Geely, with equal board members to formulate and execute strategies and set the direction for the joint venture. The initial organization will secure the continuity of the business with two operational centers in charge of the respective operations: Madrid for Renault Group and Hangzhou Bay for Geely. An executive team will be based in the headquarters of the new company, which is intended to be established in the UK, to consolidate operations, build on synergies, and define future plans.

Renault Group and Geely will transfer Intellectual Property to the operational centers enabling them to be fully autonomous in developing future powertrain technologies capable of addressing all market expectations. The new joint venture's complementary product portfolio and regional footprint could offer solutions for 80% of the global ICE and hybrid market. At launch, the new company is expected to supply multiple industrial customers including Renault Group, Geely Auto, Volvo Cars, Proton, Nissan, Mitsubishi Motors Company, and PUNCH Torino. In the future, the joint venture will be capable of providing end to end solutions in powertrain technologies to third-party car brands and will welcome partners to further strengthen the value chain.

Subject to applicable laws and regulations, Geely Auto and Renault will enter into a long term procurement agreement from the joint venture for ICE, hybrid and plug-in hybrids powertrains (engine and transmissions) for passenger vehicles. In addition, Renault will procure powertrains from the joint venture for light commercial vehicles as well as the development of hybrid batteries.

Luca de Meo, CEO Renault Group:
"Facing today's automotive challenges, no one can claim to have all the solutions, alone. Coming up with breakthrough

innovations requires to combine expertise and assets. When it comes about the global race for decarbonizing road transports, there is no time to lose, and it will not be business as usual. Today, we are proud to join forces with a great company like Geely to set up a new player, up to the challenge, able to disrupt the game and open the way for ultra-low emissions ICE technologies. I want to thank Eric Li Shufu for his trust: we are now ready to move forward!"

Eric Li, Geely Holding Group Chairman, said:
"We are pleased to be embarking on this journey to become a global leader in hybrid technologies, providing low-emission solutions for automakers around the world. We are looking forward to working with Luca de Meo and his Renault team. With this agreement, we reiterate our commitment to leveraging our group-wide technological expertise and brand portfolio to pioneer the journey to greater sustainability and value creation which will lead to better consumer experiences."

2. July 26th, 2023: Nissan contributes €271 million for second quarter 2023 to Renault Group's earnings

Nissan released today its results for the first quarter of fiscal year 2023/2024 (April 1st, 2023 to March 31st, 2024).

Nissan's results, published in Japanese accounting standards, for the first quarter of fiscal year 2023/2024 (April 1st to June 30th, 2023), after IFRS restatements, will have a positive contribution to Renault Group's second quarter 2023 net income estimated at €271 million [1].

[1] based on an average exchange rate of 149,5 yen/euro for the period under review.

3. July 26th, 2023: Renault and Nissan conclude definitive agreements

PARIS and YOKOHAMA (July 26, 2023) - Renault Group and Nissan Motor Co., Ltd today announced that they have entered into the definitive agreements contemplated by the binding framework agreement executed and announced on February 6, 2023. The transactions contemplated in these definitive agreements are subject to a limited number of conditions precedent, including regulatory approvals, and completion is expected to occur in the fourth quarter of 2023.

Jean-Dominique Senard, Chairman of The Alliance, said: *"The agreements that have been signed today allow us to step into the next chapter of the Alliance. They strengthen our long-standing partnership and will maximize value creation for each Alliance member. This also lays the foundations for a new balanced, fair, and effective governance."*

Makoto Uchida, President and CEO, Nissan Motor Co. Ltd., said: *"With the finalization of the definitive agreements, we have entered the next phase of collaboration with Renault and Mitsubishi Motors in mutually beneficial areas of innovations. This will create additional value through initiatives aligned to Nissan's Ambition 2030 and electrification strategy. The investment opportunity in Ampere complements and strengthens Nissan's ongoing electric push in Europe and will deliver numerous synergies, including cost efficiencies, regulatory compliance, and a broader range of EV products and powertrains."*

Luca de Meo, CEO of Renault Group, said: *"These agreements provide us with a solid base to reactivate business operations worldwide in key markets, with the potential to generate hundreds of millions in value for Renault, Nissan, Mitsubishi and stakeholders. They give us the strategic agility that we need more than ever in today's rapidly evolving environment. We are all engaged with the right mindset and welcome Nissan as a strong partner in our upcoming EV and Software pure player Ampere. It confirms the attractiveness of the project to be front runner in Europe, allowing Renault and its Alliance partners to position themselves ahead of the starting grid for the EV and software race in Europe."*

The agreements focus on extending the Alliance collaboration in three areas:

- High-value-creation operational projects in India, Latin America and Europe;
- Enhanced strategic agility with new initiatives that partners can join; and
- Rebalanced Renault Group-Nissan cross-shareholdings and reinforced Alliance governance.

In the first area, the partners are considering new key projects in Latin America, India and Europe that aim to deliver win-win, large-scale and actionable benefits. Among these, Renault Group and Nissan have already announced their renewed commitment to Indian operations through new investment and vehicles.

In the second area of enhanced cooperation, the partners agreed to explore their existing strategies in electrification and low-emission technologies by investing and collaborating in respective member-company projects that could provide incremental value to each individual business.

As part of this cooperation, Nissan has confirmed its intention to become a strategic investor in Ampere, Renault Group's new EV and software entity in Europe. Accordingly, Nissan has committed to invest in Ampere up to Euro 600 million consistent with being a strategic investor in Ampere and securing a board seat. This investment opportunity aligns with Nissan's electrification strategy, creating multiple potential benefits and synergies that complement Nissan's own goals and initiatives in Europe and other potential markets.

The definitive agreements also formalize the rebalancing of the Renault Group-Nissan cross-shareholdings and the reinforcement of the governance of the Alliance. Renault Group and Nissan entered into a new Alliance agreement that will replace the current agreements governing the Alliance (namely, the Restated Alliance Master Agreement, the Alliance Equity Participation Agreement and the Memorandum of Understanding of March 12, 2019).

As announced on February 6, 2023, Renault Group and Nissan will retain cross-shareholdings of 15% with lock-up and standstill obligations. Renault will transfer 28.4% of its Nissan shares into a French trust, where the entrusted shares will be voted neutrally, subject to limited exceptions. Renault Group would continue to fully benefit from the economic rights (dividends and proceeds of share sales) from the entrusted shares until such shares are sold. The transfer to the trust would trigger no impairment in Renault Group financial statements.

As a result of the transfer of the 28.4% of Nissan shares to the trust, Nissan would be able to exercise its voting rights attached to its shareholding in Renault Group. The voting rights of Renault Group and Nissan would be capped at 15% of the exercisable voting rights, with both companies able to freely exercise their voting rights within such limit.

Renault Group would instruct the trustee to sell the entrusted Nissan shares if commercially reasonable for Renault Group, but it has no obligation to sell the shares within a specific pre-determined period of time. Renault Group would have full flexibility to sell the Nissan shares held in the trust, within a coordinated and orderly process with Nissan, in which Nissan would benefit from a right of first offer, to its or the benefit of a designated third party.

4. **July 27, 2023: 2023 first half results -** Record profitability & free cash flow

- **2023 H1: further upside versus guidance upgraded on June 29, 2023:**

	Operating margin	Free cash flow
2023 H1 guided on June 29	>7%	~€1.5bn
2023 H1 actual	**7.6%**	**€1.8bn**
FY 2023 initial guidance	≥6%	≥€2bn
FY 2023 upgraded guidance on June 29	**between 7% and 8%**	**≥€2.5bn**

- **Strong 2023 H1 results:**
  - **Group revenue:** €26.8bn, +27.3% vs 2022 H11 [1]
  - **Record profitability:**
    - Group operating margin: 7.6% of revenue (+3.0 points vs 2022 H1), more than doubled in value at €2bn vs 2022 H1
    - Automotive operating margin: 6.2% of revenue (+4.1 points vs 2022 H1), more than tripled in value at €1.5bn vs 2022 H1
  - **Net income:** €2.1bn, +€3.8bn vs 2022 H1
  - **Record free cash flow:** €1.8bn including a €0.6bn dividend from Mobilize Financial Services, +€0.8bn vs 2022 H1 driven by a strong operational performance
  - **Solid Automotive net cash financial position:** €2.2bn at June 30, 2023 (+€1.6bn vs December 2022)
  - **Breakeven point lowered by 50%** vs 2019 H1

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[1] *The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".*

"Renault Group achieved a record performance in the first half of 2023, both in terms of profitability and cash generation. These results are the outcome of our continuous efforts to reduce costs over the last 3 years and of our strategy focused on value combined with the first benefits of an unprecedented product offensive. Our fundamentals have never been as sound and robust.

At the same time, we are implementing at an incredible speed our strategic projects which are transforming the Group in depth: we have already carved-out Horse and signed a joint-venture agreement with Geely to give birth to a worldwide low-emission powertrain champion. In line with our plan, the carve out of Ampere will be completed in the second half: the more we are moving ahead with the process, the more we foresee the competitive advantages of our EV & Software business.

Renaulution is delivering faster and stronger! Our product offensive and our strategic projects will further improve the Group's performance.

Finally, the signature of the Alliance definitive agreements marks the formal entrance into a new cooperation era. These agreements secure the realization of major business opportunities for the three partners through our operational projects, define the strong involvement of Nissan into Ampere and give Renault Group significant additional capital allocation flexibility by enabling the sell down of Nissan shares." said Luca de Meo, CEO of Renault Group

- **First benefits of an unprecedented product offensive:**
  - **Worldwide Group's sales** reached 1,134,000 vehicles in 2023 H1, up 13% compared to 2022 H1. In Europe, sales were up 24% in a market up 17%.
    - Renault brand worldwide sales reached more than 772,000 units, almost +12% versus 2022 H1. In Europe, Renault brand increased its sales by 21% to more than 500,000 units and comes back on the podium, as the second best-selling brand and the first one in France.
    - Dacia recorded sales up 24% to more than 345,000 units worldwide. In Europe, Dacia sales were up 30% to 301,000 units thanks to the success of its line-up. Dacia Sandero remains the best-seller to retail customers in Europe. Dacia moves up to 2nd place on the European podium for retail sales[1].
    - Alpine continued to improve its sales with nearly 1,900 units, up 9% versus 2022 H1.
  - **Strong price effect at 8.8 points** and **further improvement in product mix at 3.5 points** in the first half of 2023

driven by the commercial policy focused on value and the success of new products:
    - 65% of **Group sales on the retail channel** in the Group's five main countries in Europe[2].
    - Renault brand sales in **C-segment** in Europe improved by 42% compared to 2022 H1, thanks to the success of Megane E-TECH Electric, Arkana and Austral. C & above segments represented 42% of Renault brand sales mix in Europe over the first half.
    - Renault Megane E-TECH Electric recorded 23,000 sales in 2023 H1, with 70% on high trim versions and more than 80% on the most powerful engine.
    - Renault Austral recorded almost 40,000 sales in 2023 H1 with 65% of hybrid mix and 60% of high trim versions. Just launched, Renault Espace will broaden the offer.
  - Renault Group pursues its **electrification offensive**:
    - Renault brand recorded a 18% volume increase in electrified passenger[3] car sales versus 2022 H1, accounting for 37% of the brand's passenger car sales in Europe. Full electric vehicles represented 11% of the brand's passenger car sales.
    - The first hybrid version in the Dacia range was launched in January 2023 on Jogger. Dacia Jogger Hybrid 140 already represents more than 25% of its order mix despite components constraints. Jogger is a key product to attract new customer profiles and its hybrid version supports Dacia smooth electrification strategy.

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[1] Passenger car sales to retail customers in Europe (Dataforce Source, list of European countries with sales by customer channel) = Austria, Belgium, Croatia, Czech Republic, Denmark, Finland, France, Germany, Hungary, Italy, Luxembourg, Netherlands, Norway, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, Switzerland, United Kingdom.

[2] Passenger cars in France, Germany, Spain, Italy, United Kingdom.

[3] Includes EV, Hybrid (HEV) and Plug-In Hybrid (PHEV), excludes Mild-Hybrid (MHEV).

    - Dacia Spring (100% electric) recorded more than 27,000 sales in Europe in 2023 H1. It was again on the podium of retail electric vehicles in Europe in H1.
    - This momentum will be supported, in second half, by Espace E-TECH Hybrid and New Clio with a hybrid engine at the core of its range. From 2024 onwards, Renault's electric line-up will further accelerate the dynamic, with Scenic and Renault 5 in particular.
  - **Strong Group's orderbook in Europe** at 3.4 months of sales at the end of June. It would remain above the target of 2 months of sales through 2023, even with a market -30% below 2019.
- **Significant progress on Revolution projects**
  - **Horse:**
    - Carve-out of Horse, Renault Group's dedicated entity for advanced low-emission ICE and hybrid powertrains, effective on July 1st, 2023.
    - Signing of a JV agreement on July 11, 2023 combining Renault Group and Geely entities to launch the leading powertrain technology company.
    - As already announced in March 2023, Aramco is evaluating a strategic investment in this new company.
  - **Ampere:**
    - Carve-out to be completed in 2023 H2 as expected.
    - Targeting the best window for an IPO, most probably in 2024 H1.
    - Progressing towards 40% cost reduction on a car-by-car basis in next vehicles generation by 2027.
  - **Alpine:** RedBird Capital Partners, Otro Capital and Maximum Effort Investments are investing €200 million in Alpine Racing Ltd (United Kingdom) capital, with a 24% equity stake to accelerate Alpine's growth strategy and sporting ambitions in Formula 1. The transaction values Alpine Racing Ltd (chassis entity only) around $900 million following this investment.
  - **Alliance:** Renault Group and Nissan concluded on July 26, 2023 the definitive agreements to reset the Alliance, to strengthen their long-standing partnership and maximize value creation for all stakeholders.

Boulogne-Billancourt, July 27, 2023

Group revenue reached €26,849 million, up 27.3% compared to 2022 H1. At constant exchange rates[1], it increased by 30.6%.

Automotive revenue stood at €24,850 million, up 27.0% compared to 2022 H1. It includes 3.2 points of negative exchange rates effect mainly related to the Argentinean peso and the Turkish lira devaluation. At constant exchange rates[1], it increased by 30.2%.

[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.*

Volume effect stood at +15.0 points thanks to the commercial success of vehicles combined with an improved availability of electronic components. Invoices outperformed sales because of the high level of vehicles still in transit between our plants and our final customers due to remaining outbound logistic tensions in the first half.

The price effect, positive by +8.8 points, continued to be very strong and reflects the Group's commercial policy focused on value over volume, as well as price increases to offset cost inflation, and an optimization of commercial discounts.

In 2023 H1, the product mix effect stood at +3.5 points mainly thanks to the success of Megane E-TECH Electric and Austral.

The impact of sales to partners was positive by +1.6 points, supported by the production of the ASX for Mitsubishi Motors since the beginning of the year as well as a dynamic LCV market driving sales to Nissan, Renault Trucks and Mercedes-Benz.

The **Group** posted a record **operating margin** at 7.6% of revenue versus 4.6% in 2022 H1, up 3.0 points. It continued to improve sequentially from 6.3% in 2022 H2 to 7.6% in 2023 H1. It stood at €2,040 million and more than doubled versus 2022 H1.

Automotive operating margin more than tripled in value and stood at €1,541 million versus €420 million in 2022 H1. It represented 6.2% of Automotive revenue, improving by 4.1 points versus 2022 H1.

The volume effect at +€763 million and the positive mix/price/enrichment effect of +€1,771 million illustrated the success of vehicles and of the commercial policy focused on value. The positive mix/price/enrichment effect more than compensated the increase in costs which amounted to -€1,181 million. The latter was mainly explained by the impact of the carry-over of raw materials and energy price increases, logistics and labor costs.

The operating margin includes, since the beginning of November 2022 and until the deconsolidation of Horse, a positive non-cash effect of the cessation of amortization for these assets held for sale. It accounted for €275 million in 2023 H1. Adjusted from Horse positive impact, the Group operating margin would have been 6.6% in 2023 H1, compared to an operating margin of 4.6% in 2022 H1.

The contribution of **Mobilize Financial Services** (Sales Financing) to the Group's operating margin reached €518 million, down €48 million compared to 2022 H1[1] due to non-recurring impacts of the swaps valuation linked to the interest rate increase in Europe since beginning 2022. Excluding this one-off, Mobilize Financial Services posted an operating margin up 9% compared to 2022 H1. New financings increased by 19% compared to 2022 H1, notably due to the strong increase in registrations and the 11% increase in the average financed amount.

[1] *The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".*

Other operating income and expenses were positive at €56 million (versus -€49 million in 2022 H1) and were notably explained by +€227 million of asset disposals related to the sale of land in Boulogne-Billancourt and of several commercial subsidiaries of the Group and branches of Renault Retail Group, which more than compensated the restructuring costs linked to the Renaulution reorganization.

After taking into account other operating income and expenses, the **Group's operating income** stood at €2,096 million versus €923 million in 2022 H1 (+€1,173 million versus 2022 H1).

Net financial income and expenses amounted to -€260 million compared to -€236 million in 2022 H1. The increase is explained by the impact of hyperinflation in Argentina partially compensated by the positive impact of the rise in interest rates on the net cash position.

The **contribution of associated companies** amounted to €566 million compared to €214 million in 2022 H1. This included €582 million related to Nissan's contribution.

Current and deferred taxes represented a charge of -€278 million compared to a charge of -€254 million in 2022 H1. The increase is linked to the improvement of the pretax income.

Thus, **net income** stood at €2,124 million, up €3,800 million compared to 2022 H1 and **net income**, **Group share**, was €2,093 million (or €7.70 per share). As a reminder, in 2022 H1, net income from discontinued operations amounted to -€2,323 million due to the non-cash adjustment related to the disposals of the Russian industrial activities.

The **cash flow of the Automotive business** is at record level in 2023 H1 and reached €3,292 million, up around €650 million compared to 2022 H1. It includes €600 million of Mobilize Financial Services dividend versus €800 million in 2022 H1.

Excluding the impact of asset disposals, the Group's net CAPEX and R&D stood at €1,859 million i.e., 6.9% of revenue compared to 8.0% of revenue in 2022 H1. It amounted to 6.2% including asset disposals.

Free cash flow[1] stood at €1,775 million taking into account a negative change in working capital requirement of -€138 million. Restated from Mobilize Financial Services dividend, it stood at €1,175 million versus €156 million in 2022 H1.

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[1] *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.*

As of June 30, 2023, **total inventories** of new vehicles (including the independent dealer network) represented 569,000 vehicles. This level is explained by continuing tensions on the downstream logistics which weigh on the ability to deliver vehicles to the final customers. It slightly decreased compared to 2023 Q1, which was at 580,000 units. This improvement will pursue in 2023 H2 as tensions on logistics start to ease.
The level of inventories must be observed considering the very strong orderbook at 3.4 months of sales at the end of June, largely beyond our optimal level of around 2 months.

The Automotive net financial position stood at €2,185 million on June 30, 2023 compared to €549 million on December 31, 2022, an improvement of €1.6 billion.

In the first half of 2023, Renault Group made, in advance, the last repayment of €1 billion for the mandatory annual repayment of the loan of a banking pool benefiting from the guarantee of the French State (PGE). This loan is now fully reimbursed.

Liquidity reserve at the end of June 2023 stood at a high level at €16.8 billion.

2023 FY financial outlook
Renault Group confirms its 2023 FY financial outlook upgraded on June 29, 2023:

- **Group operating margin between 7% and 8%**
- **Free cash flow superior or equal to €2.5bn**

Renault Group's consolidated results

In € million	2022 H1(1)	2023 H1	Change
Group revenue	21,089	**26,849**	**+27.3%**
Operating margin	972	**2,040**	**+1,068**
% of revenue	*4.6%*	*7.6%*	*+3.0 pts*
Other operating income and expenses	-49	**56**	**+105**
Operating income	923	**2,096**	**+1,173**
Net financial income and expenses	-236	**-260**	**-24**
Contribution from associated companies	214	**566**	**+352**
of which Nissan	325	582	+257
Current and deferred taxes	-254	**-278**	**-24**
Net income	-1,676	**2,124**	**+3,800**
of which continuing operations	647	2,124	+1,477
of which discontinued operations	-2,323	0	+2,323
Net income, Group share	-1,367	**2,093**	**+3,460**
Free cash flow	956	**1,775**	**+819**
Automotive Net Financial Position	549 at 2022-12-31	**2,185 at 2023-06-30**	**+1,636**

(1) The 2022 figures include restatements following the first application of IFRS 17 "Insurance contracts".

Additional information

The condensed half-year consolidated financial statements of Renault Group at June 30, 2023 were reviewed by the Board of Directors on July 26, 2023.

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 2023, is available at www.renaultgroup.com in the "Finance" section.

5. August 2, 2023: Moody's upgraded Renault's ratings to Ba1 from Ba2 with stable outlook.

(2) Litigation Cases

Please refer to “VI. FINANCIAL CONDITION, 1. SEMI-ANNUAL FINANCIAL STATEMENTS, 2023 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 Japanese GAAP 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 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.

13) Insurance Contracts

a. Measurement of insurance contracts liability

Under IFRS, the unit of measurement for the insurance contract liability is the aggregate group level of individual insurance contracts. The insurance contract liability comprises estimates of future cash flows, a discount calculation, a risk adjustment for non-financial risk, and the contractual service margin.

Under Japanese GAAP, there is no guidance for insurance contracts, and the accounting prescribed in the Insurance Business Law (statutory accounting) is applied. Statutory accounting does not provide any guidance for the measurement unit of insurance contract liability. Although there is a concept of estimating future cash flows and calculating discounts in the measurement of insurance contract liability, the method used is different from IFRS. There is no guidance for risk adjustment of non-financial risk and the contractual service margins.

b. Measurement and recognition of insurance revenue

Under IFRS, insurance revenue is recognized in accordance with the provision of services. Insurance premiums received are not included in the insurance revenue.

Under the Japanese statutory accounting, insurance revenue is recognized when insurance premiums are received. There is no revenue recognition concept like IFRS.

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

	Name of Documents	**Filing Date**
(1)	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 1 of the Cabinet Office Ordinance concerning Disclosure of Affairs, etc. of Corporations)	April 21, 2023
(2)	Amendment to the Shelf Registration Statement filed on May 19, 2022 (4-Foreign 1)	April 21, 2023
(3)	Annual Securities Report and attachments thereto	May 12, 2023
(4)	Amendment Report for the Extraordinary Report filed on April 21, 2023	July 3, 2023
(5)	Amendment to the Shelf Registration Statement filed on May 19, 2022 (4-Foreign 1)	July 3, 2023
(6)	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 4 of the Cabinet Office Ordinance concerning Disclosure of Affairs, etc. of Corporations)	July 28, 2023
(7)	Amendment to the Shelf Registration Statement filed on May 19, 2022 (4-Foreign 1)	July 28, 2023

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.