

Financial report

First half 2021

Renault
Group

Financial report - **First half 2021**

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Key figures

		H12021	H12020	Change
Worldwide Group registrations ⁽¹⁾	Million vehicles	1.42	1.20	+18.7%
Group revenues	€ million	23,357	18,425	+4,932
Group operating profit	€ million	654	-1,203	+1,857
	% revenues	2.8%	-6.5%	+9.3 pts
Group operating income	€ million	571	-2,007	+2,578
Contribution from associated companies	€ million	160	-4,892	+5,052
<i>o/w Nissan</i>	€ million	100	-4,817	+4,917
Net income	€ million	368	-7,386	+7,754
Net income, Group share	€ million	354	-7,292	+7,646
Earnings per share	€	1.30	-26.91	+28,21
Automotive operational free cash flow ⁽²⁾	€ million	-70	-6,375	+6,305
Automotive net financial position	€ million	-2,742	-3,579	+837
		at Jun. 30, 2021	at Dec. 31, 2020	
Sales Financing, average performing assets	€ billion	45.5	48.1	-5.5%

(1) Registrations 2020 pro-forma 2021 (without Shineray)

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

Overview

Renault Group is ahead of its "Renaulution" plan

- **Renault Group should achieve its target of €2 billion cash fixed cost reductions one year ahead of schedule: €1.8 billion have already been achieved of which €0.6 billion during this first half compared to 2019.**
- **Strong positive net price effect (+8.7 points on the Automotive excluding AVTOVAZ revenues), reflecting the implementation of the new commercial policy as part of "Renaulution".**
- **Group operating margin at 2.8% compared to -6.5% in the first half of 2020.**
- **Positive Automotive (including AVTOVAZ) operating margin improving by more than €1.7 billion compared to the first half of 2020, despite the pandemic and the components crisis.**
- **Global sales up 18.7% in the first half of 2021 compared to the first half of 2020 but still down -24.2% compared to the first half of 2019.**
- **Group revenues up 26.8% at €23.4 billion.**
- **Net result positive at €368 million.**
- **Automotive operational free cashflow close to breakeven (-€70 million).**
- **Reduction of the Automotive net debt by €0.8 billion and Automotive liquidity position at €16.7 billion at June 30, 2021.**
- **Despite the uncertainties in demand, the continuing negative effects of the components crisis which could lead**

to a production loss of about 200,000 units over the year and rising raw materials prices, Renault Group is aiming to reach a full year operating margin rate of the same order as the one of the first half.

- **In line with environmental challenges, the Group's ambition is to achieve carbon neutrality in Europe by 2040 and confirms it is on track to meet its CAFE target in 2021.**

Group revenues reached €23,357 million, up 26.8% compared to the first half of 2020. At constant exchange rates and perimeter¹, Group revenues would have increased by 31.8%.

Automotive excluding AVTOVAZ revenues amounted to €20,339 million, up 29.3% compared to the first half of 2020. The recovery of the automotive market is contributing +23.7 points. The implementation of the new commercial policy, focusing on profitable volumes, led to a positive net price effect of 8.7 points and a negative "volume performance" of -8.7 points.

The currency effect was negative -3.9 points mainly linked to the devaluation of the Argentinian peso, the Russian Ruble, the Turkish lira and the Brazilian real.

The product mix effect is positive by +2.9 points, thanks to the success of the launch of Arkana which marks the brand's come back in the C-segment, and to the performance of light commercial vehicles.

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

01 In brief

The "Others" effect, positive by +6.8 points, came from the increase in the contribution of parts and accessories and the recovery of the network business, which was heavily impacted by the confinement measures in the first half of 2020.

The **Group** recorded a positive **operating margin** of €654 million representing 2.8% of revenues compared to -€1,203 million in the first half of 2020.

The **Automotive excluding AVTOVAZ operating margin** was up +€1.6 billion to -€41 million.

Volume and sales to partners effect had a positive impact of €487 million.

Mix/price/enrichment effect was positive €599 million thanks to the impact of the new commercial policy in Europe and price increases in emerging countries to cover forex impact in the first place.

The "productivity" effect (purchasing, warranty, R&D, manufacturing and logistics, G&A) was positive €219 million notably thanks to the performance of purchasing (€143 million).

Currencies and raw materials weighed respectively for -€70 million and -€76 million.

The "Others" effect amounted to +€454 million explained notably by the impact of the recovery of the dealers' business and the aftersales activity.

The **operating margin of AVTOVAZ** amounted to €118 million up +€120 million, mainly reflecting the increase in volumes and prices compared to the first half of 2020.

Sales Financing contributed €593 million to the Group operating margin compared with €469 million in the first half of 2020. This increase is mainly due to the improvement in the cost of risk. The total cost of risk reached 0.16% of the average performing assets compared to 0.99% in the first half 2020 reflecting the return to normal market conditions and the favourable update of the provisioning at the end of June 2021. Operating expenses represented 1.35% of average performing assets compared to 1.29% in the first half of 2020. This increase is explained by the sharp drop in average network performing assets in connection with the strategy of optimising vehicle stocks.

Outlook 2021

Despite the uncertainties in demand, the continuing negative effects of the components crisis which could lead to a production loss of about 200,000 units over the year and rising

Other operating income and expenses stood at -€83 million mainly explained by provisions for restructuring costs (**compared to -€804 million in the first half of 2020**).

After taking into account the other operating income and expenses, **Group operating income** came to €571 million compared with -€2,007 million in the first half of 2020.

Net financial income and expenses amounted to -€163 million, compared with -€214 million in the first half of 2020.

The **contribution of associated companies** came to €160 million, compared with -€4,892 in the first half of 2020. It is worth noting that Nissan contribution in the first half 2020 included -€4,290 million of impairments and restructuring costs (including -€1,934 million of IFRS restatements).

Current and deferred taxes represented a charge of -€200 million compared with a charge of -€273 million in the first half of 2020.

Net income reached €368 million and net income, **Group share** totalled €354 million (€1.30 per share compared with -€26.91 per share in the first half of 2020).

Automotive operational free cash flow was negative at -€70 million after taking into account -€302 million of restructuring expenses, a positive free cash flow for AVTOVAZ of €294 million and a negative impact of the change in working capital requirement for -€410 million. Cash flow excluding AVTOVAZ and restructuring expenses amounted to €1.8 billion (compared to €22 million in the first half of 2020). Investments in the first half of 2021 amounted to €1.5 billion compared to €2.5 billion in the first half of 2020.

The **Automotive activity** at June 30, 2021 held €16.7 billion of **liquidity reserves**. The **Automotive net debt** stood at €2.7 billion at June 30, 2021 down -€0.8 billion compared to the first half of 2020.

raw materials prices, Renault Group is aiming to reach a full year operating margin rate of the same order as the one of the first half.

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

Renault Group operates in the design, manufacture, marketing of vehicles and sales financing via its subsidiary RCI Bank and Services in an environment that continues to change significantly, particularly in terms of technology, consumer habits and the economic context of the markets. In this environment, Renault Group does not identify, for the next six months of 2021, any risk factors other than those described in chapter 1.5.2 of the Universal Registration Document published on 15 March 2021.

In the current state of visibility, Renault Group continues to adapt to the consequences of the evolution of the Covid-19 crisis to preserve the health of its employees and adapt its activities according to the slowdown and recovery of the various markets, as the Group has been doing since 2020. Since the beginning of 2021, Renault Group has also been exposed to the risk of disruptions in the supply chain for electronic components, which affects both Renault Group and the automotive industry. This risk remains for the second half of the year and Renault Group estimates that it could lead to a loss of production of around 200,00 units for the full year.

Transactions with related third parties

There are no transactions between related parties other than those described in Note 27 of the Appendix to the Annual Consolidated Financial Statements of the same Universal

Registration Document and in Note 20 of the Appendix to the Half-Year Consolidated Financial Statements summarized in this report.

Highlights

January 11, 2021: Renault Group & Plug Power, a world leader in turnkey hydrogen and fuel cell solutions, join forces to become leader in hydrogen light commercial vehicles.

January 14, 2021: Presentation of "Renaulution", a new strategic plan, which aims to shift Renault Group's strategy from volume to value.

February 18, 2021: Renault's Board of Directors proposes the appointment of two new independent directors, Bernard Delpit, Executive Vice President and Chief Financial Officer of the Safran Group and Frédéric Mazzella, founding Chairman of BlaBlaCar, and the entrepreneurial co-chairman of France Digitale, the largest association of start-ups in Europe.

February 19, 2021: Faurecia and Renault Group today announced their decision to collaborate on hydrogen storage systems for hydrogen light commercial vehicles.

March 10, 2021: From 2023, Mitsubishi Motors will market two "sister vehicles" produced in Renault Group factories, based on the same platforms but with differentiations, reflecting the DNA of the Mitsubishi brand.

March 11, 2021: In a radically changing automotive market, RRG is rethinking its business model to meet the new needs of its customers and improve its profitability over the long term. The plan calls for the sale of eight dealerships to reliable and robust purchasers while preserving jobs.

March 12, 2021: Renault S.A. announces the successful sale of its entire stake in Daimler AG for a total amount of €1.14 billion.

March 18, 2021: Renault Group, Veolia, global leader in optimized resource management, and Solvay, leading science-based

company, join forces to recycle end-of-life EV battery metals in a closed loop.

April 9, 2021: Atos, Dassault Systèmes, Renault Group, STMicroelectronics and Thales today announced their intention to join forces to create the "Software République", a new ecosystem for innovation in intelligent mobility.

April 22, 2021: Luc Julia, world-renowned expert in artificial intelligence, and co-creator of the Siri technology, joins Renault Group as Group Chief Scientific Officer.

April 23, 2021: Renault Group unveils its purpose: "our spirit of innovation takes mobility further to bring people closer".

April 26, 2021: Renault Group outlined its CSR policy roadmap based on three major pillars that are deeply integrated into the company's business: the ecological transition, the safety of customers on the road and employees in the workplace, and inclusion by improving employability and having more women in the workforce.

The Group aims to achieve carbon neutrality in Europe in 2040 and worldwide in 2050.

April 29, 2021: Renault Group signs partnership with Iberdrola to achieve zero carbon footprint in its factories in Spain and Portugal.

May 4, 2021: BlaBlaCar, Mobilize (Renault Group), the RATP group and Uber are working together for sustainable mobility with the "mobilité360" project and are using their complementary expertise to offer simpler, greener, sustainable and shared mobility solutions for cities and citizens.

01 In brief

June 3, 2021: Renault Group and Plug Power Inc., a world leader in turnkey hydrogen and fuel cell solutions, are today launching HYVIA, a joint venture is equally owned by the two partners and of which activities will be carried out at 4 existing Renault facilities in France.

HYVIA expects to be first-to-market with turnkey hydrogen mobility solutions: light commercial vehicles with fuel cells, hydrogen charging stations, supply of carbon-free hydrogen, maintenance and management of fleets.

June 8, 2021: In the context of the judicial investigation opened on 12 January 2017 relating to older generations of Diesel vehicles, Renault s.a.s. was placed under examination on 8 June 2021 on the charge of deceit. Renault will have to pay a bail of €20 million, €18 million of which will be dedicated to the potential payment of damages and fines, and will have to provide a bank guarantee of €60 million dedicated to the potential compensation for losses. As per this status, the company is presumed innocent. Renault denies having committed any offence and reminds that its vehicles are not equipped with any rigging software for pollution control devices. Renault has always complied with French and European regulations. Renault vehicles have all and always been type-approved in accordance with applicable laws and regulations.

June 9, 2021: Renault Group has signed an agreement giving birth to Renault ElectricCity: the electric industrial pole of northern France. The legal entity wholly owned by Renault SAS is grouping together the industrial sites of Douai, Maubeuge and Ruitz, totalling nearly 5,000 employees.

June 18, 2021: The management and the representative trade unions CFDT, CFE-CGC and FO signed the agreement on new working methods in France. This new hybrid work organisation, implanted on a voluntary basis and will combine on-site and remote work organised around two or three days of teleworking per week starting in September 2021.

June 25, 2021: Renault Group selects STMicroelectronics as key innovation partner, securing the supply of electric and hybrid vehicle advanced power semiconductors to be produced from 2026.

June 29, 2021: Renault Group enters into a strategic partnership with Envision AESC as it sets up a gigafactory in Douai, close to Renault ElectricCity, to support manufacture of latest technology, cost-competitive, low-carbon batteries from 2024.

Renault Group signs a Memorandum of Understanding with the French start-up Verkor to codevelop a high-performance, locally sourced, and sustainable battery by 2022 with a view of owning a more than 20% stake in Verkor.

June 30, 2021: Renault eWays ElectroPop: a historic acceleration of Renault Group's EV strategy to offer competitive, sustainable & popular electric vehicles.

Overview

- **Renault Group's** worldwide sales are up 18.7% in the first half of 2021 compared with 2020.
- Renault Group confirms the continuation of a selective sales policy favouring growth in profitable volumes.
- The **Renault brand** recorded an 18.5% increase. The **E-TECH** range has been a great success, with one in four Renault passenger cars sold in Europe. For Arkana, one in two sales is an E-TECH version.
- The **Dacia brand** reported 24.5% growth thanks to the renewal of the range, driven by New Sandero, the best-selling vehicle within the retail market in Europe.
- The **LADA brand** saw its sales increase by 41.1% worldwide and by 51% in Russia, reinforcing its first place with a 23% market share, the best result of the last ten years.
- The Group's order backlog in Europe at the end of June 2021 amounts to 2.5 months' sales, supported by the attractiveness of the Renault E-TECH offering, light commercial vehicles, New Dacia Sandero and Dacia Spring 100% electric.
- The Group is on track to meet its **CAFE** targets in 2021.

RENAULT GROUP'S TOP FIFTEEN MARKETS

SALES		Volumes H1 2021 ⁽¹⁾ (In units)	PC/LCV market share H1 2021 (%)	Change in market share on H1 2020 (Points)
1	France	287,602	24.7	-2.5
2	Russia	270,285	31.0	+0.8
3	Germany	87,029	5.7	-0.4
4	Italy	82,951	8.5	-1.4
5	Brazil	69,465	6.9	-1.0
6	Spain	59,874	11.0	-1.0
7	Turkey	58,631	14.9	-4.5
8	India	48,970	2.7	-0.1
9	Morocco	39,164	41.7	-1.4
10	United Kingdom	33,592	3.0	-0.5
11	Belgium + Luxembourg	29,892	9.8	-1.5
12	South Korea	28,840	3.3	-2.8
13	Poland	26,139	9.3	-1.4
14	Colombia	22,765	22.3	+0.2
15	Argentina	20,207	10.2	-3.4

(1) Preliminary figures.

02 Sales performance

2.1 Automotive

2.1.1 Group sales worldwide by region, by brand & by type

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES ⁽³⁾ (units)	H12021 ⁽¹⁾	H12020 ⁽²⁾	Change (%)
GROUP	1,422,563	1,198,738	+18.7
EUROPE	745,950	652,450	+14.3
Renault	532,161	469,940	+13.2
Dacia	212,137	180,735	+17.4
Alpine	903	546	+65.4
LADA	749	1,229	-39.1
AFRICA MIDDLE-EAST	81,288	55,507	+46.4
Renault	48,219	36,982	+30.4
Dacia	30,771	16,946	+81.6
Alpine	1	0	+++
LADA	1,471	1,059	+38.9
Jinbei&Huasong ⁽⁴⁾	826	520	+58.8
ASIA PACIFIC	100,800	100,772	+0.0
Renault	59,926	36,946	+62.2
Renault Samsung Motors	26,908	53,142	-49.4
Alpine	97	153	-36.6
LADA	35	45	-22.2
Jinbei&Huasong ⁽⁴⁾	12,499	10,486	+19.2
EVEASY ⁽⁶⁾	1,335	0	+++
EURASIA	357,707	276,202	+29.5
Renault	124,620	104,046	+19.8
Dacia	19,906	13,339	+49.2
LADA	212,999	150,297	+41.7
AVTOVAZ ⁽⁵⁾	182	8,520	-97.9
LATIN AMERICA	136,818	113,807	+20.2
Renault	136,540	112,565	+21.3
LADA	194	113	+71.7
Jinbei&Huasong ⁽⁴⁾	84	1,129	-92.6
BY BRAND			
Renault	901,466	760,479	+18.5
Dacia	262,814	211,020	+24.5
Renault Samsung Motors	26,908	53,142	-49.4
Alpine	1,001	699	+43.2
LADA	215,448	152,743	+41.1
AVTOVAZ ⁽⁵⁾	182	8,520	-97.9
Jinbei&Huasong ⁽⁴⁾	13,409	12,135	+10.5
EVEASY ⁽⁶⁾	1,335	0	+++
BY VEHICLE TYPE			
Passenger cars	1,180,743	1,031,305	+14.5
Light commercial vehicles	241,820	167,433	+44.4

(1) Preliminary figures.

(2) Sales 2020 pro-forma 2021 (without Shineray).

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

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

(5) AVTOVAZ is the brand used to sell previous Chevrolet Niva.

(6) EVEASY is the brand used for JMEV sales in China.

In an environment still disrupted by the Covid-19 pandemic, Renault Group sold 1,422,600 vehicles in the first half of 2021, up 18.7% on 2020, but down 24.2% on the first half of 2019.

Throughout the first half, the Group continued to pursue a selective sales policy favouring profitable volume growth in its various markets.

→ Renault brand

The Renault brand sold 901,500 vehicles worldwide, up 18.5% on the first half of 2020. Growth resumed in all key countries. The share of European sales was 59%. In the five main European countries (France, Germany, Spain, Italy and the United Kingdom), the share of sales to retail customers now represents 40%, up nearly 2 points compared to 2019, the pre-crisis situation.

In Europe, the Renault brand sold 532,161 vehicles (+13.2%), representing a market share of 7%. This performance was driven by strong growth in sales of E-TECH electric and electrified passenger cars (91,869 vehicles, up 149%). In addition, with nearly 20,000 orders in three months of sales, Arkana has enabled a successful return to the C segment. In a light commercial vehicle market that grew by 42.3%, Renault increased its market share by 0.4 points to 14.4%.

In key countries outside Europe, the Renault brand returned to growth thanks to successful launches: Kiger in India (up 86.6%), Duster in Russia (up 36%) and in Latin America, including Brazil, which grew by 15.9%.

→ Dacia and LADA brands

The Dacia brand sold 262,814 vehicles (+24.5%), boosted by the success of New Sandero, the best-selling vehicle for retail customers in Europe. Dacia Spring, the affordable electric car, is off to a strong start, with more than 15,000 orders already placed for deliveries scheduled for this fall. Dacia is continuing to renew its entire range: after New Sandero and Logan at the end of 2020, New Duster has been revealed in June 2021, and the brand will be presenting its all-new 7-seater family and multi-purpose model at the Munich Motor Show in September.

In Russia, the LADA brand sold 200,219 vehicles (+51%) in Russia and strengthened its number one position with a 23% market share, the best result in the last ten years. Four LADA models are in the top 10 of sales in Russia: Granta is in first place (72,787 vehicles), Vesta in second place (57,031 vehicles), NIVA including the new Travel model and the new Largus launched in March.

2.1.2 Sales and production statistics

2.1.2.1 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/>

2.1.2.2 Group worldwide production

PASSENGER CARS AND LIGHT COMMERCIAL VEHICLES (Units)	H12021 ⁽²⁾	H12020	Change (%)
GROUP GLOBAL PRODUCTION⁽¹⁾	1,356,753	1,132,709	+19.8
<i>O/w produced for partners:</i>			
Nissan	47,638	35,090	+35.8
Mitsubishi	901	960	-6.1
Daimler	10,421	8,134	+28.1
Opel/Vauxhall	11,356	9,043	+25.6
Fiat	9,363	6,517	+43.7
Renault Trucks	10,274	6,634	+54.9
PRODUCED BY PARTNERS FOR RENAULT	H12021⁽²⁾	H12020	Change (%)
Nissan	58,398	33,818	+72.7
China ⁽³⁾	24,977	12,119	+106.1

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

(2) Preliminary figures.

(3) Chinese entities: RBJAC (49%), eGT (25%), JMEV (50%)

02 Sales performance

2.1.2.3 Geographical organization of the Renault Group by region – countries in each region

At June 30, 2021

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

2.2 Sales financing

In a context still disrupted by the Covid-19 pandemic, RCI Bank and Services new financings increase by 12.5% compared to the first half of 2021, under the combination of the growth of the number of new vehicles (NV) and used cars (UC) financing contracts and the improvement of the average financed amount.

RCI Bank and Services financed 716,220 contracts on the first half of 2021, progressing by 8.8% compared to first half 2020. Used Cars Financing represent an increase of 13.5%, with 178,684 financed contracts.

Excluding Turkey, Russia and India (Equity Affiliated Companies), the finance penetration rate amounts to 44.3% versus 47.6% on the first half of 2020, penalized by a car sales mix decreasing on the Retail channel, mostly impacted by the remaining lockdown measures during the first semester

of 2021. RCI Bank and Services also favoured the most profitable financing channels.

RCI Bank and Services generated €8.7 billion in new financings. The average performing assets amounts to €45.5 billion, down -5.5% compared to the first semester of 2020. The average performing assets (APA) related to the Retail Activity totalled €37.5 billion on the first semester of 2021. Excluding the -€356 million negative forex impact, they slightly increase by 0.3% compared to H1 2020, thanks to the good trend of the new financings on the first semester of 2021. However, the average performing assets linked to the Wholesale Activity amount to €7.9 billion, decreasing by 23.2%, as a consequence of the new stock optimization policy in the dealer network for the Renault Group brands.

RCI BANK AND SERVICES FINANCING PERFORMANCE

	H1 2021	H1 2020	Change (%)
Number of financing contracts (Thousands)	716	659	+ 8.8
- Including UV contracts (Thousands)	179	158	+13.5
New financing (€ billion)	8.7	7.7	+ 12.5
Average performing assets (€ billion)	45.5	48.1	- 5.5

PENETRATION RATE BY BRAND

	H1 2021 (%)	H1 2020 (%)	Change (points)
Renault	41.1	45.0	-3.9
Dacia	44.8	48.0	-3.1
Renault Samsung Motors	57.8	59.5	-1.7
LADA	4.3	-	N/S
Nissan	35.0	38.6	-3.6
Infiniti	3.4	34.9	-31.5
Datsun	30.4	24.7	+5.7
RCI Bank and Services	36.1	44.9	-8.8

02 Sales performance

PENETRATION RATE BY REGION

	H12021 (%)	H12020 (%)	Change (points)
Europe	45.9	48.2	-2.2
Latin America	37.1	42.7	-5.6
Africa Middle-East and Asia Pacific	32.1	43.1	-10.9
Eurasia	13.8	30.3	-16.5
RCI Bank and Services	36.1	44.9	-8.8

A pillar of the Group strategy, the number of services sold over the first half of 2021 account for 2.3 million of services or

insurance contracts, progressing by 18.8%. 72% of the services sold are related to the customer or the usage of the car.

RCI BANK AND SERVICES SERVICES PERFORMANCE

	H12021	H12020	Change
Number of services contracts (Thousands)	2,308	1,943	+18.8%
Penetration rate on services	155.3%	174.1%	-18.8 pts

Summary

(€ million)	H1 2021	H1 2020	Change
Group revenues	23,357	18,425	+ 26.8%
Operating profit	654	-1,203	+ 1,857
Operating income	571	-2,007	+ 2,578
Net financial income & expenses	-163	-214	+ 51
Contribution from associated companies	160	-4,892	+ 5,052
<i>O/w Nissan</i>	<i>100</i>	<i>-4,817</i>	<i>+ 4,917</i>
Net income	368	-7,386	+ 7,754
Automotive operational free cash flow⁽¹⁾	-70	-6,375	+ 6,305
Automotive net financial position	-2,742	-3,579	+ 837
	at Jun. 30, 2021	at Dec. 31, 2020	
Shareholders' equity	26,582	25,338	+ 1,244
	at Jun. 30, 2021	at Dec. 31, 2020	

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

3.1 Comments on the financial results

3.1.1 Consolidated income statement

OPERATING SEGMENT CONTRIBUTION TO GROUP REVENUES

(€ million)	2021			2020			Change		
	Q1	Q2	H1	Q1	Q2	H1	Q1	Q2	H1
Automotive excl. AVTOVAZ	8,566	11,773	20,339	8,591	7,136	15,727	-0.3	+ 65.0	+ 29.3
AVTOVAZ	685	800	1,485	701	388	1,089	-2.3	+106.2	+ 36.4
Sales financing	759	763	1,522	827	773	1,600	-8.2	-1.3	-4.9
Mobility Services	5	6	11	6	3	9	-16.7	+ 77.8	+ 17.3
Total	10,015	13,342	23,357	10,125	8,300	18,425	-1.1	+60.7	+ 26.8

Group revenues reached €23,357 million, up 26.8% compared to the first half of 2020. At constant exchange rates and perimeter¹, Group revenues would have increased by 31.8%.

Automotive excluding AVTOVAZ revenues amounted to €20,339 million, up 29.3% compared to the first half of 2020. The recovery of the automotive market is contributing +23.7 points. The implementation of the new commercial policy, focusing on profitable volumes, led to a positive net price effect of 8.7 points and a negative "volume performance" of -8.7 points.

The currency effect was negative -3.9 points mainly linked to the devaluation of the Argentinian peso, the Russian Ruble, the Turkish lira and the Brazilian real.

The product mix effect is positive by +2.9 points, thanks to the success of the launch of Arkana which marks the brand's come back in the C-segment, and to the performance of light commercial vehicles.

The "Others" effect, positive by +6.8 points, came from the increase in the contribution of parts and accessories and the recovery of the network business, which was heavily impacted by the confinement measures in the first half of 2020.

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

03 Financial results

OPERATING SEGMENT CONTRIBUTION TO GROUP OPERATING PROFIT

(€ million)	H1 2021	H1 2020	Change
Automotive division excl. AVTOVAZ	- 41	-1,648	+ 1,607
<i>% of division revenues</i>	<i>- 0.2%</i>	<i>-10.5%</i>	<i>+10.3 pts</i>
AVTOVAZ	118	-2	+ 120
<i>% of AVTOVAZ revenues</i>	<i>7.9%</i>	<i>- 0.2%</i>	<i>+ 8.1 pts</i>
Sales financing	593	469	+ 124
Mobility Services	-16	-22	+ 6
Total	654	-1,203	+ 1,857
<i>% of Group revenues</i>	<i>2.8%</i>	<i>- 6.5%</i>	<i>+ 9.3 pts</i>

The **Group** recorded a positive **operating margin** of €654 million representing 2.8% of revenues compared to -€1,203 million in the first half of 2020.

The **Automotive excluding AVTOVAZ operating margin** was up +€1.6 billion to -€41 million.

Volume and sales to partners effect had a positive impact of €487 million.

Mix/price/enrichment effect was positive €599 million thanks to the impact of the new commercial policy in Europe and price increases in emerging countries to cover forex impact in the first place.

The "productivity" effect (purchasing, warranty, R&D, manufacturing and logistics, G&A) was positive €219 million notably thanks to the performance of purchasing (€143 million).

Currencies and raw materials weighed respectively for -€70 million and -€76 million.

The "Others" effect amounted to +€454 million explained notably by the impact of the recovery of the dealers' business and the aftersales activity.

The **operating margin of AVTOVAZ** amounted to €118 million up +€120 million, mainly reflecting the increase in volumes and prices compared to the first half of 2020.

Sales Financing contributed €593 million to the Group operating margin compared with €469 million in the first half of 2020. This increase is mainly due to the improvement in the cost of risk. The total cost of risk reached 0.16% of the average performing assets compared to 0.99% in the first half 2020 reflecting the

return to normal market conditions and the favourable update of the provisioning at the end of June 2021. Operating expenses represented 1.35% of average performing assets compared to 1.29% in the first half of 2020. This increase is explained by the sharp drop in average network performing assets in connection with the strategy of optimising vehicle stocks.

Other operating income and expenses stood at -€83 million mainly explained by provisions for restructuring costs (compared to -€804 million in the first half of 2020).

After taking into account the other operating income and expenses, **Group operating income** came to €571 million compared with -€2,007 million in the first half of 2020.

Net financial income and expenses amounted to -€163 million, compared with -€214 million in the first half of 2020.

The **contribution of associated companies** came to €160 million, compared with -€4,892 in the first half of 2020. It is worth noting that Nissan contribution in the first half 2020 included -€4,290 million of impairments and restructuring costs (including -€1,934 million of IFRS restatements).

Current and deferred taxes represented a charge of -€200 million compared with a charge of -€273 million in the first half of 2020.

Net income reached €368 million and net income, **Group share** totalled €354 million (€1.30 per share compared with -€26.91 per share in the first half of 2020).

3.1.2 Automotive operational free cash flow

AUTOMOTIVE OPERATIONAL FREE CASH FLOW

(€ million)	H12021	H12020	Change
Cash flow after interest and tax (excluding dividends received from publicly listed companies)	+1,546	-106	+1,652
Change in the working capital requirement	-410	-3,829	+3,419
Tangible and intangible investments net of disposals	-1,297	-2,079	+782
Leased vehicles and batteries	-198	-464	+266
Operational free cash flow excl. AVTOVAZ	-359	-6,478	+6,119
Operational free cash flow AVTOVAZ	+289	+103	+186
Automotive operational free cash flow	-70	-6,375	+6,305

In the first half of 2021, the **Automotive operational free cash flow** was negative at -€70 million, resulting from the following elements of Automotive excluding AVTOVAZ segment:

- cash flow after interest and tax (excluding dividends received from publicly listed companies) of +€1,546 million, including €297 million restructuring costs,
- a negative change in the working capital requirement of -€410 million,

- property, plant and equipment and intangible investments net of disposals of -€1,297 million, a decrease of €782 million compared with the first half of 2020,
 - investments related to vehicles with buy-back commitments for -€198 million.
- and AVTOVAZ operational free cash flow for +€289 million at June 30, 2021, including €5 million restructuring costs.

3.1.3 Capex and Research & Development

TANGIBLE AND INTANGIBLE INVESTMENTS NET OF DISPOSALS BY OPERATING SEGMENT

H12021 (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive excluding AVTOVAZ	816	481	1,297
AVTOVAZ	32	24	56
Sales Financing	6	0	6
Mobility Services	0	3	3
Total	854	508	1,362

H12020 (€ million)	Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	Capitalized development costs	Total
Automotive excluding AVTOVAZ	1,421	658	2,079
AVTOVAZ	75	28	103
Sales Financing	9	0	9
Mobility Services	0	6	6
Total	1,505	692	2,197

Total gross investment in the first half of 2021 decreased compared to 2020, with Europe accounting for 74% and the rest of the world for 26%.

- **In Europe**, the investments made are mainly aimed at renewing the LCV (Kangoo and Trafic), EV (MéganE) and C (Kadjar) ranges, as well as the adaptation of the industrial tool for electric and hybrid engines.

- **Internationally**, the investments realized mainly for the renewal of the Global Access (successor of Logan et Sandero in Romania, of Sandero in Morocco and of Duster in Russia), the C (Arkana ICE & HEV in Korea).

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RESEARCH AND DEVELOPMENT EXPENSES RECORDED IN THE INCOME STATEMENT

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

(€ million)	H1 2021	H1 2020	Change
R&D expenses	-1,164	-1,399	+235
Capitalized development expenses	508	692	-184
<i>R&D capitalization rate</i>	43.6%	49.5%	-5.8 pts
Amortization	-591	-603	+12
Gross R&D expenses recorded in the income statement⁽¹⁾	-1,247	-1,310	+63
<i>Of which AVTOVAZ</i>	-7	-11	+4

(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 capitalization rate amounted to 43.6% of Group Revenues, down -5.8 points compared to first half 2020, in relation to projects developments.

NET CAPEX AND R&D EXPENSES IN% OF REVENUES

(€ million)	H1 2021	H1 2020
Tangible investments net of disposals (excluding capitalized leased vehicles and batteries) and intangible (excluding capitalized development costs)	854	1,505
CAPEX invoiced to third parties and others	-12	-56
Net industrial and commercial investments excl. R&D (1)	842	1,449
<i>% of Group revenues</i>	3.6%	7.9%
R&D expenses	1,164	1,399
<i>R&D expenses billed to third parties and others</i>	-106	-160
Net R&D expenses (2)	1,058	1,239
<i>% of Group revenues</i>	4.5%	6.7%
Net CAPEX and R&D expenses (1) + (2)	1,900	2,688
<i>% of Group revenues</i>	8.1%	14.6%

Net Capital expenditures and R&D expenses amounted to 8.1% of Group Revenues, down -6.5 points compared to the first half of 2020.

3.1.4 Automotive net financial position at June 30, 2021

CHANGE IN AUTOMOTIVE NET FINANCIAL POSITION (€ million)

Automotive net financial position at December 31, 2020	-3,579
H1 2021 operational free cash flow	-70
Dividends received	+0
Dividends paid to Renault's shareholders and minority shareholders	+0
Financial investments and others	+907
Automotive net financial position at June 30, 2021	-2,742

Beyond the Automotive segment reported negative operational free cash flow of -€70 million, the €837 million improvement in the **net financial position** of the Automotive

segment compared with December 31, 2020 is mainly due to the sale of Daimler shares for €1,138 million.

AUTOMOTIVE NET FINANCIAL POSITION

(€ million)	Jun. 30, 2021	Dec. 31, 2020
Non-current financial liabilities	-12,030	-12,519
Current financial liabilities	-5,066	-5,147
Non-current financial assets - other securities, loans and derivatives on financial operations	+64	+118
Current financial assets	+982	+1,020
Cash and cash equivalents	+13,308	+12,949
Automotive net financial position	-2,742	-3,579

The **Automotive** segment's liquidity reserves stood at €16.7 billion as at June 30, 2021. These reserves consisted of:

- €13.3 billion in cash and cash equivalents;
- €3.4 billion in undrawn confirmed credit lines;

At June 30, 2021, **RCI Banque** had available liquidity of €16 billion, consisting of:

- €4.4 billion in undrawn confirmed credit lines;
- €5.5 billion in central-bank eligible collateral;
- €5.9 billion in high quality liquid assets (HQLA);
- €0.2 billion in available cash.

03 Financial results

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3.2.1 Consolidated income statement

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

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

3.2.2 Consolidated comprehensive income

(€ million)	H12021			H12020			Year 2020		
	Gross	Tax effect	Net	Gross	Tax effect	Net	Gross	Tax effect	Net
NET INCOME	568	(200)	368	(7,113)	(273)	(7,386)	(7,626)	(420)	(8,046)
OTHER COMPONENTS OF COMPREHENSIVE INCOME FROM PARENT COMPANY AND SUBSIDIARIES									
Items that will not be reclassified subsequently to profit or loss	324	(20)	304	(170)	(48)	(218)	76	(66)	10
Actuarial gains and losses on defined-benefit pension plans	131	(29)	102	47	(56)	(9)	(62)	(62)	(124)
Equity instruments at fair value through equity	193	9	202	(217)	8	(209)	138	(4)	134
Items that have been or will be reclassified to profit or loss in subsequent periods	176	(21)	155	(522)	10	(512)	(665)	(1)	(666)
Translation adjustments on foreign activities	94	-	94	(482)	-	(482)	(652)	-	(652)
Translation adjustments on foreign activities in hyperinflationary economies	15	-	15	(13)	-	(13)	(21)	-	(21)
Partial hedge of the investment in Nissan	5	-	5	(10)	-	(10)	-	-	-
Fair value adjustments on cash flow hedging instruments	64	(22)	42	(18)	9	(9)	8	(1)	7
Debt instruments at fair value through equity	(2)	1	(1)	1	1	2			
Total other components of comprehensive income from parent company and subsidiaries (A)	500	(41)	459	(692)	(38)	(730)	(589)	(67)	(656)
SHARE OF ASSOCIATES AND JOINT VENTURES IN OTHER COMPONENTS OF COMPREHENSIVE INCOME									
Items that will not be reclassified to profit or loss in subsequent periods	212	-	212	(123)	-	(123)	146	-	146
Actuarial gains and losses on defined-benefit pension plans	64	-	64	(56)	-	(56)	94	-	94
Other	148	-	148	(67)	-	(67)	52	-	52
Items that have been or will be reclassified to profit or loss in subsequent periods	236	-	236	(587)	-	(587)	(1,268)	-	(1,268)
Translation adjustments on foreign activities	201	-	201	(533)	-	(533)	(1,228)	-	(1,228)
Other	35	-	35	(54)	-	(54)	(40)	-	(40)
Total share of associates and joint ventures in other components of comprehensive income (B)	448	-	448	(710)	-	(710)	(1,122)	-	(1,122)
OTHER COMPONENTS OF COMPREHENSIVE INCOME (A) + (B)	948	(41)	907	(1,402)	(38)	(1,440)	(1,711)	(67)	(1,778)
Comprehensive income	1,516	(241)	1,275	(8,515)	(311)	(8,826)	(9,337)	(487)	(9,824)
Parent company shareholders' share			1,254			(8,710)			(9,760)
Non-controlling interests' share			21			(116)			(64)

3.2.3 Consolidated financial position

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

3.2.4 Changes in consolidated shareholders' equity

	Number of shares (thousands)	Share capital	Share premium	Treasury shares	Revaluation of financial instruments	Translation adjustment	Reserves	Net income (parent company shareholders' share)	Shareholders' equity (parent company shareholders' share)	Shareholders' equity (non-controlling interests' share)	Total share- holders' equity
(€ million)											
Balance at December 31, 2020	295,722	1,127	3,785	(284)	384	(4,108)	31,876	(8,008)	24,772	566	25,338
1 st -half 2021 net income								354	354	14	368
Other components of comprehensive income ⁽¹⁾					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 ⁽²⁾					(811)		751		(60)		(60)
Balance at June 30, 2021	295,722	1,127	3,785	(237)	(9)	(3,790)	24,783	354	26,013	569	26,582

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

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

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

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

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

3.2.5 Consolidated cash flows

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

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

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

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

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

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

3.2.6 Notes to the condensed consolidated financial statements

3.2.6.1 Information on operating segments and regions

The operating segments defined by Renault Group are the following:

- The **"Automotive"** segments, which in practice consist of two segments:
 - The **"Automotive excluding AVTOVAZ"** segment, consisting of the Group's automotive activities as they existed before Renault acquired control of the AVTOVAZ group under IFRS10. This segment comprises the production, sales, and distribution subsidiaries for passenger cars and light commercial vehicles, automotive service subsidiaries for the Renault, Dacia and Samsung brands, and the subsidiaries in charge of the segment's cash management. It also includes investments in automotive-sector associates and joint ventures, principally Nissan.
 - The **"AVTOVAZ"** segment, consisting of the Russian automotive group AVTOVAZ and its parent company Alliance Rostec Auto B.V., which was formed at the end of 2016, after Renault acquired control over them, as defined by IFRS10, in December 2016.
- The **"Sales Financing"** segment, which the Group considers as an operating activity in its own right, carried out for the distribution network and final customers by RCI Banque, its subsidiaries and its investments in associates and joint ventures.

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

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

The operating margin excludes restructuring costs.

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

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Financial results

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

A. Consolidated income statement by operating segment

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

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

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

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

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

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

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

B. Consolidated financial position by operating segment

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

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3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

C. Consolidated cash flows by operating segment

(€ million)	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive	Sales Financing	Mobility Services	Intersegment transactions	Consolidated total
H1 2021								
Net income ⁽¹⁾	(61)	67	(3)	3	455	(20)	(70)	368
Cancellation of dividends received from unconsolidated listed investments	-	-	-	-	-	-	-	-
Cancellation of income and expenses with no impact on cash								
Depreciation, amortization and impairment	2,048	55	-	2,103	64	4	-	2,171
Share in net (income) loss of associates and joint ventures	(153)	-	-	(153)	(10)	3	-	(160)
Other income and expenses with no impact on cash, before interest and tax	(137)	37	-	(100)	96	1	(11)	(14)
Dividends received from unlisted associates and joint ventures	-	-	-	-	-	-	-	-
Cash flows before interest and tax	1,697	159	(3)	1,853	605	(12)	(81)	2,365
Dividends received from listed companies	-	-	-	-	-	-	-	-
Decrease (increase) in Sales Financing receivables	-	-	-	-	774	-	(337)	437
Net change in financial assets and Sales Financing debts	-	-	-	-	(2,624)	-	27	(2,597)
Change in capitalized leased assets	(198)	-	-	(198)	(81)	-	-	(279)
Change in working capital before tax	(410)	222	(1)	(189)	(92)	3	1	(277)
CASH FLOWS FROM OPERATING ACTIVITIES BEFORE INTEREST AND TAX	1,089	381	(4)	1,466	(1,418)	(9)	(390)	(351)
Interest received	17	13	(3)	27	-	-	-	27
Interest paid	(117)	(39)	3	(153)	-	-	8	(145)
Current taxes (paid) / received	(51)	(6)	-	(57)	(96)	-	-	(153)
CASH FLOWS FROM OPERATING ACTIVITIES	938	349	(4)	1,283	(1,514)	(9)	(382)	(622)
Purchases of intangible assets	(527)	(24)	-	(551)	(2)	(3)	-	(556)
Purchases of property, plant and equipment	(904)	(39)	4	(939)	(4)	-	-	(943)
Disposals of property, plant and equipment and intangibles	134	3	-	137	-	-	-	137
Acquisitions and disposals of investments involving gain or loss of control, net of cash acquired	-	-	-	-	-	-	-	-
Acquisitions and disposals of other investments and other ⁽²⁾	1,106	-	-	1,106	-	(1)	2	1,107
Net decrease (increase) in other securities and loans of the Automotive segments	(95)	-	-	(95)	-	4	12	(79)
CASH FLOWS FROM INVESTING ACTIVITIES	(286)	(60)	4	(342)	(6)	-	14	(334)
Cash flows with shareholders	(38)	(1)	-	(39)	(75)	-	69	(45)
Net change in financial liabilities of the Automotive segments	(419)	(70)	(89)	(578)	-	7	295	(276)
CASH FLOWS FROM FINANCING ACTIVITIES	(457)	(71)	(89)	(617)	(75)	7	364	(321)
Increase (decrease) in cash and cash equivalents	195	218	(89)	324	(1,595)	(2)	(4)	(1,277)
Cash and cash equivalents: opening balance	12,524	558	(133)	12,949	8,738	15	(5)	21,697
Increase (decrease) in cash and cash equivalents	195	218	(89)	324	(1,595)	(2)	(4)	(1,277)
Effect of changes in exchange rate and other changes	12	34	(11)	35	71	4	-	110
Cash and cash equivalents: closing balance	12,731	810	(233)	13,308	7,214	17	(9)	20,530

(1) Dividends paid by the Sales Financing segment to the Automotive segments are included in the net income of the Automotive (excluding AVTOVAZ) segment. They amount to €69 million in 2021 (no dividend was paid in 2020).

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

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3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

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

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

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

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

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

(3) Dividends received from Daimler (€11 million) and Nissan (€0 million).

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

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

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

NET CASH POSITION (NET FINANCIAL INDEBTEDNESS)

	Automotive (excluding AVTOVAZ)	AVTOVAZ	Intra- Automotive Transactions	Total Automotive
JUNE 30, 2021 (€ million)				
Non-current financial liabilities	(10,950)	(1,080)	-	(12,030)
Current financial liabilities	(5,238)	(65)	237	(5,066)
Non-current financial assets – other securities, loans and derivatives on financing operations	64	-	-	64
Current financial assets	987	-	(5)	982
Cash and cash equivalents	12,731	810	(233)	13,308
Net cash position (net financial indebtedness) of the Automotive segments	(2,406)	(335)	(1)	(2,742)
DECEMBER 31, 2020 (€ million)				
Non-current financial liabilities	(11,489)	(1,030)	-	(12,519)
Current financial liabilities	(5,145)	(139)	137	(5,147)
Non-current financial assets – other securities, loans and derivatives on financing operations	118	-	-	118
Current financial assets	1,024	-	(4)	1,020
Cash and cash equivalents	12,524	558	(133)	12,949
Net cash position (net financial indebtedness) of the Automotive segments	(2,968)	(611)	-	(3,579)

OPERATIONAL FREE CASH FLOW

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

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

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

ROCE

ROCE (Return On Capital Employed) is an indicator that measures the profitability of capital invested. It is reported for the Automotive segments and calculated at the year-end. The ROCE for 2020 is disclosed in the notes to the 2020 consolidated financial statements (page 352 of the Universal Registration Document).

3.2.6.2 Accounting policies and scope of consolidation

Note 1 – Approval of the financial statements

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

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

Note 2 – Accounting policies

The condensed consolidated half-year financial statements at June 30, 2021 are compliant with IAS 34 “Interim financial reporting”. They do not contain all the information required for annual consolidated financial statements and should be read in conjunction with the financial statements at December 31, 2020.

The Renault Group’s condensed consolidated half-year financial statements at June 30, 2021 are prepared under the IFRS (International Financial Reporting Standards) issued by the IASB (International Accounting Standards Board) at June 30, 2021 and adopted by the European Union at the closing date. Except for the changes presented in paragraph A below, the accounting policies are identical to those applied in the consolidated financial statements at December 31, 2020.

2-A. Changes in accounting policies

The Renault Group applies the accounting standards and amendments that have been published in the Official Journal of the European Union and are mandatory from January 1, 2021.

New amendments that became mandatory on January 1, 2021

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

The amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 concerning Phase 2 of the interest rate benchmark reform and financial instruments were applied early by the Group in its financial statements at December 31, 2020. No other financial instrument negotiated with a non-Group counterparty was renegotiated during the first half-year of 2021 as a result of the interest rate benchmark reform. In 2020, the Automotive segments (through the intermediary of Renault Finance) adhered to the ISDA 2018 Benchmarks Supplement Protocol. The Sales Financing segment adhered to the ISDA 2020 IBOR Fallbacks Protocol in 2020, and the ISDA 2018 Benchmarks Supplement Protocol in 2021.

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

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

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

Other standards and amendments not yet adopted by the European Union

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

New IFRS standards and amendments not yet adopted by the European Union		Application date set by the IASB
Amendments to IAS1	Classification of Liabilities as Current or Non-current Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS8	Definition of Accounting Estimates	January 1, 2023
Amendments to IAS12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023
Amendments to IAS16	Proceeds before Intended Use	January 1, 2022
Amendments to IAS37	Onerous Contracts - Cost of Fulfilling a Contract	January 1, 2022
Amendments to IFRS3	Updating a Reference to the Conceptual Framework	January 1, 2022
Amendments to IFRS16	Covid-19-Related Rent Concessions beyond June 30, 2021	April 1, 2021 (early application possible)
IFRS17 and amendments	Insurance contracts	January 1, 2023
Annual improvements (2018-2020 cycle)	Annual improvements process	January 1, 2022

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

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

Other changes

Regarding the IFRIC's Agenda Decision 04/2021 on attribution of benefits to periods of service (IAS19), analysis is still in progress. No significant impact has been identified at this stage.

2-B. Estimates and judgments

Specific context of 2021

In the context of the Covid-19 pandemic that appeared in the first quarter of 2020 and continued throughout the year and the first half-year of 2021, the global automotive market suffered a year-on-year downturn of 14.4% for 2020, and shrank by 24.0% between June 30, 2019 and June 30, 2021. To protect its employees, and in compliance with the measures introduced

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

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

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

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

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

or disruption to supplies of electronic components. Estimation of the impacts of the Covid-19 pandemic on the 2020 financial statements, as described in this paragraph, was particularly complex and involved the use of judgments that are explained in the notes where relevant.

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

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

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

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

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

Other important estimates and judgments

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

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

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

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

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

- In May 2021 the Group set up a joint venture Hyvia, owned in equal shares with the partner Plug Power inc. This joint venture will provide a full ecosystem of turnkey solutions comprising fuel cell-powered light commercial vehicles, hydrogen charging stations, supplies of carbon-free hydrogen, and fleet maintenance and management. The new joint venture is accounted for under the equity method, and is part of the Automotive segment.
- The Group is rolling out its knowhow in recharging infrastructures and solutions across Europe, through subsidiaries and joint ventures owned jointly with Elto Holding, operating under the Mobilize Power Solutions brand. Elto Holding is a French-based subsidiary of Renault s.a.s. that holds the following European entities which have all been fully consolidated since their formation during the first half-year of 2021: Elto BeLux, owned 51%, and Elto UK, Elto DACH GmbH, Elto Italy S.r.l. and Elto Iberia s.l. Unipersonal, all owned 100%. Elto France, a joint venture owned 40%, is accounted for under the equity method. All these entities are included in the Mobility Services segment.
- In April 2021, the Group ceased all commercial operations by its Australian subsidiary Vehicle Distributors Australia, and transferred its assets to an importer that will now take charge of selling Renault and Dacia brand vehicles in the country. Vehicle Distributors Australia is now in liquidation.

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- In April 2021, the Group sold its 40% minority shareholding in Renault South Africa, an entity accounted for under the equity method, to the majority shareholder Motus Corporation Proprietary Ltd for the price of €15 million.

In application of its strategic plan "Renaulution", the Group has started to sell certain real estate assets (land, industrial sites), branches (in France) and vehicle distribution subsidiaries (outside France). Consequently, when a sale is highly probable

within the next twelve months, as evidenced by advanced discussions with an identified purchaser, the assets and liabilities concerned are reclassified in accordance with IFRS 5 as "assets held for sale" and "liabilities related to assets held for sale".

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

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

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

3.2.6.3 Consolidated income statement

Note 4 – Revenues

4-A. Breakdown of revenues

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

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

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

4-B. Revenues by region

Consolidated revenues are presented by location of customers.

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

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

- Africa & Middle East;
- Asia Pacific.

The China region as presented at December 31, 2020 is now included in the Asia Pacific region.

Romania, Bulgaria and French overseas territories are now included in the Europe region.

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

Note 5 – Research and development expenses

(€ million)	H1 2021	H1 2020	Year 2020
Research and development expenses	(1,164)	(1,399)	(2,749)
Capitalized development expenses	508	692	1,390
Amortization of capitalized development expenses	(591)	(603)	(1,210)
Total included in income	(1,247)	(1,310)	(2,569)

The decrease in research and development expenses over the first half-year of 2021 is mainly explained by the end of an initial cycle of upgrades to the product range, the lower level of business, and actions to reduce fixed costs, which focused particularly on subcontracting and purchases of prototypes.

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

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

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

Note 6 – Other operating income and expenses

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

6-A. Restructuring and workforce adjustment costs

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

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

February 1, 2021 to January 1, 2022, and a Collective Contractual Separation plan for a maximum 1,900 employee departures. Restructuring provisions were recorded at December 31, 2020 amounting to €(70) million for the new voluntary work-exemption plan, and €(197) million for the Collective Contractual Separation plan.

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

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

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

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

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

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

Impairment net of reversals amounts to €(43) million at June 2021 (€(762) million in 2020, of which €(445) million was recognized in the first half-year). New impairments concern (i) jointly-owned assets (€(17) million, note 10) as a result of the decision to terminate real estate leases, and (ii) assets associated with vehicles and components the Group has decided to stop producing (€(26) million). No impairment has been recognized in the first half-year of 2021 as a result of the impairment tests of Cash-Generating Units described in note 10.

No reversal of impairment was recorded in the first half-year of 2021 (nor in 2020).

6-E. Other unusual items

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

Business activity in Algeria was halted in early 2020 following decisions by the Algerian government, but resumed during 2021. Consequently, during the first half-year of 2021 Renault recovered €13 million of the €(99) million impairment recognized in the second half-year of 2020 on assets associated with its Algerian business (receivables, inventories, etc.).

Impairment of €9 million was recognized in respect of receivables on Renault Brilliance Jinbei Automotive Company (RBJAC), due to the company's current financial difficulties.

Impairment tests on certain vehicles led to recognition of unusual expenses corresponding to advance and future payments to partners and suppliers in connection with those vehicles, amounting to €(75) million in 2020 including €(23) million at the first half-year of 2020.

Note 7 – Financial income (expenses)

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

(1) Other items mainly comprise expenses on assignment of receivables, changes in fair value (the investments in FAA and Partech Growth), bank commissions, discounts and late payment interest and income of €23 million resulting from adjustment of the amortized cost of the State-guaranteed loan (note 18-C).

At December 31, 2020, other items also included the effects of adjustment to amortized cost of the State-guaranteed credit facility (€(69) million) and redeemable shares (€41 million, note 23-C to the consolidated financial statements for 2020).

The net cash position of the Automotive segments is presented in the information by operating segment (see section 3.2.6.1-D).

Note 8 – Current and deferred taxes

(€ million)	H1 2021	H1 2020	Year 2020
Current income taxes	(198)	(120)	(306)
Deferred tax income (charge)	(2)	(153)	(114)
Current and deferred taxes	(200)	(273)	(420)

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

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

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8-A. French tax consolidation group

The effective tax rate in the French tax consolidation group is not relevant (5% in the first half-year of 2020, not relevant at December 31, 2020). The unrecognized deferred tax assets amount to €3,612 million (€3,845 million at December 31, 2020). They comprise tax losses that can be carried forward indefinitely to set against future taxable income up to a limit of 50% of that income. €315 million of these unrecognized assets were generated by items recognized in shareholders' equity (effects of the partial hedge of the investment in Nissan) and €3,297 million were generated by items affecting the income statement (€372 million and €3,473 million respectively at December 31, 2020).

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

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

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

Note 9 – Basic and diluted earnings per share

(thousands of shares)

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

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

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

(thousands of shares)

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

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

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

3.2.6.4 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, 2020	15,152	(8,805)	6,347
Acquisitions / (amortization and impairment) ⁽¹⁾	556	(658)	(102)
(Disposals) / reversals	(2)	2	-
Translation adjustment	64	(9)	55
Change in scope of consolidation and other	(9)	(5)	(14)
Value at June 30, 2021	15,761	(9,475)	6,286

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

10-B. Tangible assets

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

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

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

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

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

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

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

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

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

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

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

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

Impairment tests of the Lada brand

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

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

Note 11 - Investment in Nissan

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

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

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

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

after adjustments for the requirements of the Renault Group consolidation.

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

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

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

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

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

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

	Dec. 31, 2020	1 st -half 2021 net income	Dividends	Translation adjustment	Other changes ⁽¹⁾	June 30, 2021
(¥ billion)						
Shareholders' equity – Parent company shareholders' share under Japanese GAAP	3,674	34	-	246	136	4,090
Restatements for compliance with IFRS:						
Provision for pension and other long-term employee benefit obligations	105	(10)	-	(2)	(204)	(111)
Disposal of Daimler shares ⁽²⁾		(76)	-	-	76	-
Capitalization of development expenses	456	26	-	1	13	496
Deferred taxes and other restatements	(143)	(21)	-	11	126	(27)
Net assets restated for compliance with IFRS	4,092	(47)	-	256	147	4,448
Restatements for Renault Group requirements ⁽³⁾	210	78	-	(17)	(70)	201
Net assets restated for Renault Group requirements	4,302	31	-	239	77	4,649
(€ million)						
Net assets restated for Renault Group requirements	34,008	229	-	533	598	35,368
Renault's percentage interest	43.7%					43.7%
Renault's share (before neutralization effect described below)	14,860	100	-	233	262	15,455
Neutralization of Nissan's investment in Renault ⁽⁴⁾	(974)					(974)
Renault's share in the net assets of Nissan	13,886	100	-	233	262	14,481

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

(2) Disposal of Daimler shares held by Nissan has been reclassified in other comprehensive income under IFRS (same accounting treatment used for disposal of Daimler shares by Renault (see note 15-B)).

(3) Restatements for Renault Group requirements essentially correspond to revaluation of fixed assets by Renault for the acquisitions undertaken between 1999 and 2002, and elimination of Nissan's investment in Renault accounted for under the equity method.

(4) Nissan has held 44,358 thousand Renault shares in Renault since 2002, an ownership interest of about 15%. The neutralization is based on Renault's percentage holding in Nissan.

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3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

11-D. Nissan net income under Japanese GAAP

Since Nissan's financial year ends at March 31, the Nissan net income included in the first-half 2021 Renault Group

consolidation is the sum of Nissan's net income for the final quarter of its 2020 financial year and the first quarter of its 2021 financial year.

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

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

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

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

11-F. Impairment test of the investment in Nissan

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

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

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

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

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

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

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

- Industrial production: cross-over production of vehicles and components in the Alliance's manufacturing plants:
 - In the first-half of 2021, total sales by the Automotive (excluding AVTOVAZ) segment to Nissan and purchases by the Automotive (excluding AVTOVAZ) segment from Nissan amounted to an estimated €0.9 billion and €0.7 billion respectively (€1.8 billion and €1.4 billion respectively in 2020, including €0.8 billion and €0.6 billion for the first half-year).

- At June 30, 2021, the balance of Automotive (excluding AVTOVAZ) segment receivables on the Nissan group is €523 million and the balance of Automotive (excluding AVTOVAZ) segment liabilities to the Nissan group is €638 million (€463 million and €664 million respectively at December 31, 2020).

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

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

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

11-G2. Operations between AVTOVAZ and the Nissan group

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

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

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Note 12 – Investments in other associates and joint ventures

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

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

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

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

Note 13 – Sales Financing receivables

13-A. Sales Financing receivables by nature

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

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

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

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

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

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

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

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(€ million)	Financing for final customers	Dealer financing	June 30, 2021
Gross value	34,330	7,385	41,715
Healthy receivables	29,889	7,093	36,982
Receivables showing higher credit risk since initial recognition	3,652	216	3,868
Receivables in default	789	76	865
% of total receivables in default	2.3%	1.0%	2.1%
Impairment	(951)	(92)	(1,043)
Impairment in respect of healthy receivables	(252)	(50)	(302)
Impairment in respect of receivables showing higher credit risk since initial recognition	(209)	(8)	(217)
Impairment in respect of receivables in default	(490)	(34)	(524)
Total net value	33,379	7,293	40,672

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

Note 14 – Inventories

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

Note 15 – Financial assets - cash and cash equivalents

15-A. Current / non-current breakdown

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

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

15-B. Daimler shares

In March 2021 the Group sold its entire investment in the Daimler Group, representing 1.54% of the capital, for the price of €69.50 per share or a total of €1,143 billion, through a placement to qualified investors.

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

At June 30, 2021, the gain realized on the sale (compared to the acquisition price of €35.52 per share) amounts to €554 million, of which €187 million are recognized in Other Components of Comprehensive Income in 2021.

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

15-C. Cash not available to the Group

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

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

Note 16 – Shareholders' equity

16-A. Share capital

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

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

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

16-B. Distributions

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

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

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

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

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

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

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

Provisions for pensions and other long-term employee benefit obligations amount to €1,519 million at June 30, 2021 (€1,647 million at December 31, 2020). These provisions

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

17-B. Changes in provisions

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

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

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

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

new litigation. Information on contingent liabilities is provided in note 21-A.

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

Note 18 – Financial liabilities and Sales Financing debts
18-A. Current/non-current breakdown

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

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

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

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

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

(€ million)	Dec. 31, 2020	Change in cash flows	Change resulting from acquisition or loss of control over subsidiaries and other operating units	Foreign exchange changes with no effect on cash flows	Other changes with no effect on cash flows	June 30, 2021
Renault SA redeemable shares	245	-	-	-	9	254
Bonds	6,681	100	-	(28)	(7)	6,746
Other debts represented by a certificate	1,318	14	-	18	-	1,350
Borrowings from credit institutions	6,514	(249)	-	104	(18)	6,351
Lease liabilities	649	(57)	-	3	43	638
Other financial liabilities	585	(119)	-	(11)	(1)	454
Financial liabilities of the Automotive segments (excluding derivatives)	15,992	(311)	-	86	26	15,793
Derivatives on financing operations of the Automotive segments	436	(81)	-	6	(1)	360
Total financial liabilities of the Automotive segments (A)	16,428	(392)	-	92	25	16,153
Derivative assets on Automotive financing operations (B)	393	(109)	-	-	(14)	270
Net change in Automotive financial liabilities in consolidated cash flows by segment (section 3.2.6) (A) - (B)		(283)				
Financial liabilities of the Mobility Services segment	29	7	-	2	-	38
Net change in Automotive financial liabilities in consolidated cash flows		(276)				

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

Changes in redeemable shares of the Automotive segments

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

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

Changes in bonds and other debts of the Automotive segments

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

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

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

State-guaranteed credit facility of the Automotive segments

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

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

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

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

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

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

Changes in Sales Financing debts

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

Borrowings from credit institutions decreased as term loans matured.

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

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

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

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

Changes in financial liabilities of the Mobility Services segment

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

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

Credit lines and liquidity reserves

At June 30, 2021, Renault SA's confirmed credit lines opened with banks amounted to €3,430 million (unchanged from December 31, 2020). These credit lines have maturities of over one year and were unused at June 30, 2021.

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

At June 30, 2021 the Sales Financing segment has available liquidities of €16 billion (€16.6 billion at December 31, 2020), comprising €4.4 billion of undrawn confirmed credit lines with banks (€4.5 billion at December 31, 2020), €5.5 billion of collateral eligible for the European Central Bank's monetary policy operations (€4.5 billion at December 31, 2020),

€5.9 billion of High Quality Liquid Assets (HQLA) (€7.4 billion at December 31, 2020) mainly consisting of deposits with central banks.

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

Some of the Automotive segment's external financing comes from assignment of commercial receivables to non-Group financial establishments and intragroup assignments to the Sales 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, 2021		June 30, 2020		December 31, 2020	
	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing	To non-group entities	To Sales Financing
Assignment of receivables Automotive (excluding AVTOVAZ)	1,308	378	1,074	300	1,467	307
Assignment of receivables AVTOVAZ	80	-	36	-	116	-
Automotive (excluding AVTOVAZ) network financing	-	5,742	-	6,402	-	5,754
AVTOVAZ network financing	6	-	-	-	25	-
Total assigned	1,394	6,120	1,110	6,702	1,607	6,061

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

French tax receivables assigned outside the Group (the "CIR" Research Tax Credit and "CICE" Tax Credit For Competitiveness and Employment), with transfer of substantially all the risks and benefits associated with ownership of the receivables, are only derecognized if the risk of dilution is deemed to be non-existent. This is notably the case when the assigned receivables have already been subject to a tax inspection or preliminary audit. No assigned tax receivables remained in the balance sheets at June 30, 2021.

The assigned receivables are derecognized when the associated risks and benefits are substantially transferred, as described in note 2-P to the 2020 consolidated financial statements.

At June 30, 2021 the Group does not have any reverse-factoring programs, so there is no related impact in financial liabilities (reverse-factoring programs amounted to €145 million at June 30, 2020 and €26 million at December 31, 2020).

3.2.6.5 Cash flows and other information

Note 19 – Cash flows

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

(€ million)	H1 2021	H1 2020	Year 2020
Net allocation to provisions	(216)	(18)	353
Net effects of Sales Financing credit losses	(34)	190	255
Net (gain) loss on asset disposals	(126)	126	64
Change in fair value of other financial instruments	(25)	20	58
Net financial indebtedness	142	142	337
Deferred taxes	2	154	114
Current taxes	198	119	306
Other	45	37	26
Other income and expenses with no impact on cash before interest and tax	(14)	770	1,513

19-B. Change in working capital before tax

(€ million)	H1 2021	H1 2020	Year 2020
Decrease (increase) in net inventories	183	(872)	(112)
Decrease (increase) in net receivables	(26)	(144)	338
Decrease (increase) in other assets	236	90	212
Increase (decrease) in trade payables	(732)	(2,428)	(908)
Increase (decrease) in other liabilities	62	(149)	(722)
Increase (decrease) in working capital before tax	(277)	(3,503)	(1,192)

19-C. Capital expenditure

(€ million)	H1 2021	H1 2020	Year 2020
Purchases of intangible assets	(556)	(752)	(1,500)
Purchases of property, plant and equipment ⁽¹⁾	(530)	(909)	(2,508)
Total purchases for the period	(1,086)	(1,661)	(4,008)
Deferred payments	(413)	(564)	(200)
Total capital expenditure	(1,499)	(2,225)	(4,208)

(1) Excluding capitalized 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 section 3.2.4 of the 2020 Universal Registration Document, there has been no significant change in the principles for remuneration and related benefits of Directors and Executives and members of the Executive Committee, which was replaced by the Board of Management on January 1, 2021.

20-B. Renault's investments in associates

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

20-C. Transactions with the French State and public companies

In the course of its business the Group undertakes transactions with the French State and public companies such as UGAP, EDF, and La Poste. These transactions, which take place under normal market conditions, represent sales of €159 million in first-half 2021, an Automotive receivable of €56 million, a Sales Financing receivable of €306 million and a financing commitment of €57 million at June 30, 2021.

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

Note 21 – Off-balance sheet commitments and contingent assets and liabilities

In the course of its business, Renault enters into a certain number of commitments, and is involved in litigations or subject to investigations by competition and automotive regulation authorities. Any liabilities resulting from these situations (e.g. pensions and other employee benefits, litigation costs, etc.)

are covered by provisions. Details of other commitments that constitute off-balance sheet commitments and contingent liabilities are provided below (note 21-A).

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

21-A. Off-balance sheet commitments given and contingent liabilities

21-A1. Ordinary operations

The Group is committed for the following amounts:

(€ million)	June 30, 2021	Dec. 31, 2020
Financing commitments in favour of customers ⁽¹⁾	3,023	2,437
Firm investment orders	1,072	984
Assets pledged, provided as guarantees or mortgaged	5	4
Sureties, endorsements and guarantees given and other commitments ⁽²⁾	658	970

(1) Commitments in favour of customers by the Sales Financing segment will lead to outflows of liquidities during the three months following the year-end of a maximum amount of €3,002 million at June 30, 2021 (€2,328 million at December 31, 2020).

(2) Other commitments notably include guarantees granted to administrations, share subscription commitments, and lease commitments relating to leases that are outside the scope of IFRS16 or exempt from the accounting treatment prescribed by IFRS16. Assets pledged as guarantees by the Sales Financing segment for management of the liquidity reserve are presented in note 18-C.

21-A2. Contingent liabilities

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

RESA (Renault España SA) was notified of a €212 million tax reassessment for transfer prices at December 31, 2020, which the Renault Group is contesting. A procedure for amicable settlement between France and Spain was begun in 2021. No provision has been recognized in connection with this notification, since Renault considers that it has good chances of winning its case. A deposit of €135 million was paid to the Spanish tax authorities in December 2020, recognized in non-current financial assets and presented in cash flows from investing activities (under Decrease (Increase) in loans of the Automotive segments) in the consolidated cash flow statement. Another payment of €78 million was made during the first half-year of 2021 and recognized in the same way.

Disposals of subsidiaries or businesses by the Group generally include representations and warranties in the buyer's favour. At June 30, 2021, the Group has not identified any significant risk in connection with these operations.

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

The main investigations by the competition and automotive regulations authorities in progress at June 30, 2021 concern illegal agreements and the level of vehicle emissions in Europe.

On January 9, 2019 the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato" - AGCM) fined RCI Banque €125 million, with Renault SA jointly liable for payment of the fine. The Group is contesting the grounds for this fine and has appealed against the decision. Renault considers that the probability of the decision being cancelled or fundamentally amended by a court order is high. Due to the large number of variables affecting the amount of the fine, if upheld, it is impossible to reliably estimate the amount that could be payable at the end of the proceedings. On April 3, 2019 the Group's application for suspension of the payment was accepted, with arrangement of a bank guarantee. On October 21, 2020 the court cancelled the AGCM's decision in its entirety, and the AGCM filed an appeal against that ruling on December 23, 2020. The bank guarantee arranged in 2019 was cancelled in 2021. No provision was recognized in connection with this matter at June 30, 2021 nor at December 31, 2020 or June 30, 2020.

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

During the second half-year of 2021 Renault will have to pay bail of €20 million to guarantee its representation at all stages of the proceedings, and payment of any damages and fines. It will also have to provide a bank guarantee of €60 million to cover potential compensation payments. Renault denies having committed any offence. All Renault vehicles have always been type-approved in accordance with applicable laws and regulations.

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Financial results

3.2 CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FIRST HALF 2021

The potential consequences of the next steps in these ongoing proceedings cannot be reliably estimated at this stage, and no provision was recognized in connection with this matter at June 30, 2021 (or at December 31, 2020).

Group companies are subject to the applicable regulations regarding CO₂ emissions, principally in the European Union, but also in China, Switzerland, and South Korea. Renault confirmed in a press release of January 4, 2021 that it had achieved its 2020 CAFE (Corporate Average Fuel Economy) targets for passenger vehicles and light commercial vehicles, subject to validation by the European Commission in the following months.

Approximately 70% of the Group's sales are subject to this type of regulations. By our estimations, the Group will comply with the European CO₂ targets for 2020 and 2021.

Group companies are also subject to the applicable regulations regarding pollution, notably of soil and ground water. These regulations vary depending on the country of location. Some of the associated environmental liabilities are potential and will only be recognized in the accounts if the activity is discontinued or the site closed. It is also sometimes difficult to determine the amount of the obligation reliably. Provisions are only established for liabilities that correspond to a legal or constructive obligation at the closing date, and can be estimated with reasonable reliability.

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

(€ million)	June 30, 2021	Dec. 31, 2020
Sureties, endorsements and guarantees received	2,989	2,949
Assets pledged, provided as guarantees or mortgaged ⁽¹⁾	2,853	2,749
Buy-back commitments ⁽²⁾	5,599	5,452
Other commitments	59	44

(1) The Sales Financing segment receives guarantees from its customers in the course of sales financing for new or used vehicles. Guarantees received from customers amount to €2,826 million at June 30, 2021 (€2,708 million at December 31, 2020). In addition, AVTOVAZ received €15 million in real estate property rights and ownership rights as guarantees of loans, and €10 million in rights to vehicles as guarantees of customer receivables (€14 million and €26 million respectively at December 31, 2020).

(2) Commitments received by the Sales Financing segment for sale to a third party of rental vehicles at the end of the rental contract.

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

Note 22 - Subsequent events

No significant events have occurred since June 30, 2021.

Statutory Auditors' Review Report on the condensed half-yearly consolidated financial statements

04

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Statutory auditors' review report on the Half-yearly Financial Information

(For the six-month period ended June 30, 2021)

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.

To the shareholders,

In compliance with the assignment entrusted to us by your general meeting and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial Code ("Code monétaire et financier"), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Renault, for the period from January 1st to June 30th, 2021,
- the verification of the information presented in the half-yearly management report.

Due to the global crisis related to the Covid-19 pandemic, the condensed half-yearly consolidated financial statements of this period have been prepared and reviewed under specific conditions. Indeed, this crisis and the exceptional measures taken in the context of the state of sanitary emergency have had numerous consequences for companies, particularly on their operations and their financing, and have led to greater uncertainties on their future prospects. Those measures, such as travel restrictions and remote working, have also had an impact on the companies' internal organization and the performance of our procedures.

These condensed half-yearly consolidated financial statements are the responsibility of the Board of Directors and were approved on July 29, 2021. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

II - Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review prepared on July 29, 2021.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Paris La Défense, July 30, 2021

The statutory auditors

French original signed by

**KPMG Audit
Département de KPMG S.A.**

Bertrand Pruvost

MAZARS

Loic Wallaert

05 Person responsible for the document

Person responsible for the interim financial report :

Mr. Luca de Meo, Chief Executive Officer.

This is a free translation into English of the certification by the person responsible for the interim financial report and is provided solely for the convenience of English speaking readers.

I certify that, to the best of my knowledge, the condensed consolidated financial statements for the first half-year have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, the financial position and results of the company and of its consolidated subsidiaries, and that the attached half-yearly management report fairly presents the material events which occurred during the first six months of the financial year, their impact on the financial statements, the main related party transactions, and describes the main risks and uncertainties for the remaining six months of the fiscal year.

Boulogne-Billancourt, on July 30, 2021

Chief Executive Officer

Luca de Meo

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