Europcar Mobility Group

2020 UNIVERSAL REGISTRATION DOCUMENT

Europcar
moving your way
GOLDCAR
inter rent
ubeeqo
BUCHBINDER Rent-a-Car
FOX RENT A CAR

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2020 UNIVERSAL REGISTRATION DOCUMENT

General comments

Pursuant to Article 19 of regulation (EU) 2017-1129, the following are included by reference in this Universal Registration Document (hereinafter the "Universal Registration Document"):

In respect of fiscal year 2020:

- the **Annual Financial report** that must be prepared and published, by all companies whose securities are admitted to trading on a regulated market, within four months of the end of each fiscal year, in accordance with Article L. 451-1-2 of the French Monetary and Financial Code and Article 222-3 of the French financial markets authority general regulation; and
- the **Annual management report**, which must be submitted to the General Meeting of shareholders called to approve the financial statements of each fiscal year, in accordance with Articles L. 225-100 et seq. of the French Commercial Code.

Two cross-reference tables presented in Section 7.6 of this Registration Document on pages 393 to 395 identify the information related to these two reports.

In this Universal Registration Document, the terms "Company," "Europcar Mobility Group" and "Europcar Mobility Group S.A." refer to the Group's holding company, Europcar Mobility Group, and the term "the Group" refers to Europcar Mobility Group S.A. and all companies included in the scope of consolidation.

Pursuant to Article 19 of regulation 2017-1129 of the European Parliament and of the Council, the following information is included by reference in this Universal Registration Document.

In respect of fiscal year 2019:

- the **consolidated financial statements** of the Group for the fiscal year ended December 31, 2019 contained in Section 3.4, pages 161 et seq., of the Registration Document filed with the French financial markets authority on May 6, 2020 under number D-20-0448 (the "2019 Registration Document");
- the **report of the Statutory Auditors on the consolidated financial statements** of the Group for the fiscal year ended December 31, 2019, contained in Section 3.4 of the 2019 Registration Document, on pages 259 et seq.;
- the **comparison of results for the fiscal years ended December 31, 2019 and 2018**, contained in Section 3.1 of the 2019 Registration Document, on pages 118 et seq.

In respect of fiscal year 2018:

- the **consolidated financial statements** of the Group for the fiscal year ended December 31, 2018 contained in Section 3.4 on pages 154 et seq. of the Registration Document filed with the French financial markets authority on March 27, 2019 under number R. 19-0210 (the "2018 Registration Document");
- the **report of the Statutory Auditors on the consolidated financial statements** of the Group for the fiscal year ended December 31, 2018, contained in Section 3.4 of the 2018 Registration Document, on pages 241 et seq.;
- the **comparison of results for the fiscal years ended December 31, 2018 and 2017**, contained in Section 3.1 of the 2018 Registration Document, on pages 115 et seq.

The sections of these documents not included by reference in this document are either irrelevant to current investors or are addressed in another part of the Universal Registration Document.

AMF AUTORITÉ DES MARCHÉS FINANCIERS

This Universal Registration Document was filed on April 30, 2021 with the French financial markets authority (AMF), as the competent authority under regulation (EU) 2017-1129, without prior approval in accordance with Article 9 of this regulation.

This Universal Registration Document may be used for the purposes of a public offering of financial securities or the admission of financial securities to trading on a regulated market if it is supplemented by a securities note and, where applicable, a summary and any amendments to this Universal Registration Document. The body of documents thus formed is approved by the AMF in accordance with regulation (EU) 2017-1129.

EDITORIAL

MESSAGE FROM CAROLINE PAROT, CHIEF EXECUTIVE OFFICER

IN 2020, our Group has been severely impacted by the Covid-19 crisis: after a solid start over the first two months of the year, our business was hit hard by the travel restrictions and lockdowns measures taken by the different countries in which we operate. This resulted in a drop of 45% in our pro-forma revenue over the full year in 2020, with a drop of nearly 70% in the second quarter in particular.

Faced with this difficult and uncertain environment, our Group reacted swiftly with the implementation of two programs, designed first, in the short term, to adapt and support the activity throughout 2020 ("Reboot" program) and, second, to prepare in the long term for the end of the crisis and the rebound from 2021 to 2023 ("Connect" plan).

With the "Reboot" program, our Group deployed drastic measures to save costs and preserve its cash in order to navigate through the months of crisis in the best possible way. We conducted this very strict management, while at the same time adapting our products and services to the health crisis, particularly with the implementation of reinforced cleaning procedures for our vehicles.

At year-end 2020, thanks to "Reboot," our Group will have succeeded in significantly reducing its costs by approximately 30%, which represents a savings of over €1 billion.

On the other hand, the "Connect" plan is designed to take into account the expected consequences of the crisis, including its impacts on mobility needs and expectations of our customers: increased digital usages, new safety and "contactless" standards, the need for flexible services, as well as an increased aspiration for environmentally friendly modes of travel.

Launched in the summer of 2020, "Connect" led us to revise our organization in order to offer a better response to different mobility use cases – Leisure, Professional, Proximity – and to be very quickly in a position to propose innovative offers. To do this, we have realigned our strategic programs in all areas, especially in IT, the management of our fleet of vehicles and our operational network, to make them vectors for implementation of our plan. The aim is to make our Group a major player in flexible, sustainable, digital and connected mobility in the coming years, and at the same time to rebalance the seasonal nature of our revenue streams over the year.

Thus, our Group not only took the measures required to deal with the immediate effects of the crisis at a very early stage, it also succeeded in moving rapidly into the "new normal" resulting from this crisis, demonstrating its full capacity for resilience and adaptiveness.

These are the same qualities that we put at the service of the financial restructuring that proved to be essential for our Group in this specific context.

Beginning in September 2020, we have effectively conducted – in record time – an in-depth restructuring of the Group's corporate debt; this debt having reached an unsustainable level given the significant impact of the pandemic on our revenue.

The financial restructuring plan as set forth in the agreement signed by the Group and its main creditors, and which was then approved by the Extraordinary Shareholders' Meeting of January 20, 2021 - comprises a massive debt reduction *via* the capitalization of part of the Group's corporate debt and a significant injection of new liquidities. It allows our Group to not only get through this crisis, but also to emerge stronger from it.

Thus, as at the date of this document, we have completed this financial restructuring and, with a new capital structure, we are opening a new chapter in the history of the Group.

With the 2020 page definitively turned, what are the prospects ahead of us? At a moment when new total or partial lockdown measures are still in effect in many countries, it is clear that the 2021 context remains uncertain.

However, with the roll-out of our "Connect" plan, we are determined to take advantage of the global economic recovery to come, with adapted mobility solutions, particularly for professionals, and we are also confident in our ability to fully benefit from the rebound of the travel and leisure sector when this takes place.

"We are determined to take advantage of the global economic recovery to come, by offering innovative mobility solutions adapted to the new needs and expectations of our customers."

In the long term, the outlook for the mobility market is very promising. Experts agree in their prediction of an acute "hunger" for mobility when the world reopens. They also agree that mobility needs will be different with, as a backdrop, a rebalancing of consumer priorities and practices: focusing on the essential, giving priority to reasonable and responsible options are "consumer scenarios" that will permanently impact the mobility of goods and people, making the model of vehicle usage *versus* the model of ownership more relevant than ever. The Covid-19 crisis will have thus strengthened a change in paradigm that was already at work.

Therefore, vehicle rental – be it for a few hours, a day, a week, a month or more – has a future! Even more so if this "shared mobility" contributes to a global reduction in CO_2 emissions through the decrease in the number of individual vehicles and through "light" or "green" CO_2 engines (electric, hybrid, NGV).

We are already doing this via our business model, from rentals to car sharing, and via the composition of our fleet, which will become increasingly "green" in the coming years, in accordance with our commitments under the framework of the "UN Global" Compact "Business Ambition for 1.5°C" initiative.

Hence, we are in a very good position to respond to these needs and challenges, relying on our purpose – **to offer attractive alternatives to vehicle ownership, in a responsible and sustainable way** – and on our 70 years of expertise in mobility services, for individuals and businesses alike.

We know we can count on the commitment of our employees on this journey, their unfailing mobilization and resilience in working towards our common goals having brought us through this crisis to emerge stronger. They are one of the undeniable strengths of our Group.

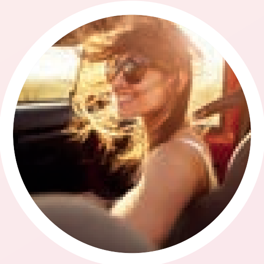
With our "Connect" plan and this commitment from our employees, by innovating and leveraging opportunities in the mobility market, we will become this major player in flexible, sustainable, digital and connected mobility that our current and future customers, both individuals and professionals, will need to support them in the coming years.

WITH A PORTFOLIO OF INTERNATIONAL LEADING BRANDS IN EACH SEGMENT…

OUR 4 MAJOR BRANDS REPRESENT

27%

market shares*, making our Group the European leader in vehicle rental



Europcar moving your way

European leader in car rental and light commercial vehicle rental, B2B and B2C

GOLDCAR

European leader in low cost car rental, leisure focused

inter rent

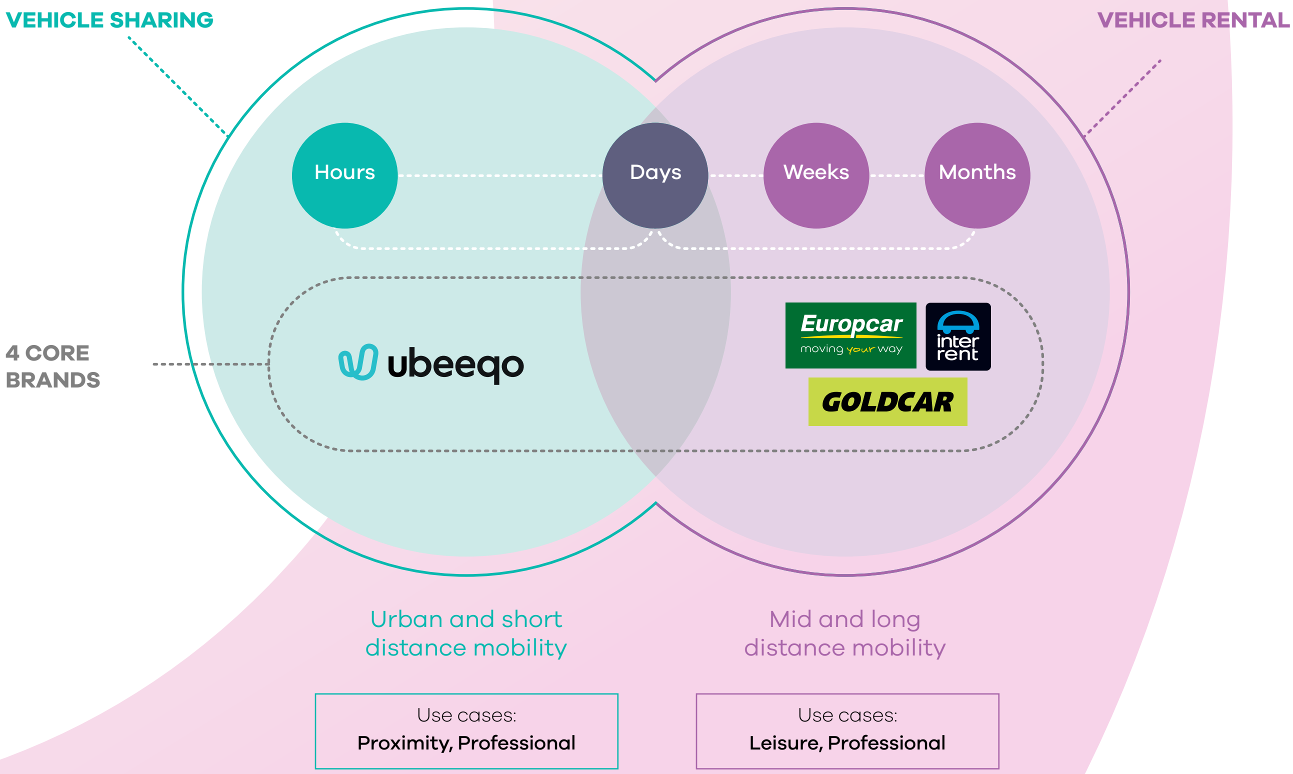
Car rental in Europe, mid-tier positioning, leisure focused

ubeeqo

One of the European leaders in roundtrip car sharing, B2B and B2C

* Source: Euromonitor and Oliver Wyman Analysis/2019.

… WE ADDRESS VARIOUS MOBILITY USE CASES, WHATEVER THE DURATION



Our portfolio of international brands is completed by brands with strong positions in certain countries of the Group

Vehicle rental brands, "local champions"

FOX RENT A CAR — One of the main players in the car rental market in the US, with a "value for money" positioning

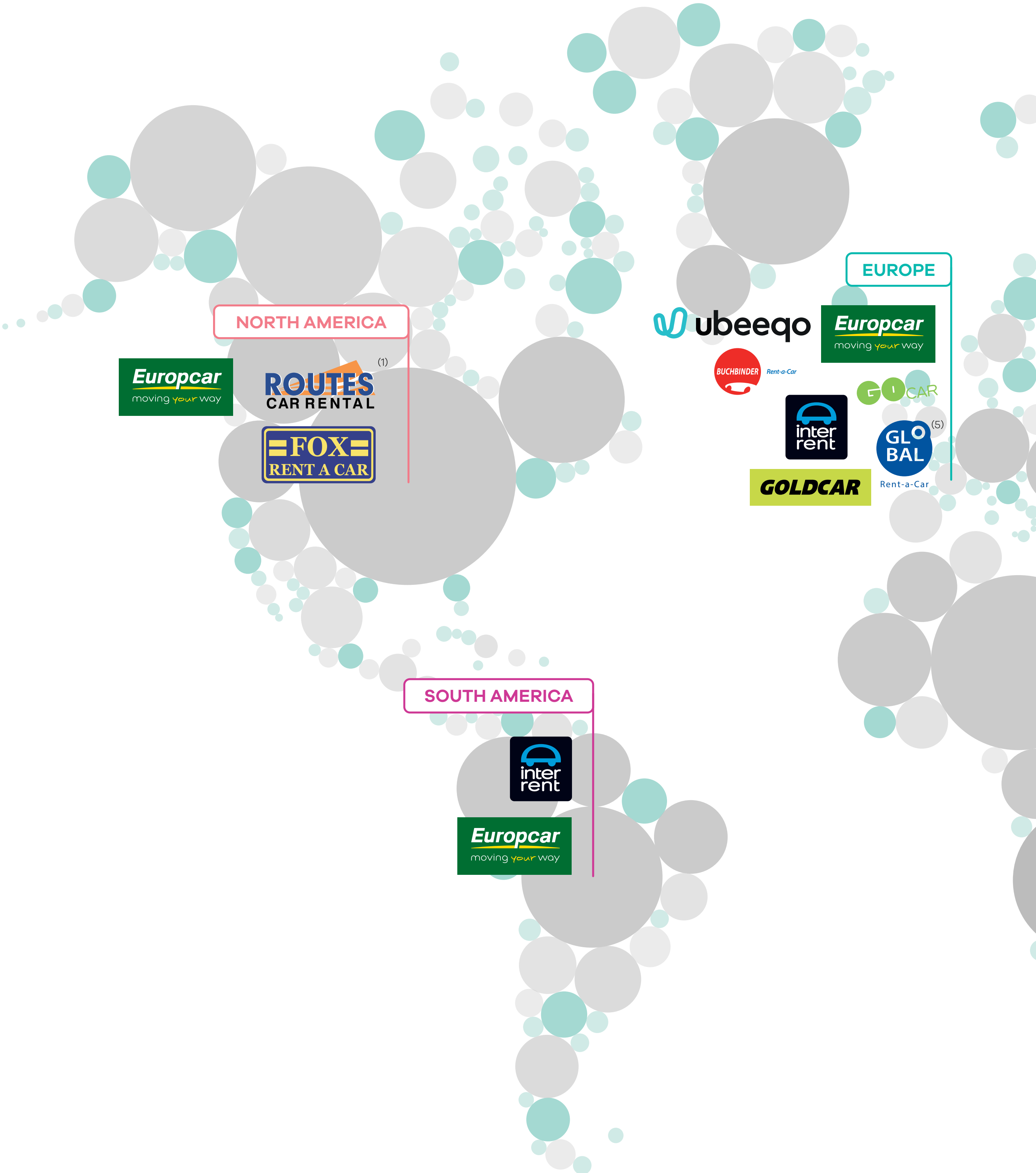
BUCHBINDER Rent-a-Car — One of the most important players in car and light commercial vehicle rental in Germany

Urban mobility brand

GoCar — Leader in car sharing in Ireland

Brands portfolio on the date of this Universal Registration Document.

WE SERVE OUR CUSTOMERS IN OVER 140 COUNTRIES



(1) Canada: partner in North America.
(2) China: partner in Asia.
(3) India: partner in Asia.
(4) Japan: partner in Asia.
(5) Brand operated by Buchbinder.

ASIA
首汽租车(2)
(3)
(4)
MIDDLE EAST
AFRICA
(5)
OCEANIA

OUR VALUE CREATION MODEL

Macro trends

Mobility: an essential need

- Today, mobility ranks 1st in terms of global GDP.

By 2050: growth in mobility needs will be unsustainable for the planet

- Resulting in an increase in CO_2 emissions, traffic congestion problems in cities, etc.

Everywhere in the world, emergence of new mobility ecosystems

- For a multi-modal mobility (public transportation, individual cars, soft mobility, …)
- For a more sustainable mobility more respectful of the environment.

At the center of these ecosystems, a new "4-wheel" mobility is developing

- The vehicle ownership model was the norm: it is less and less relevant from an economic and ecological standpoint.
- The usage model is developing: it consists in using a car "when you need it."
- Digital is accelerating the usage model:
  - mobility is becoming an accessible service "within smartphone reach."

Post Covid-19, intensification of certain expectations in terms of mobility

- Digital use strengthened via the need for "contactless" services.
- New security and flexibility standards.
- An aspiration for more responsible travel modes that are more respectful of the environment.

Rental and car sharing: a real alternative to vehicle ownership.

Our assets

An undisputed leadership position

No. 1 European vehicle rental company	27% market shares, with strong brands (Europcar, Goldcar)	70 years of service expertise (B2C, B2B)

Positioning as a "mobility service company"

- Operating over a broad range in the mobility value chain
- From vehicle maintenance/ repair to customer services, including fleet management and financing services.

A dense global network

144 countries around the world	1,275 directly owned stations	1,732 franchise stations

A complete territorial network in each country in which we operate

73% of our stations in cities	5% in railway stations	22% in airports

A powerful, modern and flexible fleet

248,000 vehicles on average in our fleet in 2020	A "CO_2 light" fleet*, equipped with the latest engines	A buyback model that is both flexible and de-risked

* 130 gr CO_2/km (km traveled by the vehicles used by our customers).

A diversified offer distributed through directly owned channels

- Rental:
  - for a few hours (car sharing),
  - for several days, several weeks, several months (short, medium and long-term).
- To ensure the distribution of our services:
  - more than **140 digital points of "direct to brand" contact** offered to our customers,
  - in addition to our physical platforms (stations, call centers, etc.).

A mix of talents to operate a daily service

Nearly 10,000 employees committed to the satisfaction of our customers

69% in operations and stations	31% in support functions	Around 550 employees working in digital positions within our Group

Our Corporate Social Responsibility commitments

commit together

- Make mobility accessible
- Act for the environment
- Be a responsible employer
- Share our business ethics

Our vision, our ambition, our purpose, our values

Our vision

As a major player in mobility, we want to play a leading role in the new multi-modal mobility ecosystems and make a significant contribution to the necessary transition to a "low-carbon" world.

Our ambition

Be the preferred "mobility service company" for our customers and create value for all our stakeholders.

Our purpose

Offer attractive alternatives to vehicle ownership, in a responsible and sustainable manner

Our values

- Customer focus
- Feeling valued
- Open communication
- Working together

3 customer-focused Service Lines

	LEISURE Service Line	PROFESSIONAL* Service Line	PROXIMITY* Service Line
Use cases	• "Mainstream" leisure travel • "Low Cost" leisure travel	• Business travel • Fleet services • Local business mobility • Replacement vehicles	• Substitute for the individual car • Local mobility "on demand"
Customers	• Individuals	• Large corporations • SMEs/VSEs • Independent professionals • Assistance providers	• Municipalities, territorial authorities • Individuals • Independent professionals
Specific features of the activity	• Planned • Seasonal • Low level of loyalty loyalty, high rotation level	• Planned > contractual or on subscription • Counter-seasonal • Long cycles, strong loyalty	• On demand, pay per use • High frequency of use, medium level of loyalty

* Including the Vans & Trucks business.

Value creation

Customers

56.4m rental days

Over **5 m** customers assisted and advised via our call centers (single customers in 2020)

Net Promoter Score **51.8** for Europcar (**44.1** for the Group, all brands combined)

Employees

8,860 permanent employees

3,347 seasonal staff

43% women

57% men

40% female managers within the Group

€292.5m in salaries and bonuses

72% of employees received a training in 2020

Suppliers and partners

Over **20,800** suppliers

€818m in purchases in 2020

States and territories

€66.3m in income and other taxes

Nearly 8000* green vehicles (hybrids, electrics, NGVs) in our fleet, thus meeting the requirements of States' and territories' air pollution control plans

* including 6,637 "green" vehicles (hybrid and electric) purchased in 2020.

Planet

2020 carbon footprint: 1,648,222 teq CO_2 (down approximately 11% from 2019 - baseline 2019)

Targets for reducing Group's carbon emissions (Science Based Targets) by 2030*:

- **-46%** for direct emissions (Scope 1 and 2)
- **-13%** for indirect emissions (Scope 3, emissions associated with use of the vehicles)

8 country subsidiaries certified ISO 14001

Contribution to **8 United Sustainable Development Goals**

* These goals will be submitted for validation to the Science Based Targets initiative in the course of 2021.

Shareholders

Because of the Covid-19 crisis: cancellation of the dividend payment for fiscal year 2019, a measure proposed by the Supervisory Board as part of the plan deployed by the Group to reduce costs and preserve cash ("Reboot").

2020 HIGHLIGHTS

FEBRUARY

Europcar Mobility Group chosen by Rentalcars.com as its leading partner for the Ryanair platform.

RYANAIR

Rentalcars.com

MARCH

In the light of the Covid-19 crisis, Europcar Mobility Group mobilizes to support the mobility of healthcare workers with its "Together" program.

More than 1,000 vehicles provided for free or without rental fees, in all European countries, and hundreds of employees mobilized!

APRIL

Hard hit by the Covid-19 crisis, the Group launches the "Reboot" program (short-term adaptation program to manage the effects of the crisis in the best possible way) as well as the design of its the "Connect" plan, the medium-term transformation plan (2020-2023), aimed at taking into consideration the lasting consequences of the crisis on mobility needs and expectations.

One of the outcomes is a new organization of the Group, centered on these new customer needs and expectations and on the different mobility use cases.

Creation of 3 Service Lines

Leisure

Professional

Proximity

MAY – JUNE

- The Group obtains a €220 million loan guaranteed by the French State and a a €67 million loan guaranteed by the Spanish State within the framework of a financing plan intended to secure liquidity to handle the Covid-19 crisis
- Launch of the Group "Safety Program" in order to strengthen hygiene and safety measures in the vehicles and the stations.

The Group signs a partnership with Bureau Veritas to be supported in the implementation of reference sanitary protocols as part of its "Safety Program."

SEPTEMBER

- As a result of the substantial impact of the Covid-19 crisis on its activities, the Group launches a financial restructuring, announcing on September 7 its intention to initiate discussions with the creditors of its corporate debt.
- Signing of a strategic alliance with Routes Car Rental, one of the major vehicle rental operators in Canada.

ROUTES CAR RENTAL

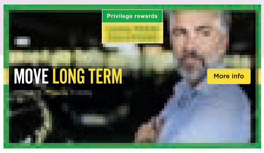
OCTOBER

Europcar Mobility Group chooses Telefonica and Geotab in Europe to connect all the vehicles of its fleet by the end of 2023.

The Telefonica and Geotab solution allows real-time telematics monitoring of the rental fleet for a better customer experience.

NOVEMBER

- Europcar Mobility Group launches its flexible long-term rental solutions: the Group response to support businesses, particularly to adapt to the Covid-19 crisis.



- Acceleration of the "ONE sustainable fleet" program thanks to the partnership with NewMotion for the electric recharging of our vehicles.

  Group target: more than 1⁄3 "green" vehicles (electric, hybrid, GNV) by the end of 2023.

- The Group takes a major step in its financial restructuring with the signing of an agreement in principle with its main creditors, thus supporting its "Connect" transformation plan.

ESG RATINGS IN 2020

While 2020 was certainly not an easy year for all mobility players, our Group has nevertheless succeeded in this unique context in significantly improving its corporate social responsibility performance, especially in the environmental responsability area. We are particularly proud of the following ESG ratings:

vigeo eiris
61/100
(+15 points VS 2019)

ecovadis
Gold Medal
(for the very first time)

CDP
B
(for our actions related to the fight against climate change)

PERFORMANCE OF THE GROUP IN 2020

Performance of the Group

€1,761m

revenue
(-41.7% vs 2019)

-€172m

adjusted corporate
EBITDA (-144% vs 2019)

-€645m

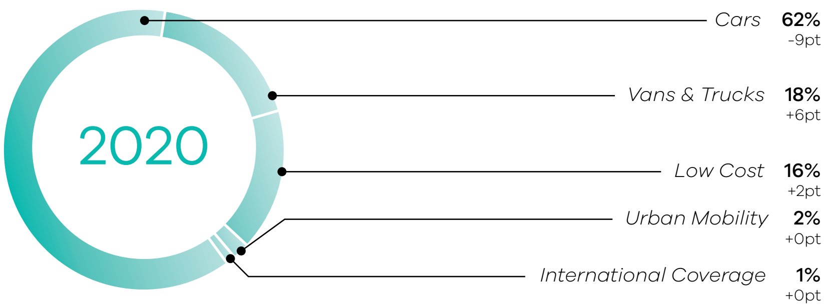
net income

Financial long-term rating

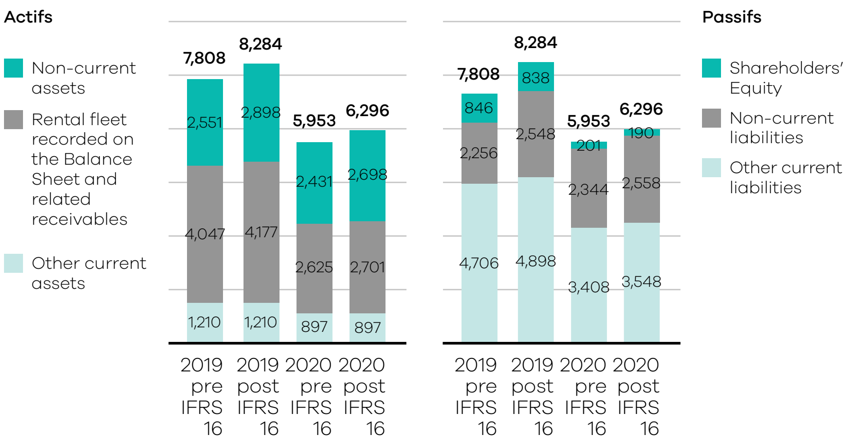
Standard & Poor's CCC+[(2)]

Moody's Caa2-PD[(3)]

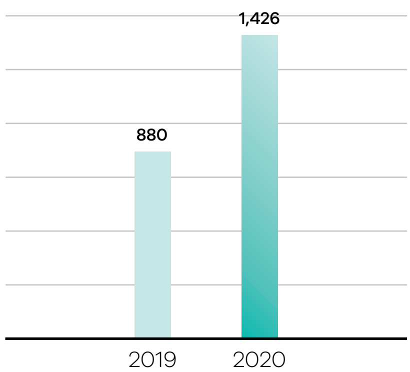
Breakdown of revenue[(1)] by Business Unit vs 2019



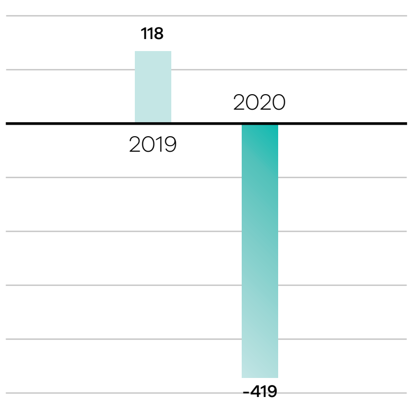
Simplified balance sheet (in millions of euros)



Net corporate debt (in millions of euros)

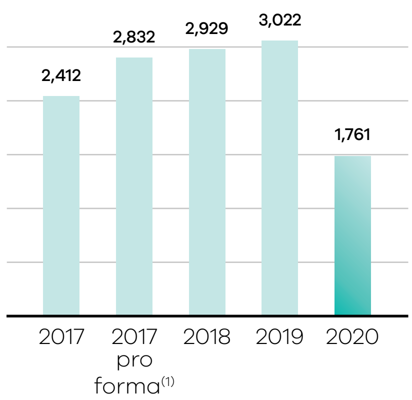


Corporate free cash flow (in millions of euros)

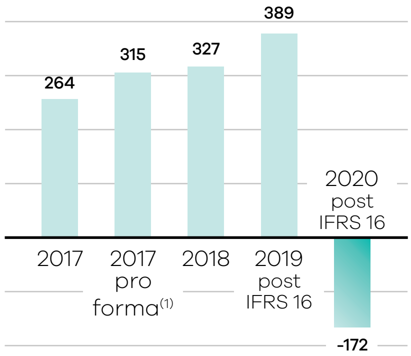


(1) Breakdown of revenue by Business Unit; the new organization by Service Lines was implemented in 2020. The presentation of results by Service Lines will be effective as of 2021.
(2) Upgrade on April 9th 2021.
(3) Upgrade on April 19th 2021.

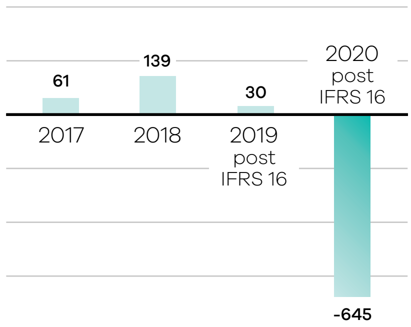
Revenue
(in millions of euros)



Adjusted Corporate EBITDA
(in millions of euros)



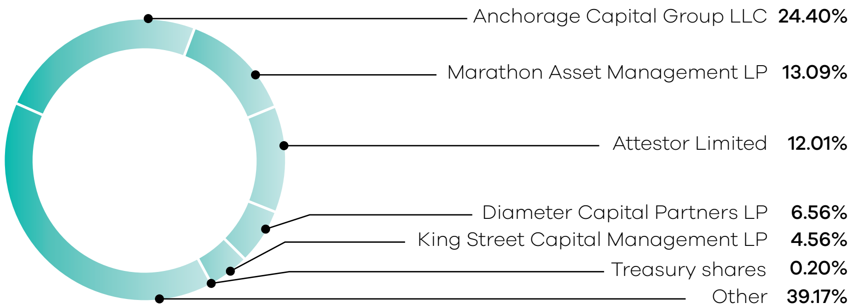
Net income
(in millions of euros)



Shareholder return

Because of the Covid-19 crisis: cancellation of the payment of the dividend for fiscal year 2019, a measure proposed by the Supervisory Board as part of the plan deployed by the Group to reduce costs and preserve cash..

Capital distribution
(at February 26, 2021)



(1) The pro forma 2017 data presented above correspond to the Group consolidated financial statements at December 31, 2017 as presented in Chapter 3 of this Registration Document, adjusted so that the groups of Buchbinder and Goldcar companies are consolidated retroactively in the financial statements of the Group at January 1, 2017.

GROUP EXECUTIVE COMMITTEE[1]

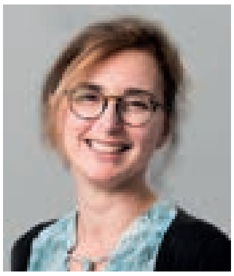
Caroline Parot
Chief Executive Officer
of the Group

Fabrizio Ruggiero
Group Deputy CEO

Olivier Baldassari
Group Chief Countries
& Operations officer

Damien Basselier
Group Chief
Product & Technology officer

José Blanco
Group Chief Sales officer



Aurélia Cheval
Group Chief Strategy officer

Xavier Corouge
Group Chief Business
and Customer officer

José Maria Gonzalez
Managing Director,
Southern Europe and
Australia/New Zealand

Gary Smith
Managing Director, Northern
Europe and United States

Denis Langlois
Group Human
Resources Director

Yvonne Leuschner
Managing Director
Vans & Trucks Business Unit

Luc Péligry
Group Chief Financial officer

Franck Rohard
Group Secretary General

(1) On the date of this Universal Registration Document

GOVERNANCE AND MANAGEMENT

BOARD OF DIRECTORS [1]

Alexandre de Juniac
Chairman of the Board

Caroline Parot
Member

Virginie Fauvel
Independent Member

Martine Gerow
Independent Member

Carl A Leaver
Member

Simon Franks
Member

Adèle Mofiro
Employees representative

(1) On the date of this Universal Registration Document

1

OVERVIEW OF EUROPCAR MOBILITY GROUP AND ITS ACTIVITIES

In this Universal Registration Document and unless otherwise indicated, the 2020 figures on Corporate Countries include:

(i) data about the Finnish and Norwegian group of companies, former Group franchisees, acquired by Europcar on May 31, 2019, for the period from June 1, 2019 to December 31, 2019 and for the entire year 2020. It is specified that the balance sheet of this former franchisee was consolidated in the financial statements of Europcar Mobility Group at December 31, 2019, but that the income statement of this former franchisee was consolidated in these financial statements for the aforementioned period only. The figures on franchisees therefore include data concerning the former Finnish and Norwegian franchisees for the period spanning January 1, 2019 to May 31, 2019; and

(ii) the data about Fox, the Group of companies incorporated in the United States, acquired by Europcar on October 31, 2019, for the period from November 1, 2019 to December 31, 2020. It is specified that the balance sheet of Fox was consolidated in the financial statements of Europcar Mobility Group at December 31, 2019, but that the income statement of Fox was consolidated in the financial statements for the aforementioned period only.

In this Chapter, as in the Registration Document, and unless otherwise indicated, the comparisons of figures between fiscal years 2019 and 2020 are made on the basis of reported data, and therefore do not include restatements for acquisitions or disposals for the 2 fiscal years. Note that the years 2019 and 2020 present the accounts including IFRS 16, **unlike the year 2018.**

1.1 KEY INDICATORS

1.1.1 Operational figures

The tables below-present selected operational, financial and non-financial figures that are of importance to the Group and illustrate its performance at a global level.

The consolidated financial statements have been prepared in compliance with the International Financial Reporting Standards ("IFRS") adopted by the European Union as at December 31, 2020.

The financial figures relating to the years ended December 31, 2018, 2019 and 2020 are derived from the consolidated financial statements audited by Mazars and PricewaterhouseCoopers and presented in Chapter 3 of this document.

The glossary presented in Section 7.8 of this document provides definitions for all non-GAAP indicators used by the Group to monitor its performance. Reconciliations with GAAP indicators are provided in Chapter 3 of this document, in Sections 3.1 "Analysis of the Group's results" and 3.2 "Group's Liquidity and Capital Resources", or directly in the consolidated financial statements in Section 3.4. All non-GAAP indicators presented in this Chapter above are marked with an asterisk (*).

	Years ended December 31		
	2020	2019	2018
Rental day volume *(in millions)*	56.4	91.0	87.7
Average rental fleet *(in thousands)* (1)	248	328.0	316
Fleet utilization rate *(in %)*	62.2%	76.0%	76.1%
Points of sale worldwide *(in units)*	3,553	3,556	3,596
• of which stations operated directly or by agents	1,821	1,923	1,909
• of which stations operated as franchises	1,732	1,633	1,687

(1) Excl. Urban Mobility.

1.1.2 Financial indicators

*(in millions of euros, unless stated otherwise)**	Years ended December 31		
	2020	2019	2018
Total revenue	1,761	3,022	2,929
Growth in revenue *(in %)*	- 41.7%	3.2%	3.4%
Pro forma growth in revenue *(in %)*	- 41.2%	0.9%	n/a
Vehicle rental income	1,646	2,839	2,748
Average monthly costs per fleet unit *(in euros)*	- 245	- 230	- 226
MADC	387	1,107	
Adjusted corporate EBITDA	- 172	389	327
Adjusted corporate EBITDA margin *(in %)*	- 9.8%	12.9%	11.2%
Net profit/(loss) for the period	- 645	30	139
Net corporate debt	1,426	880	795
Corporate debt leverage (2)	n/a	3.2x	2.4x
Net fleet debt (3)	2,112	3,359	4,329
Total net debt (3)	3,539	4,239	5,125
Corporate free cash flow	- 419	118	135
Conversion rate for corporate free cash flow *(in %)*	244%	42%	41%
Basic earnings per share before IFRS 16 *(in euros)*		0.232	0.870
Basic earnings per share after IFRS 16 *(in euros)*	-3.93	0.181	
Diluted earnings per share before IFRS 16 *(in euros)*		0.229	0.860
Diluted earnings per share after IFRS 16 *(in euros)*	-3.93	0.179	
Dividend per share for fiscal year *(in euros)*	n/a	n/a	0.26
Dividend payout ratio before IFRS 16 *(in %)*	n/a	n/a	0.3
Dividend payout ratio after IFRS *(in %)*	n/a	n/a	

(1) MADC: Margin after direct costs.
(2) Includes the acquisition of Fox.
(3) In 2019, net debt included vehicle fleet usage rights in accordance with IFRS 16. In 2018, this item included off-balance-sheet commitments related to the leasing of the fleet.
* Pro forma 2018.

1.1.3 Non-financial indicators

	Years ended December 31	
	2020	2019
Net Promoter Score – NPS *(in %)*	51.8% (4)	48.0%
Full Time Employee (FTE) (1)	8,642	10,434
Headcount at year-end (2)	9,233	9,802
Workforce Distribution		
Head Offices	31%	31%
Stations	69%	69%
Gender breakdown		
Men	57%	55%
Women	43%	45%
CO_2 emissions of the average fleet *(gCO_2/km)* (3)	130	125

(1) The number relates to the total full-time equivalent headcount for each month of the year divided by twelve.
(2) The number relates to the permanent and non-permanent physical headcount as at December 31, 2020. Refer to section 4.4.2.1 Implementing dynamic Human Resources Management – "Gender-breakdown" table for more information.
(3) Methodological change made in 2018: weighted average of the Group fleet (excluding Buchbinder).
(4) The Net Promoter Score for the Europcar brand is monitored historically as a key performance indicator. A change in calculation methodology explains the updating of the 2019 results. The Group's Net Promoter Score including all the Group's trademarks – except Fox and Buchbinder – was 44.1% in 2020 (see details in Chapter 1 – section 1.6.2, Customer satisfaction).

1.2 HISTORY OF THE GROUP AND SIGNIFICANT EVENTS

1.2.1 History and evolution of the Group

From the creation of the Group in 1949 to the successful IPO in 2015

The Group's origins date back to 1949, with the creation in Paris of the car rental company L'Abonnement Automobile by Mr. Raoul-Louis Mattei and the pooling in 1961 of the networks of L'Abonnement Automobile and of Système Europcars, another car rental company based in Paris. In 1965, the two groups officially merged to form the Compagnie Internationale Europcars. After its acquisition by the French car manufacturer Renault in 1970, the Compagnie Internationale Europcars was developed throughout Europe, in particular through new subsidiaries and the acquisition of existing business segments. The 'Compagnie Internationale Europcars' corporate name (the holding company acting as franchisor) was changed to Europcar International in 1981.

In 1988, Wagons-Lits acquired Europcar International from Renault and then sold 50% of the share capital of Europcar International to Volkswagen AG. At the same time, Europcar International merged with the German car rental network InterRent, whose sole shareholder was Volkswagen AG. Accor acquired Wagons-Lits in 1991, becoming a shareholder with a 50% stake in Europcar International, while Volkswagen held the remaining 50%.

In 1999, Volkswagen AG acquired Accor's stake, thus becoming the sole shareholder of Europcar International. Starting in that same year, the Group actively expanded beyond Europe, in particular through the development of franchises. In 2003, Europcar became the European leader in car rentals thanks to a strategy based on the development of franchises and sales partnerships (travel agents, airlines, etc.). In 2005, the Group joined the United Nations Global Compact launched by Kofi Annan at the World Economic Forum in Davos. It thus adopted the Ten Fundamental Principles of the Global Compact. On May 31, 2006, Eurazeo acquired the entirety of the share capital of Europcar International from Volkswagen AG. In 2006, the Group continued its expansion through external growth and acquired Keddy N.V. (Belgium) and Ultramar Cars S.L. (Spain). In 2007, the Group purchased the UK-based operations of National Car Rental and Alamo Rent A Car covering Europe, the Middle East and Africa (EMEA zone) from Vanguard Car Rental Holdings LLC ("Vanguard"). Vanguard was subsequently acquired by Enterprise Holdings, Inc. ("Enterprise"). From 2008 to 2013, the Group had a commercial alliance with Enterprise relating to the National® and Alamo® brands operated by Europcar. This alliance ended in August 2013, although the Group continued to operate the brands National® and Alamo® in EMEA until March 2015. The same year, the Group acquired one of its Spanish franchisees, Betacar. In 2008, the Group expanded its direct presence in Asia-Pacific through the acquisition of ECA Car Rental, its main franchisee in Asia-Pacific, operating in Australia and New Zealand.

In 2011, the Group started its development of new mobility solutions by establishing a strategic joint-venture with Daimler AG to create Car2Go Europe GmbH. In 2013, the Group deployed InterRent®, its low-cost brand dedicated to leisure travelers (repositioned in the mid-tier segment following the acquisition of Goldcar in 2017) in Europe. InterRent® offers a competitive vehicle rental service without compromising on quality of service. In 2014, the Group defined the 2020 roadmap and made a first strategic move, with the majority acquisition (70.64% of the share capital) of Ubeeqo and the creation of the Europcar Lab. Ubeeqo, a French start-up created in 2008, offers car-sharing solutions. At the end of 2014, the Group acquired the company Europe Hall, a major franchisee of Europcar France for the Eastern region.

The year 2015 was marked by the successful IPO. On June 26, 2015, Europcar Mobility Group was listed on the regulated market of Euronext Paris. The Group's strategic ambition has convinced a very large panel of investors who financed its move towards mobility solutions. On December 18, 2015, Europcar Mobility Group joined the SBF 120 stock market index comprising the 120 top stocks in terms of liquidity and market capitalization, listed on Euronext Paris.

2016-2019: From a single-brand, single-business Group focused on automobiles toward a multi-brand, multi-business, digitized Group focused on customers

The portfolio of mobility solutions expanded with the acquisition of E-Car Club, the first car-sharing company offering a fleet of electric vehicles in the United Kingdom, on a pay-as-you-go basis. In 2016, the Group acquired its third-largest French franchisee, Locaroise, and its Irish franchisee, GoCar, the leading car sharing company in Ireland. The Group also acquired the British company Brunel, a leader in private driver services. In 2017, the Group acquired several companies, of which Buchbinder, a major player in the German and Austrian markets, Goldcar, the largest European low-cost company and its Danish franchisee. The Group raised its stake in Ubeeqo by purchasing 24% of the share capital.

In 2018, the Group adopted a new name – Europcar Mobility Group – to connect all the brands in its portfolio and position itself as a global mobility service provider. This major change was followed by a move in new headquarters in Paris, fostering the Group's transformation.

That same year, Europcar Mobility Group sold to Daimler Mobility Services the 25% of the share capital and voting rights held by Europcar International S.A.S.U. in Car2Go Europe GmbH. In 2019, the Group completed its series of mergers and acquisitions program with the buy back of Fox Rent A Car in the United States and the acquisition of the Europcar Finnish and Norwegian franchisees, thus expanding its corporate countries network.

Along with other companies, the Group committed to limiting global warming and signed the "French Business Climate Pledge" of the MEDEF as well as the call for climate action "Business Ambition for 1.5°C – Our Only Future" of the United Nations Global Compact.

1.2.2 Significant events during fiscal year 2020

1.2.2.1 Impact of the Coronavirus crisis

Impact of the coronavirus crisis on the Travel & Leisure industry and the Group

The world economy was hit by the Covid-19 pandemic starting in February-March 2020, creating a systemic shock across all sectors of the economy, and in particular the travel and leisure sector in which Europcar Mobility Group is active: lockdown measures imposed all over the world, travel restrictions in many countries (quarantine, etc.), gradual reopening of borders and then closure again. The pandemic resulted in a sudden drop in the number of travelers for international tourism and business at first, and then in the activity linked to domestic customers.

Airlines thus drastically reduced their capacity (in terms of number of seats) by more than 60% on average in Q3 2020 (source: Official Aviation Guide application) between the countries where the Group's activities are traditionally the most significant.

The Group was hit hard by the crisis, with a 70% drop in revenue in the second quarter and 50% in the third quarter, which traditionally represents one third of annual revenue and a very strong contribution to Group's profits. This sharp decline in activity had a strong impact on liquidity, which dropped sharply.

Alongside these business considerations, the Group very quickly implemented all the necessary health and social distancing measures (rigorous cleaning of vehicles between each rental with the systematic use of disinfectant products and a procedure to ensure "zero contact" between customers and employees) in order to face this unprecedented health crisis.

Opening of new lines of financing

To weather the situation related to the pandemic and enable the Group to address the significant impacts on its business, Europcar Mobility Group has negotiated and structured new financing lines, in addition to the existing financing. This liquidity boost was intended to support the Group to cope with the financial impacts linked to the pandemic, and, where applicable, to support the gradual resumption of the Group's activities after the Covid-19 crisis.

1) A loan of 220 million euros signed in May 2020, with its main French and international banks, benefiting from a 90% French State guarantee via Bpifrance ("**State-Secured Loan**" or "SSL"); all of this loan has been allocated to corporate needs;

2) new financing lines for corporate and fleet acquisition needs taken out in April 2020, for a total of 101 million euros, 70% secured by the Spanish State; and

3) 20 million euros in additional RCF, secured by Eurazeo through a sub-participation in risk, bringing the RCF financing line from 650 to 670 million euros.

Reboot & Connect: short-term adaptation program (2020) and medium-term transformation plan (2020-2023), with a thoroughly revised strategy focused on new customer needs

Given the scale of the health crisis, Europcar Mobility Group reacted extremely quickly and demonstrated a great capacity for adaptation. By March 23, 2020, the Group had launched its "Reboot & Connect" program for adaptation and transformation over the short- (2020) and medium-term (2020 > 2023).

"Reboot" program

By the month of March 2020, the Company embarked on an unprecedented plan to cut costs and preserve its liquidity, in order to weather the crisis as well as possible and be able to resume its activities as soon as local economies start to recover. The lockdown made it particularly difficult to take certain cost-saving measures. Across the entire Group, this plan involved the following operational steps: 1) Reduced fleet volume and, at the same time, deferred purchases until further notice; 2) Contract renegotiations; 3) Partial unemployment and rapid staff adjustments wherever possible; 4) Full freeze of investments (CAPEX); 5) Cessation of all operational expenses considered non-essential; and in terms of liquidity: 1) Requests to access the support funds announced by the governments and the European Union, including the financing of social measures and the cancellation or deferral of taxes; 2) Cancellation of the payment of dividends for the year 2019; 3) Voluntary reduction of the base compensation of the Management Board (-25%) and certain senior executives of the Group.

Initially anticipated at 850 million euros, the savings achieved in 2020 compared to the initial pre-Covid-19 budget amount to nearly 1 billion euros by the end of the year, or around 30% of operational costs. The Group thus significantly stepped up its cost-cutting efforts in the face of the scale of the crisis.

"Connect" program: a strategy focused on new customer needs and expectations

Faced with technological changes which are modernizing the entire sector and the rapid evolution of uses and customer expectations, Europcar Mobility Group has designed its "Connect" program around the new needs and expectations of its customers: increase of digital tools, new security and zero contact standards, need for flexible services and desire for new modes of travel that are more responsible and respectful of the environment (see Section 1.4.2.1).

The Connect strategic plan aims in particular to redefine the current go-to-market strategy by replacing the Business Units with an organization in Service Lines focused on offering concrete modes of mobility and improving the customer experience in these areas. This plan incorporates and accelerates the Group's digitization ambitions, and also emphasizes strengthening the domestic mobility activity, particularly in the medium-term rental segment. To this end, Connect plan rests on four operational pillars: i) connectivity and simplification of the Group's fleet, ii) optimization and digitization of its network to offer the various modes of mobility, iii) unification and improvement of its information systems; and iv) overhaul of its organization and talent management.

Financial restructuring

Given the scale of the impact of Covid-19 on its activities over the short and medium term, the Group reacted very quickly to adapt its capital structure to its level of revenue, with reduced corporate debt and an appropriate level of liquidity. The Group thus announced on September 7, 2020 its intention to initiate discussions with the creditors of its corporate debt with a view to restructuring the financing, while accelerating the implementation of its "Connect" transformation plan.

To facilitate these discussions, the Group requested the appointment of an *ad hoc* representative. Group's objective is to find conditions allowing it to accomplish the objectives announced in its press release of October 26, 2020, namely:

(i) significantly reduce the level of its corporate debt, to return to the levels of net corporate leverage recorded after the IPO, which would give it increased flexibility in an uncertain environment; and

(ii) obtain sufficient liquidity to finance the "Connect" transformation plan and get through the period of uncertainty linked to the Covid-19 health crisis.

On November 26, 2020, the Group announced that it had taken a major step in its financial restructuring with the conclusion of an agreement in principle on a financial restructuring plan (the "Agreement in Principle"). This agreement fully meets the Group's objectives of achieving a sustainable capital structure, suited to its ambitions and enabling it to carry out its "Connect" transformation program. This comprehensive and rapid restructuring plan, which is in line with the Company's expectations and interests, will adequately overhaul the Group's corporate capital structure, allowing it to focus on accelerating the "Connect" program, which was designed to refocus the Group around new needs and expectations of customers.

The Agreement in Principle was concluded between the Company and a significant group of creditors known as "cross-holders", holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company's Supervisory Board. It provides for the following in particular:

(i) massive corporate debt reduction, by reducing the Group's corporate debt by 1.1 billion euros through the conversion into capital of all of its 2024 Senior Bonds, 2026 Senior Bonds and the Credit Suisse Facility;

(ii) a significant injection of new liquidity, with the capital contribution in the amount of 250 million euros (the "New Capital Liquidity") as well as the granting of new fleet financing in the amount of 225 million euros (together, the "New Liquidity");

(iii) the refinancing of the RCF.

All these instruments are fully secured by the members of the coordination Committee made up of this significant group of cross-holder creditors, holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. They are open to all holders of 2024 Senior Bonds and 2026 Senior Bonds – and/or RCF lenders in the case of RCF refinancing only.

The implementation of the Agreement in Principle was subject to several customary conditions precedent, including the adoption of the necessary resolutions by the General Meeting of shareholders of the Company and the obtaining of the required level of support from creditors in the pending proceedings in France.

As part of the implementation of its financial restructuring and the agreement in principle, Europcar Mobility Group announced on December 14, 2020 the opening of an accelerated financial safeguard procedure. All the conditions precedent as well as the validation of the plan by both the shareholders and the Commercial Court were validated in the months of January and February 2021 (See Chapter 1.2.3 Post-Closing Events).

1.2.2.2 Reduced composition of the Management Board

Following the resignation of Albéric Chopelin, Director of Sales and Customer Accounts, Member of the Management Board of Europcar Mobility Group, announced on June 17, 2020, the Management Board has been made up of three members:

- Caroline Parot, Chairwoman of the Management Board;
- Fabrizio Ruggiero, Deputy CEO, Head of Business Units;
- Olivier Baldassari, Chief Countries and Operations officer.

1.2.2.3 Strategic partnerships

Termination of the partnership with Advantage

On January 1, 2020, Europcar Mobility Group terminated its partnership with the US-based car rental company Advantage Opco ("Advantage").

Commercial partnership with Rentalcars.com

Following the choice of Rentalcars.com as the exclusive supplier of Ryanair for the next three years, Europcar Mobility Group was confirmed in February 2020 as the "main partner" of Rentalcars.com, thus giving it privileged access to the airline's travelers for the promotion of the offers of its brands.

Launch of the Group's "Safety Program," with Bureau Veritas as a partner

In the context of the health crisis linked to Covid-19, the Group is launching its "Safety Program" in order to strengthen health and safety measures within its network of branches and vehicle fleets for its customers and employees.

In June 2020, the Group signed a partnership with Bureau Veritas – world leader in testing, inspection and certification – across its network of branches and rental fleet in 14 different countries, thus consolidating its approach.

This partnership includes (i) the evaluation of Europcar Mobility Group's processes and practices in terms of hygiene and safety for customers and employees, based on the local regulations and recommendations from the scientific world; (ii) support for the Group in the implementation of reference health protocols.

Alliance with Routes Car Rental in Canada

In September 2020, Europcar Mobility Group signed a new strategic alliance with Routes Car Rental, one of the main players in vehicle rentals in Canada. Through this partnership, Routes Car Rental and Europcar customers will benefit from a wide range of quality services throughout the world. Routes Car Rental, based in Toronto, Canada, has a fleet of over 6,000 vehicles across all categories and transports 250,000 passengers per day. The company has more than 350 employees and is present at 9 major airports in Canada and the United States.

Partner of Geotab and Telefonica, for the Group's "Connected Cars" program

After a pilot project in Mallorca in 2018, Europcar Mobility Group announced on October 23, 2020 the strengthening of its partnership with Telefonica and Geotab in Europe as part of its global "Connected Cars" program. Telefonica and Geotab's solution enables real-time telematic monitoring of the rental fleet for a better customer experience.

Europcar Mobility Group aims to connect its entire fleet by 2023. The first phase of deployment started in France in 2020, starting with the Group's fleet of light commercial vehicles. Other countries will follow in 2021.

Partner of NewMotion, for electric vehicle charging, as part of the Group's "ONE sustainable fleet" program

Europcar Mobility Group is among the first international rental companies to have offered electric vehicles to its customers since 2011. In 2019, the Group launched its "ONE sustainable fleet" program, with the objective of passing the milestone of one-third "green" vehicles (electric, plug-in hybrids and hybrids) in its fleet by the end of 2023.

In November 2020, the Group signed a partnership with NewMotion, a member of the Shell Group, for the electric charging of its vehicles. This partnership brought the "ONE sustainable fleet" program to an important milestone.

NewMotion will provide Europcar Mobility Group with a complete ecosystem of solutions for its charging infrastructure. In addition, with NewMotion, customers who rent an electric vehicle at one of the Group's stations will receive a charging card, giving them access to the largest charging network across Europe (with more than 170,000 charging points).

The partnership is expected to be rolled out gradually starting in January 2021.

1.2.2.4 A strong and recognized commitment to ESG

After joining the "Science-Based Targets" initiative, definition of the Group's CO_2 reduction target

Europcar Mobility Group joined the "Science-Based Targets" initiative in 2019 with the aim of using its methodology to calculate its carbon footprint reduction target. The "Science-Based Targets" initiative was jointly created by the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and WWF, with the aim of encouraging companies to define Greenhouse Gas reduction targets that are consistent with scientific climate recommendations, And this in order to make them compatible with the objectives of the Paris Agreement to limit global warming to +1.5°C.

To achieve this, the Group will have to reduce its direct emissions (energy consumption) by -46% and indirect emissions (vehicle use by its customers) by -13% by 2030 (base year: 2019).

The carbon trajectory incorporating all the reduction levers will be defined in 2021 with all internal stakeholders. These values will be submitted for validation to the Science-Based Targets initiative in 2021, thus making official the quantified commitment of Europcar Mobility Group to a low-carbon future.

Europcar Mobility Group is mobilized for healthcare staff, with its "Ensemble/Together" program

Europcar Mobility Group introduced the "Ensemble/Together" program in March-April 2020 to support the mobility of healthcare staff in the context of the crisis linked to Covid-19.

Objective: to make vehicles available, free of charge or at no rental cost to get around easily without added worries. More than 1,000 vehicles and around one hundred employees were mobilized over the period, in all the countries where the Group operates with its subsidiaries.

Very strong improvement in the Group's Rating by Vigeo Eiris

In June 2020, Vigeo Eiris – a world leader in ESG assessments, data, research, benchmarks and analyses – assigned a rating of 61/100 to Europcar Mobility Group, which listed the Group at the "Advanced" level for its Environmental, Social and Governance performance. This represents an increase of 15 points compared to the previous rating (from 46/100 to 61/100).

1.2.2.5 Financing and rating agencies

A) FINANCING

In the context of the Covid-19 pandemic and its repercussions on the Group's activity, mainly due to the lockdowns implemented in most of the countries where the Group operates, the Group sought to benefit from the measures made available to it by certain governments. These aid measures were mainly intended to ensure the short-term liquidity of companies weakened by the sudden and rapid decline in business activity.

The Group has thus negotiated state-secured loans ("SSL") in France and Spain with its main bankers.

In France, on May 2, 2020, the Group entered into an SSL in the amount of 220 million euros, secured up to 90% by the French government and with a maturity of up to six years. The entire SSL was dedicated to corporate financing.

In Spain, in April 2020, Europcar Spain signed state-secured loans with the main Spanish banks for a total amount of 101 million euros. These loans are 70% secured by the Spanish government and have a maturity of 3 years. 51 million euros was allocated to corporate financing, and the balance was allocated to fleet financing.

At the same time, on May 1, 2020, Eurazeo, the main shareholder of Europcar Mobility Group, supported the Group by securing certain banks participating in the 20 million euros increase in the revolving credit facility ("RCF"), thus increasing the facility from 650 million to 670 million euros.

B) MOODY'S RATING

S&P

Corporate Rating:

In 2020, in the context of a constantly evolving global pandemic, S&P gradually adjusted its issuer rating for the Group. Initially downgraded from BB- to B- with a negative CreditWatch on April 3, 2020 – notably linked to the pandemic and its impact on liquidity – then to CCC + on May 28, 2020, this rating has been raised to CC since November 3, 2020, following negotiations on the restructuring of the Group's debt, the outcome of which is likely to be perceived as a case of selective default under the S&P criterion. On that same date, Europcar's corporate RCF was rated CCC- and its bond debts were rated C, with the exception of the secured bond backed in second rank by the fleet which was rated CC.

On November 30, 2020, the agency again downgraded the Group's rating to "Selective Default" ("SD") following the non-payment of interest due under the 2024 and 2026 Senior Subordinated Bonds, with this interest being capitalized as part of the debt restructuring.

Fleet debt rating:

On April 16, 2020, the agency assigned SARF A rating under a negative CreditWatch following the downgrade of Europcar Mobility Group on April 3, 2020, reflecting the uncertainties related to the potential effects of the pandemic on the liquidation assumptions of the fleet and the deterioration of the Group's credit profile. On June 8, 2020, the agency downgraded the SARF to BBB while maintaining the negative CreditWatch after the Group's further downgrading on May 28, 2020, in light of a perceived increased operational risk.

Moody's

In 2020, Moody's gradually revised the Group's Corporate Family Rating (CFR) in the context of the global pandemic. The CFR was first lowered from B3 to B2 in March, under review for a further lowering which effectively materialized on June 10, 2020, by a reduction to Caa1 with a stable outlook. On September 10, 2020, Moody's nevertheless downgraded this rating to Caa2 with a negative outlook considering a high probability of debt restructuring.

On December 2, 2020, the agency downgraded the Group's rating to "Limited Default" ("LD") following the non-payment of interest due under the 2024 and 2026 Senior Subordinated Bonds, with this interest being capitalized as part of the debt restructuring.

1.2.3 Significant Post-Closing Events

Europcar Mobility Group announces on January 20, 2021 that all of the resolutions necessary for the implementation of the financial restructuring plan have been approved, allowing the Group to finalize the implementation of this comprehensive plan, which provides in particular for a massive reduction in the Group's corporate debt of 1.1 billion euros through a capital conversion as well as a significant injection of new liquidity, with capital contributions and the granting of new fleet financing (for a total amount of approximately 500 million euros).

On February 3, 2021, the Commercial Court of Paris approved the accelerated financial safeguard plan.

On February 4, 2021, the Group launched the capital increase, maintaining shareholders' preferential subscription rights for an amount of 50 million euros.

On February 26, 2021, the Group successfully completed its financial restructuring:

1) Conversion into capital of the 2024 Bonds and the 2026 Bonds (450 million euros and 600 million euros, respectively) and the Crédit Suisse borrowing of 50 million euros.
2) 250 million euros of new liquidity via share capital increase.
3) Implementation of the refinancing of the RCF of 670 million euros via the set-up of a Term Loan of 500 million euros and a new RCF of 170 million euros.
4) 225 million euros of additional financing lines, dedicated to the rental fleet.
5) New Governance, with a Board of Directors chaired by Mr. Alexandre de Juniac.

1.3 MOBILITY SERVICES MARKET

1.3.1 Mobility: a revolution underway despite Covid-19

Despite the ongoing health crisis, which has significantly reduced the transport of goods and merchandise and the mobility of individuals in many geographies, mobility remains an essential human need. Despite political decisions establishing restrictions on travel and trade, justified by an unprecedented global health crisis, we see that mobility is one of the pillars of the global economy:

- it enables the connection between people, goods and ideas, as it is a critical enabler of short- and long-term development;
- it significantly improves quality of daily life and the quality of travel experiences;
- it is a catalyst of innovation, as mobility leverages on all critical fields of future R&D (AI, big data, energy, etc.);
- it is a growth engine for entrepreneurs, investors and regional economies. Thus, 16% of the entire World's GDP was generated by mobility in 2017[(1)], making it the leading sector of expenditure ahead of food and housing.

Mobility remains a promising market in the medium term, as it will return to pre-Covid volume and growth levels once the pandemic has passed, thanks to the support of public institutions to maintain both supply (by supporting mobility companies) and demand (by supporting the economic fabric and households). In addition, the rise of the middle class in developing countries who are willing to travel and relocate should continue to drive the growth of this sector in the medium term. Growth in the transport of goods is also expected, due to the continued intensification of trade globalization. In the shorter term, domestic demand for mobility is likely to return before demand for transnational mobility. The demand for transnational mobility will very likely recover thanks to two factors: firstly, the discovery and wide distribution of a vaccine to protect populations from Covid-19 and reassure them about the health risks, and secondly gradual economic recovery.

Before the Covid crisis, mobility has been undergoing a new technological revolution for several years thanks to the advent of digital tools, bringing out drastic changes:

- access to mobility and intermodal transport has become much simpler with smartphones and the advent of Mobility-as-a-Service. This digitization has helped mobility value chains to converge around customer use cases, breaking the silos between traditional forms of transport;
- vehicle ownership is declining and being replaced by car-sharing, which is now possible with the emergence of digital solutions that offer a high-quality customer experience and the possibility of pay-per-use;
- additional personalized and location-based services will be able to emerge due to enhanced connectivity;
- vehicle autonomy will drastically change the in-car customer experience in the future and should dramatically reduce fatal traffic accidents.

Furthermore, two other mega-trends are reshaping mobility;

- the increasing role of local authorities in redefining the urban mobility plan (development of micro-mobility, ICE[(2)] vehicle reduction);
- governments are increasingly requiring vehicles to be electric, which will dramatically reduce urban pollution, change vehicle design and change customer behavior regarding the type of powertrain.

Beyond the immediate impact on demand, the health crisis has led to accelerated customer demand and expectations for digital mobility that is both "seamless" and greener. On the other hand, it has also brought about other trends, such as the desire to use mobility services with less physical contact with third parties, whether by shifting the use of public transport to cycling or individual driving, or by requiring more stringent cleanliness of rental cars.

1.3.2 Growth drivers and general market trends

Macroeconomic conditions and demand for mobility

Given the many uncertainties that still persist on several fronts, it is difficult to make relevant projections on the speed of the recovery of demand for passenger mobility. However, we can say that this recovery will be conditioned on two main events:

- discovery of the vaccine, and its large-scale commercialization. Until an effective and lasting preventive health solution against Covid-19 is found and widely disseminated to the international community, international and domestic passenger flows will probably evolve depending on the health situations and policies restricting mobility in the different countries. During this transitional period, demand may vary depending on potential new lockdowns or restrictions at the borders. As we saw in 2020, each country adopts its own policies, and the post-lockdown recovery may turn out to be more or less rapid depending on the country;

(1) Source: Oliver Wyman.
(2) Internal Combustion Engine.

- economic recovery, which will ramp up gradually once the health situation has stabilized. In this area too, the situations will vary greatly depending on the country, due to the specific economic situation before the crisis, the health impact during the crisis, the diversification of the economy, and the public policies implemented to facilitate the recovery of supply and demand.

In the medium term, people mobility is set to pick up again, as already mentioned above.

The mobility of goods has been less impacted during the crisis, because the demand for goods and merchandise has not declined even though last-mile delivery has evolved, from delivery to retail stores to home delivery.

People mobility demand will grow in the medium term both:

- on long-distance trips, hence positively impacting car rental:
  - on the leisure segment due to population growth and middle-class growth in developing countries. This is linked to changes in Gross Domestic Product (GDP) and inflows of international travelers, which in turn is tied to levels of air and rail traffic,
  - on the corporate segment due to globalization and business travel expense growth (related to GDP growth), which is also linked to general business climate. In addition, even if the increase in the use of videoconferencing will continue to have an impact on business travel, volumes could return in 2023 to levels a little bit lower than the ones pre-COVID, yet close enough. This is because the face-to-face factor is often essential in many professional contexts (visiting customers or prospects, organizing conventions or trade fairs, visiting an industrial site, etc.),
  - in July 2020, the IATA airline association was counting on a return to 2019 revenue levels per passenger per kilometer by 2024. However, it is likely that the mix between short haul and long-haul travel will change in favor of more short haul trips, which will automatically change the mix of customers in the Group's network;
- on short-distance trips:
  - in general, the population continues to be concentrated in urban areas, hence positively impacting the mobility demand,
  - moreover, in urban areas, multi-modal transport will shift towards less car ownership and more shared cars, which will have a positive impact on the local rental market (including car-sharing) and will complement the use of mass public transport with micro-mobility solutions. This is already what we saw in 2020, with several European cities taking advantage of the lockdown to rearrange their roads to dissuade city dwellers from using their cars for daily trips, and thus push them to only use car-sharing solutions when necessary,
  - in addition, it has been observed in the short term that the fall in demand for long-distance mobility has benefited demand for mobility over shorter distances, thanks to tourist flows that remained largely domestic in 2020,
  - lastly, the booming ride-hailing market opened a new market for car rental companies to conquer, known as PHV (Private Hire Vehicle) car rental.

The **mobility of goods** will also grow both in terms of long-distance due to globalization, GDP growth and population growth, and on the last-mile delivery for the same reasons. In addition, the drastic increase in the use of e-commerce over the past months further reinforces this trend and positively impacts the LCV (light commercial vehicle) rental market.

On top of the points listed above, both individuals and corporations are increasingly looking for more flexible solutions to use a vehicle, both in terms of duration and model type, which will help encourage the short- and mid-term rental of vehicles at the expense of the long-term leasing market, with the development of a mobility or a vehicle subscription offering.

Urban mobility solutions

The vehicle rental industry has been undergoing structural changes tied to technological advances and the resulting changes in customer preferences and behavior. Technological improvements have enabled providers of mobility solutions to develop innovative new products and services to respond to the constantly evolving needs of their customers. Consumer demand has migrated towards more flexible and economic mobility solutions with a lesser impact on the environment, in particular to solve the problem of increased traffic and to adapt to government policies limiting the use of personal vehicles in urban areas.

Accordingly, the way people use vehicles has been changing over the last few years: the acquisition and ownership of vehicles are increasingly irrelevant to actual usage. This change has accompanied the supply and expansion of various services traditionally offered by companies that concentrate all their activities on the mobility market, such as vehicle rental companies and companies offering car-sharing and ride-sharing services, as well as platforms. More generally, this market also includes operators whose activities or services are related and complementary (such as insurance companies, vehicle leasing companies, car park operators, car manufacturers, tour operators, travel agencies, companies offering micro-mobility, telematics solutions or data storage that develop new mobile applications).

New mobility solutions are being developed in particular in the following areas:

- car-sharing, which was initially based on business-to-consumer, or B2C, models, as well as peer-to-peer, or P2P, models, but now also includes business-to-business, or B2B, models, and may be based on either a one-way or round-trip itinerary;
- intermodal solutions providing a digital platform that brings together different means of transportation (public transport, rental vehicles, taxis and other mobility solutions) in order to offer the best possible itinerary to customers for any given trip;
- transportation services offering the possibility of traveling in a vehicle driven by a professional or private driver, as well as ride-sharing solutions offering subscribers the possibility of riding in vehicles driven by a professional driver or a private individual.

Accordingly, the new players in the mobility solutions market and vehicle rental companies are all benefiting from the decreasing number of vehicle owners in European capitals and large cities. They are currently targeting different user needs, notably in terms of rental duration, with vehicle rental companies mostly providing longer-term rentals than other companies. Nevertheless, the Group believes that vehicle rental companies are well positioned to seize growth opportunities in the urban mobility solutions market. Indeed, such companies can capitalize on key competitive advantages such as brand recognition, customer diversity, fleet size and fleet-management expertise, network density and industry experience.

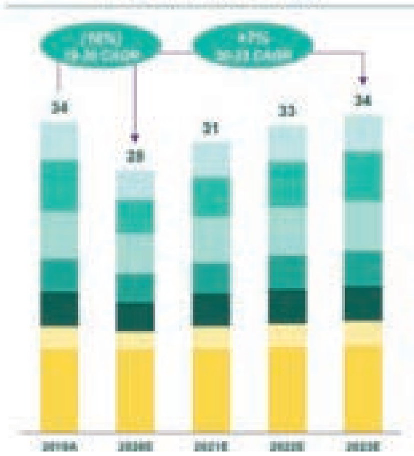
Development of the low-cost market segment of car rentals

As this has been the case in other industries, the European vehicle rental market has seen the development of a low-cost segment in recent years to meet increased demand for more affordable services. The low-cost market segment may be defined as all low-price rental offerings including a reduced number of services and providing a more limited selection of categories, brands and models. The low-cost segment in car rental is very dynamic, which is related to the growing number of low-cost airlines carriers, both in volume and market share (the low-cost segment global market share increased from 23% in 2012 to 31% in 2019[1]. Given corporate budget cuts and the adaptation to video conferencing during lockdown periods, and because individuals may have tighter budgets for travel in the coming years, this market is expected to grow again, most likely at a faster rate than mainstream and business travel, in particular for leisure destinations in France, Spain, Italy, United Kingdom, Portugal, Greece and Turkey.

As part of its strategic review in 2020, the confirmation of its Connect plan and the development of its business plan for 2023, the Group has made a projection of the European mobility market until 2023 as shown below[2]. The market has been segmented by type of mobility as listed in section 1.4.2.2, with projections based on the assumptions described below. This projection thus foresees a return of the market to 2019 levels by 2023 – that is to say predominantly a volume effect, but with a different mix due to the impact of Covid-19 on mobility demand.

European mobility market evolution over the coming years

Market Segments	CAGR 2020-23	Market assumptions
Mainstream	+8%	Relatively slow recovery Market goes back to normal after 2023
Low-cost	+13%	Quick recovery 2023 levels higher than 2019
Business Travel	+13%	Not full recovery in 2023 due to economic downturn and video conferencing
Local mobility for businesses	+8%	Quick recovery and 2023 higher than 2020 Vanshoring and goods delivery boost
Fleet Services	+7%	Market recovers end of 2021 Corporates and SMEs looking for even more flexibility than before
Vehicle replacement & pre-lease	+6%	Will follow overall GDP recovery
Local mobility on-demand	+10%	Full recovery in 2021 and growing at a faster rate due to shift from international travel and increase of vanshoring
Car substitute	+2%	Crisis will increase need for flexible solution rather than car ownership as of 2021



(1) Source: Statista.
(2) Based on internal primary sources and public and non-public secondary sources. Forecast have been made on June 2020, based on available elements at that time.

1.4 STRATEGY

1.4.1 Group's four "fundamentals": vision, purpose, values and ambition

As the longstanding leader in vehicle rental in Europe through its Europcar brand, the Group has progressively transformed itself over the last few years. The Group's current development is guided by the desire to move away from a single-brand, single-business model focused on automobiles toward a multi-brand, multi-business model focused on customers.

The Group is now a "mobility service company", organized around the needs and expectations of its customers, offering a wide range of mobility services: passenger car and light commercial vehicle rental, car-sharing, driver services and "private hire vehicles" rental (PHV - rental of vehicles to "Uber" type drivers). The Group's name change from Europcar Group to Europcar Mobility Group in 2018 reflects this transformation.

The Group has also expanded its global presence: Europcar Mobility Group now offers its various mobility solutions and services internationally through a vast network covering more than 140 countries (including 18 directly owned subsidiaries in Europe, two in Australia and New Zealand, one in the US, franchisees, and partners).

Thus, as a major player in mobility, the Group is convinced that it must provide solutions to current and future mobility challenges: this is what underpins its vision and purpose.

Current and future mobility challenges

Mobility is and always has been a fundamental need for people and for societies as a whole. Today, this sector ranks first in terms of global GDP: the need to travel "weighs" more than the need to eat.

The growth in mobility needs is unsustainable for the planet if it translates into an increase in the number of vehicles on our streets and an increase in CO_2 emissions.

Faced with such challenges, mobility ecosystems must be completely redesigned for mobility that is both multimodal and sustainable.

"4-wheel" mobility has its place in these new ecosystems, to complement public transport and soft mobility: at the condition that it is sustainable.

Fundamental trends reinforce this necessary transformation of mobility:

- the traditional model of mobility, based on owning an individual vehicle, is called into question and will be increasingly so, in the era of the economy of use and sharing. Generation Y is part of this paradigm shift;
- digital tools foster and accelerate this transformation: by making mobility an easily accessible service to go from point A to point B;
- the Covid-19 crisis has reinforced pre-existing mobility expectations and needs: digital uses and the need for zero contact services, new security and flexibility standards, as well as a desire for more responsible and more eco-friendly ways of getting around;
- this last aspiration fits squarely within the regulatory framework being set up throughout Europe.

Our vision

As a major player in mobility, the Group intends to play a leading role in new multimodal mobility ecosystems and make a significant contribution to the necessary transition to a "low carbon" world.

Our purpose

To offer attractive alternatives to owning an individual vehicle, in a responsible and sustainable manner.

Responsible

- by contributing to the safe mobility of people and goods;
- by making mobility flexible and accessible to all;
- by offering a natural addition to public transport and micro mobility.

Sustainable

- being part of the solution to a low-carbon world;
- by being an integral part of the value chain of companies and organizations, a partner in their mobility, and by contributing to local economies.

The Group's Values serve its purpose and help strengthen a common culture ("ONE Group culture").

The Group's Values, which were redefined with all employees in 2017, are the subject of an internal program comprising three components: understanding our values (ensuring full understanding of our values at all levels as well as their impact on our activities), feeling our values (stimulate pride in belonging and embody our values) and bringing our values to life (anchoring them throughout all our business activities).

Our values

- Customer-centric: Place the customer at the center of everything we do;
- Feeling Valued: Value contribution;
- Open Communication;
- Working together.

It is by deploying its Vision and Purpose, in its operations and decisions, and by living its Values on a daily basis, that the Group will be able to achieve its ambition.

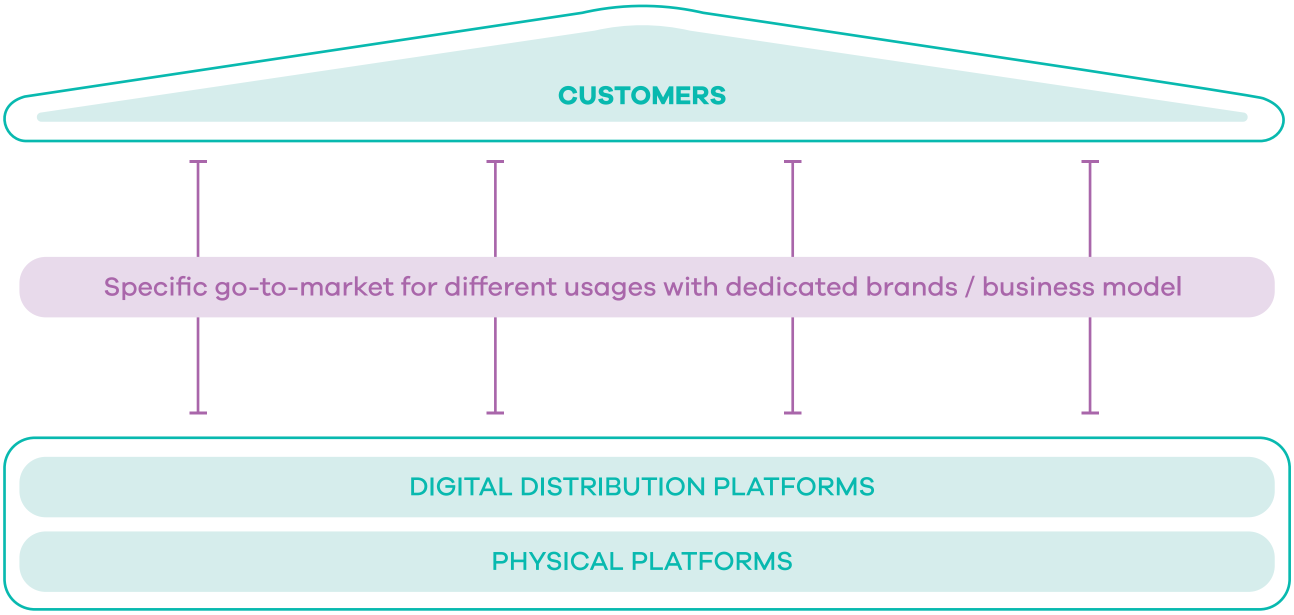
Our ambition:

"To be the preferred mobility services company for its customers and create value for all of its stakeholders".

1.4.2 The Group's strategy

To accomplish its mission and achieve its ambition, the Group has defined a clear strategy to serve the mobility needs of its current and future customers by leveraging its two key assets: its physical platform and its digital platform.

This strategy was revised in 2020 in the light of the Covid-19 crisis, in order to be able to better respond to changes in the mobility needs of its customers.



This strategy is based on the conclusion that the current segmentation between different mobility uses (vehicle rentals, vehicle-sharing and vehicles for hire) will tend to fade over the long term. The digital ecosystem of connected and autonomous vehicles will lead to a convergence between offerings and service providers for these various uses.

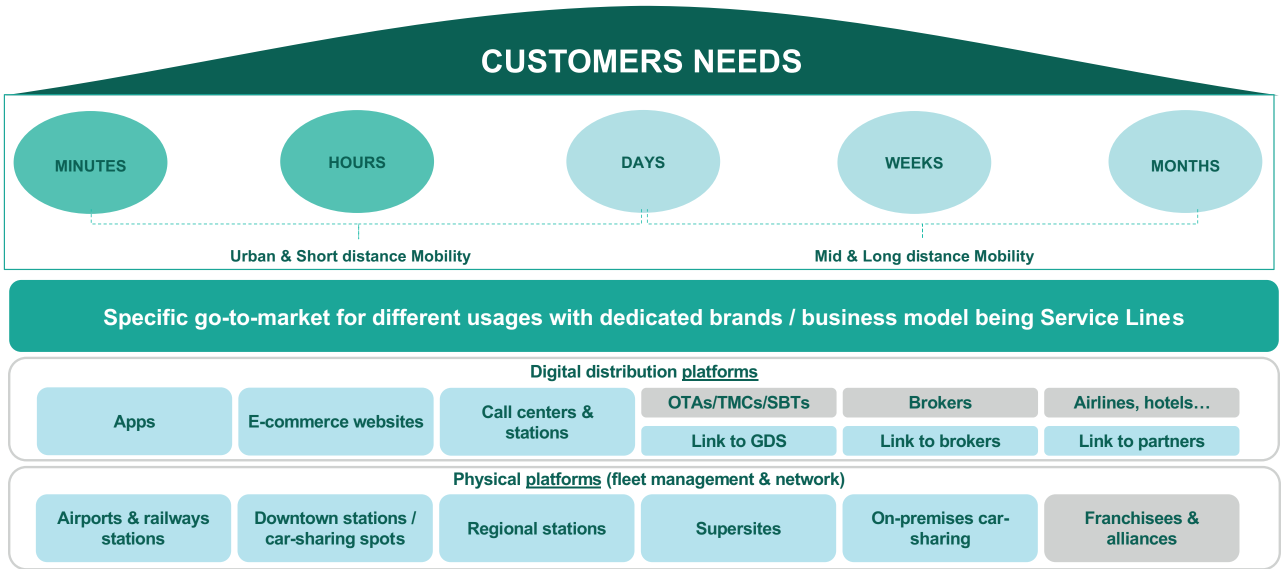
Europcar Mobility Group's strategy aims to create value over the long term for all of its stakeholders by relying on:

- an organized and consistent commercial strategy aimed at responding to constantly evolving and growing mobility needs in a general context of decreasing personal vehicle ownership. The Group has strongly reinforced the customer approach by rethinking its organization in 2020 to better serve its customers. Structured since 2017 in Business Units (Cars BU, Low Cost BU, Vans & Trucks BU and Urban Mobility BU) still focused on the type of vehicle rented and historically structured by its previous buyouts, the Group recently reviewed its go-to-market strategy and adapted its organization accordingly by replacing most BUs (except the Vans & Trucks BU) with Service Lines, which are central entities focused now on types of customer usage (see below). The Group's ultimate vision is to be able to optimize customer lifetime value, by offering the Group's customers the Group's various services at the best time, in a personalized way;

- the optimization of its physical and digital platforms:
  - the Group currently has digital platforms (over 140), whose e-commerce performance is constantly improving. The Group seeks both to diversify its digital distribution channels in order to address the diversity of its customers (independent professionals, SMEs, large companies and individuals, in many countries), and to constantly improve the customer experience on these channels in order to meet their growing expectations. The improvement of these platforms notably involves the gradual digitalization of all stages of the customer journey, addressing all types of mobility usage offered by the Group,
  - leveraging its network and its fleet. The Group's network, organized through its stations and back-office operations, is a significant asset that enables it to operate efficiently on a large scale. The Group believes that its granular network allows it to act comprehensively and effectively in a new mobility ecosystem. Accordingly, the Group plans to continue to optimize its network in a dynamic manner and leverage its know-how to develop its mobility service platform. The same is true for its fleet for which the utilization rate must be optimized and Group's acquired expertise in logistics and maintenance must be enhanced to serve growing and diverse mobility needs for individuals and for goods;
- the quest to strengthen synergies between these platforms to serve its customers better and enhance value creation through optimized asset management. The Group, through its "Product & Tech Transformation" program to unify its IT systems, is moving in this direction. This program is the cornerstone of three interdependent digitalization programs: "Connected Vehicles", "Digital Station" and "Digitalization of the Customer Journey";
- the implementation of a streamlined, simplified, and agile structure – Europcar Mobility Group aims for operational excellence, particularly through transformation programs, to ensure sustainable, profitable growth. The Group intends to continue to improve its efficiency at all levels of the organization.

1.4.2.1 A unique business model for the Group

Thanks to its unique positioning, the Group is able to offer solutions to various mobility usages, whatever the duration of the vehicle rental.



In fact, the Group is able to serve its customers for rental periods ranging from one hour to several months thanks to the optimized distribution of its fleet mix within its network, at a fair price.

To do this, it has platforms to distribute offers and supply the extremely diverse offers, and this requires the mastery of equally diverse skills:

- mobility offers are distributed through various channels:
  - direct and digital (mobile applications, and B2C and B2B e-commerce sites) requiring the use of best technological practices to maximize traffic and conversion rates,
  - direct and non-digital (call centers and stations) requiring trained staff who are attentive to customer needs and able to respond in the language preferred by the customer,
  - indirect and digital (whether from other providers of mobility or travel services such as airlines or railways or hotels, car rental brokers or MaaS platforms, or business travel intermediaries) requiring technological capabilities to connect to various ecosystems, and strong commercial skills to best negotiate contractual terms of resale;

- these mobility solutions are also provided through an extremely diverse network, which is either managed by the Group or outsourced to agents, franchisees or alliance partners:
  - airport and train station agencies are operated under multi-year concessions with landlords, and are designed to serve large and sometimes very seasonal flows of travelers, with very diverse expectations and international profiles,
  - city center stations and car-sharing stations, as well as the regional network, aim to provide domestic customers quick access to vehicles to best meet their daily needs,
  - "supersites are large stations, usually serving a large area and can be used to supply stations in smaller cities. These stations primarily serve professional domestic demand, and light commercial vehicles often constitute a significant portion of their fleet. Consequently, "supersites" often bring together a strong knowledge of local needs and a strong expertise in the specificities of light commercial vehicles,
  - finally, the Group also makes some of its vehicles available to its professional customers directly at their company sites (headquarters, production sites, etc.), where the Group does not maintain a permanent presence as in the rest of its operations.

The platforms described above, due to the various acquisitions that the Group has made in past years, can be managed separately according to the brands. In order to be able to make the most of this unique business model, the Group aims to accelerate the implementation of its "One Group" vision, by unifying its platforms across all of its brands and by standardizing its processes (see diagram below). This transformation aims to increase its agility and operational efficiency, while optimizing its cost base.

1.4.2.2 Group Transformation: Connect

In light of the Covid-19 health crisis, its impact on the economic and competitive environment, and on changes in customer expectations, the Group has decided to update its SHIFT 2023 strategic plan, and to launch its new Connect transformation plan in 2020 in order to quickly reposition the Group on a vision highly focused on customer needs and digitalization. These structural changes will allow the Group to become more efficient and competitive, and to emerge from the current crisis stronger and better able to serve its customers. The three main principles of this plan are:

- a redefinition of mobility services, better corresponding to the expectations of customers who have changed since the Covid-19 crisis;
- a redefinition of the network model and its geographical footprint, in order to gain in productivity and better fit with local ecosystems;
- a new technological platform, in order to gain in agility and digitize the customer experience across the Group's entire scope of consolidation.

Thus, given the health crisis and its effects, and in order to make the most of the acquisitions made in recent years, the Group has decided to rethink its organization, and to restructure the mode of governance of its activities. Business Units no longer exist – with the exception of the Vans & Trucks Business Unit, which continues to operate unchanged – and are now structured in Services Lines no longer based on a brand (Europcar for Cars, Goldcar and InterRent for Low-Cost and Ubeeqo for Urban Mobility), as were the business units, but on types of customer usage (see below). The newly created Services Lines understand the customer needs and define the methods to be implemented to meet them with the entire organization. In addition, while the scope of consolidation of the Business Units was strongly defined by the Group's previous acquisitions, the Services Lines are fully transversal.

LEISURE Service Line	**PROFESSIONAL** Service Line	**PROXIMITY** Service Line
Planned, occasional	Planned, contracted	On demand, pay per use
Driven by price	Price and reliability driven	Accessibility and flexibility
Low stickness, high churn	Long cycle, high stickness	High frequency, mid stickness
Mainstream Price, hassle free experience Brand reliability Service and recognition	Business travel Price, hassle free, fast, standardized Brand reliability Network coverage & admin. services	Local mobility on demand Connected vehicules Good coverage to have easy access to a car but no station
Low cost Pay for what you want only Frugal	Fleet services Wide range of fleet, wide country reach Flexibility durations and solutions	Car substitute Direct access to connected vehicules (allowing control remotely)
	Local mobility for business Sustainable and safe fleet Good coverage	
	Car replacement Specific needs (pricing yielding based) Not station-based	

As shown above, the three Services Lines each serve several types of mobility usage, involve key success factors that are unique and structured as follows:

- Leisure Service Line:
  - it serves individuals with their mobility needs within the framework of leisure travel, at the national or transnational level, by covering both the mid/high-end segment ("mainstream") and the low cost segment,
  - this Service Line therefore manages highly seasonal demand, planned in advance, where price and customer experience are particularly important, and where the customer is usually not very loyal to one brand,
  - Europcar and Goldcar will be the two preferred brands to carry the offers of this Service Line;
- Professional Service Line ("Professionals"):
  - it serves all professionals, from micro-enterprises to large groups, for all their mobility needs. Although these needs can be similar to those of individuals, the different sales channels and professional customers bring with them additional requirements that are specific. This Service Line responds to business travel usage ("Business Travel"), provision and management of vehicle fleets ("Fleet Services"), proximity mobility for companies ("Local mobility for businesses"), and the provision of replacement vehicles – in the event of an accident or breakdown of the main vehicle ("Vehicle replacement"),
  - this Service Line manages regular demand, with long sales cycles, high requirements in terms of systematic reliability of the service and extensive geographic coverage,
  - Europcar and its potential variations will be the preferred brand to carry the offers of this Service Line;
- Proximity Service Line ("Proximity"):
  - it serves individuals in their daily mobility needs, responding to two types of usage: local mobility on demand ("Local mobility on-demand), giving access to a vehicle for specific needs for a local use, or the replacement of vehicle ownership ("Car substitute), offering the rental of a vehicle over several months, which fulfills the same function as a personal car, without the customer committing to long periods,
  - this Service Line manages an urban demand which values above all the flexibility of the rental and the ease of access to a vehicle. The first type of usage serves a relatively recurring demand with fairly strong loyalty, while the second serves stable demand and an equivalent level of loyalty,
  - Europcar, Ubeeqo and their potential variations will be the preferred brand to carry the offers of this Service Line.

Beyond the best customer orientation for implementation of the Service Lines, the Group aims to adapt its activities based on the rebalancing of demand segments seen during the Covid-19 crisis. The Group will continue to operate in all the main segments where it was already operating before the crisis, but aims to reposition itself more particularly on domestic demand. Domestic demand should return to pre-crisis levels faster than international demand; it is less seasonal, and less prone to external contingencies (terrorist attacks, health crises, *flygskam*[1], ash clouds, etc.). More specifically, the Group wishes to maintain its efforts on the development of its light commercial vehicle rental activity as well as on the medium-term rental segment, which proved to be more resilient during the health crisis and allowed for better regularity of the rental activity. The Group sees medium-term rentals as a segment that is both promising through growing customer demand for more flexibility, where it has real legitimacy thanks to its ability to manage flexibility in rental periods.

As mentioned previously, given the importance of the Covid-19 crisis and the opportunity presented by the fact of managing a much lower volume of business on a transitional basis, the Group wished to accelerate and expand the transformation already started in previous years, to be in a position to be prepared for the recovery of demand and new expectations of its customers.

To achieve this, the Group relies on four essential levers:

- simplification and improvement of its IT tools and systems:
  - via the implementation of a major project to unify its information systems, called "Product & Tech Transformation" (see section 1.6.8 of this Document), which will i) drastically simplify the Group's business processes and organization, ii) facilitate the updating of tools, iii) optimize the cost structure and iv) improve the agility of the Group, especially towards its customers,
  - via the implementation of a digital customer journey, which will no longer require the use of paper contracts, and will ultimately allow customers to be able to directly access their vehicle. In addition, the unification of customer databases within the Group will make it possible to maximize customer lifetime value for all types of mobility usage offered by the Service Lines, and improve the personalization of offers;
- simplification and full connectivity of its vehicle fleet:
  - by achieving a fully connected fleet by 2023, starting with the fleet services, and offering its customers the entire fleet at airports and in major cities with direct access by 2023,
  - by reducing the diversity of models in its vehicle fleet, and by introducing a growing share of so-called "green" vehicles (electric or rechargeable electric vehicles);
- reorganization of its station network to best meet the different needs of customers, and by increasing productivity by introducing the following three types:
  - airports and major railway stations, offering customers access to their vehicle without going through a counter, meaning either using an automatic key dispenser or by unlocking the vehicle with a smartphone,
  - Hub & Satellites, to group operations not visible to the customer in hubs often in suburban areas, and "deliver" vehicles to the city center or to open or closed parking lots, or directly to the customer,
  - regional network, offering a wide range of offers meeting local needs and promoted by local direct sellers, and whose stations can also be managed by agents or franchisees as required;
- an organization, talent management processes and corporate culture adapted its level of revenue:
  - a network footprint corresponding to post-crisis demand volumes, and comprising more synergies between the various brands of the Group,
  - rationalization of the organization of regional and Group headquarters, and their facilities.

All items described above will allow the Group to significantly improve its profitability threshold, and thus be more resilient in an economic environment which can be volatile and uncertain.

For reasons of coherence with previous financial reports released to the markets, and since the establishment of this new organization is progressive, the quantitative financial and operational information provided in this document was almost prepared according to the methodology and frames of reference followed in previous reports. This new frame of reference concerning revenues will be implemented starting with the financial reports for the first quarter of 2021.

1.4.2.2.1 Execution of the transformation

The Connect transformation will be carried out via three broadly interconnected programs:

- Business Model Transformation, which addresses all issues related to the implementation of Service Lines and their priorities, in particular the Group's digital transformation component (digitalization of the customer journey and operations, fleet connectivity), but also simplification of the fleet and unification of its management, adaptation of the network according to the typology indicated above, etc.;
- Product & Tech Transformation, which aims to unify the Group's information systems, today managed by several different IT ecosystems. This approach is pragmatic and aims to reuse a large number of already existing IT assets, and combine them to provide all business processes with a single IT ecosystem for all of the Group's brands. This project aims for a gradual deployment, country by country, to scale up a system that is operational from day one, end to end for its basic functionalities;

(1) The shame to take the plane (from the swedish flygskam) is the shame or the feeling of guilt felt by a person informed or sensible to the protection of the environment, when taking a plane, while knowing that this mode of transport has a growing impact on climate change.

- Organization Transformation, which encompasses all the programs linked to the reorganization of the Group, whether for greater integration of the companies acquired in recent years, the resizing of the teams at country and Group headquarters and in the network, or harmonization of functions at the Group level.

This transformation plan is driven at the highest levels of the organization by the Management Board, which reviews the topics regularly to ensure good performance and consistency between the sub-programs.

1.4.2.2.2 Description of the Group's strategic programs

As part of its transformation, the Group is deploying the following strategic programs focused on the customer experience and the optimization of operations, some of which were initiated in previous years:

- **digitalization of the customer journey** - Adapt all the stages of the customer journey so that customers can interact with the Group, on each of its stages either via a digital channel or via a physical channel. One of the key points of the program will be the ability to deploy on a large scale the possibility for customers to access their vehicle without going through the counter, either through the use of an automatic key dispenser, or directly via their smartphone;
- **connected vehicles** – Build a platform that collects in real-time and processes all data from vehicles allowing:
  - better management of the fleet (collect and leverage in business processes accurate information on mileage, fuel level, positioning, potential vehicle crash, maintenance events, etc.) ensuring a smoother customer experience and an improved utilization through pooling vehicles across all brands,
  - an enhanced customer experience through innovative services,
  - the Group committed to have a 100% connected fleet by 2023, while today part of it is already connected (e.g. Ubeeqo fleet). At the end of 2020, the Group notably connected part of the light commercial vehicles fleet in France, and intends to deploy other regions in 2021, to reach 50% by the end of 2021. In addition, the Group aims to make more than 60% of its fleet accessible thanks to a smartphone (so-called "direct access" technology) by 2023;
- **digital station** – Deploy several hardware and software solutions aiming at standardizing and automating or streamlining station-level processes, both client-facing and non-client-facing, adapted to the station category;
- **sustainable fleet** – Adapt all of the Group's business processes, in particular via digital tools, to enable the marketing and management of a fleet of electric or hybrid vehicles, the size of which is set to expand in the coming years. Thus, the Group aims to have one third of its fleet made up of "green" vehicles by 2023;
- **simplified and unified fleet** – Pooling the Group's fleet across all of its brands to maximize the utilization rate, harmonize the business processes of planning, infleeting, distribution and defleeting, and simplify the category mix of the fleet (eco mini, compact, etc., and their sub-categories) to increase the overall utilization rate;
- **network specialization** – Adapt the network to customer needs, in line with the criteria dictated by the Service Lines, and within the framework of the station typologies defined in section 1.4.2.2 (Airports and Stations, Hubs and Satellites and Regional Agencies). The Group therefore plans to deploy 10 hubs by the end of 2021, and 60 hubs by 2023;
- **integration of business organizations and processes** – Harmonization of network back-office, business processes and organizations of different entities with Group standards (integration of Ubeeqo, Buchbinder – under the project name "Mission 1" in Germany – and of Goldcar with Europcar standards). Strengthening of certain synergies between Fox and the rest of the Group;
- **professionalization of vehicle resale (remarketing)** – Harmonize and improve the business processes for the resale of vehicles that are not part of programs with car manufacturers, in particular by capitalizing on Buchbinder's expertise and by improving IT tools;
- **optimization of headquarters** – Resize headquarters to new business volumes, harmonize organizations between countries, concentrate teams in fewer different sites.

1.4.3 Financial targets

As part of the financial restructuring, started in September 2020 and finalized on February 3, 2021, the elements related to the structure of the balance sheet provide:

(i) massive corporate debt reduction, by reducing the Group's corporate debt by 1.1 billion euros through the conversion into capital of all of its 2024 Senior Bonds, 2026 Senior Bonds and the Credit Suisse Facility;

(ii) a significant injection of new liquidity, with the capital contribution in the amount of 255 million euros (the "New Capital Liquidity") as well;

(iii) the granting of new fleet financing in the amount of 225 million euros (together, the "New Liquidity");

(iv) the refinancing of the RCF of 670 million euros.

All these measures will be implemented in the first quarter of 2021 and will fully meet the Group's objectives of having a sustainable capital structure, suited to its ambitions and enabling it to carry out its "Connect" transformation program.

In terms of operational activity, the Group suffered the second wave of Covid-19 in the 4th quarter of fiscal 2020 with the implementation of new lockdown plans in most of the territories where the Group operates. The recovery will take place gradually over 2021 with the reopening of the territories and in connection with the deployment of campaigns to vaccinate the population. These elements have led us to maintain a cautious view of the level of activity to date and to pursue a proactive approach to reducing costs in order to contain them at reduced levels adapted to demand.

1.4.4 the Group's Corporate Social Responsibility commitment

In 2017, our Group initiated a structured Corporate Social Responsibility approach with the "Commit Together" program in order to share its commitments with all its stakeholders.

This program, which was approved by the Group's governance bodies, followed the consultation and an analysis of the CSR expectations of its principal stakeholders (employees, suppliers, customers, investors and franchisees) as well as an analysis of the related impacts, risks and opportunities.

"Commit Together" was revised in 2018 to bring it completely in line with the Group's Purpose:

- To offer attractive alternative solutions to owning an individual vehicle, in a responsible and sustainable manner:
  - Responsible:
    - by contributing to the safe mobility of people and goods,
    - by making mobility flexible and accessible to all,
    - by offering a natural complement to public transport and micro-mobility,
  - Sustainable:
    - by being part of the solution towards a low carbon world,
    - by being an integral part of the value chain of companies and organizations and by contributing to local economies.

The heart of our Group's DNA – through its historical business – is the desire to promote responsible, sustainable mobility. With "Commit Together", we have committed to a progress-oriented process by setting goals, making commitments and involving our employees in this momentum.

The objectives and commitments of the "Commit Together" program are integrated in the indicators of the Corporate Countries, with the involvement of executives in directing the actions.

By focusing on four main priorities, the "Commit Together" program supports the Group's Purpose and strategy, year after year.

Make mobility accessible

We are convinced that mobility is a lever for social inclusion and in this context, access to mobility is key. This is why Europcar Mobility Group offers a range of varied offers, aimed at covering all customer needs, whatever their budget, to make mobility accessible to as many as possible.

The Group's efforts in terms of access to mobility also address the needs of people with reduced mobility, people in precarious employment and young people from disadvantaged backgrounds.

Highlights 2020

Making mobility more accessible to health workers, in exceptional circumstances: this is what Europcar Mobility Group wanted to do, by launching in March 2020 its "Together/Ensemble" program to support their mobility, in the context of the crisis linked to Covid-19. The Group has therefore made rental vehicles available free of charge or at no cost, allowing healthcare personnel and other frontline workers in the fight against the pandemic to travel with complete peace of mind. Over 1,000 vehicles and around a hundred employees were mobilized over the period, in all the countries where the Group operates with its Subsidiaries.

Act for the environment

By the very nature of its activities, our Group wants to be part of the solution towards a low carbon world, by offering attractive alternatives to owning an individual vehicle and thus contributing to reducing the number of cars on the roads and in cities.

In addition, the Group has rolled out its "CONNECT" transformation plan based on the ambition to be a major player in sustainable mobility in the years to come. With this in mind, the Group launched its "ONE sustainable fleet" program at the end of 2019, aiming in particular to integrate more than one third of "green" vehicles (electric, hybrid and plug-in hybrid vehicles) in its fleet by the end of 2023.

Highlights 2020

The "ONE sustainable fleet" program includes several components: close collaboration with car manufacturers to expand the Group's fleet with "green" vehicles, education for customers, training of Group employees, launch of attractive offers, etc. One of the essential levers to the success of the program lies in the ability to develop an ecosystem of electric charging solutions for vehicles.

In November 2020, Europcar Mobility Group signed a partnership with NewMotion, one of Europe's leading providers of electric charging solutions in Europe. With the signing of this partnership, the "ONE sustainable fleet" program has reached an important milestone.

NewMotion will provide Europcar Mobility Group with smart and easy-to-use charging points in stations, and customers who rent an electric vehicle at one of the Group's stations will receive a charging card, allowing them to access the largest charging network across Europe (with more than 170,000 charging points).

Be a responsible employer

As a "mobility service company", the Group is well positioned to observe and take into account societal changes, of which mobility is one of the main vectors.

Today, work and mobility are changing rapidly. New frontiers are being redrawn, under the impact of digital technology among other things and under the effect of the health crisis linked to Covid-19, bringing new challenges in terms of organization, well-being at work and development of skills.

Aware of these new frontiers, the Group is convinced that its success is intimately bound to employees' commitment, diversity and development: For the Group, this means pursuing its efforts on these three pillars while integrating the major societal changes taking place.

Highlights 2020

The Group has always encouraged new forms of work organization wherever possible to make work more flexible and improve the quality of working life for its employees. To do this, Europcar Mobility Group progressively established telecommuting arrangements for employees based at its corporate offices and signed a telecommuting agreement in 2019.

In 2020, these devices were more widely used in view of the health crisis to limit the risks of contamination as much as possible. Thus, the head offices of the Group and in France have formalized remote working within the Group, framed in particular by two agreements, establishing 50% remote working on a long-term basis for employees whose activity allows it.

To support this approach and maintain the social link, initiatives have been put in place, such as the design of two practical guides for managers to help them support their employees in remote working but also to conduct interviews with each of them. to discuss their return to work after lockdown.

Share our business ethics

We are proud of our values and we strive to uphold our professional ethics on a daily basis, a key factor in strengthening the trust and loyalty of our customers.

The safety of our customers is our No.1 priority, and we put their satisfaction at the heart of everything we do. These two fundamental requirements push us to seek to improve them continuously.

The Group also wants to involve all of its stakeholders in both the commitments laid down in its Code of Ethics and its continuous efforts. This ambition is reflected in the implementation of policies and programs aimed at reinforcing professional ethics and the regular deployment of awareness-raising campaigns.

Highlights 2020

The safety of our customers and our employees is our No. 1 priority and we had the opportunity to reiterate this, at the heart of the crisis linked to Covid-19.

From the start of the pandemic, the Group therefore launched its "Safety Program", in order to strengthen cleaning and hygiene measures throughout its branch network and its vehicle fleets, for the safety of its customers. and its collaborators. This program follows the recommendations of the health authorities by integrating the best cleaning and disinfection protocols in relation to the health crisis.

In June 2020, the Group signed a partnership with Bureau Veritas – world leader in testing, inspection and certification – across its network of agencies and its fleet of vehicles in 14 different countries, thus consolidating its "Safety Program". This partnership allows the Group to assess its processes and practices and to be supported in the implementation of benchmark health protocols.

1.5 COMPETITIVE ADVANTAGE AND KEY ENABLERS TO DELIVER THE GROUP'S STRATEGY

The impacts of the health crisis have not fundamentally called into question the Group's competitive strengths. It uses its assets to carry out its strategy, Connect 2023. The agreement in principle on the restructuring of the Group's balance sheet announced on November 26 should enable the Group to implement this strategic plan, subject to its acceptance at the General Meeting on January 20, 2021.

1.5.1 Recognized brands and a capacity to acquire a diversified customer base

1.5.1.1 Well-known brands

Our four international mobility brands

Our local brands

The Group enjoys the strong reputation of the brands under which it operates its mobility services:

- Europcar® as the Group's premium/mainstream brand;
- InterRent® as the brand dedicated to the mid-tier segment and geared to leisure customers; with a full digitized experience;
- Goldcar® as a major low-cost brand in Europe;
- Buchbinder®, a recognized brand in Germany and Austria, serving its local markets as a sales leader for the Group;
- Fox Rent-a-Car, leisure-focused American car rental player, with a low cost orientation that complements Goldcar's geographical coverage;
- Ubeeqo, our main brand dedicated to urban mobility services (offering B2B and B2C closed-loop car-sharing), alongside other brands such as Brunel (driver services) and BetterCar (car rental dedicated to private vehicle hire drivers).

With these different brands in its business portfolio, Europcar Mobility Group has the capacity to meet the mobility needs of its customers throughout all segments with appropriate solutions. Thanks to the acquisition in 2017 of Goldcar, the Group was able to improve its coverage of the leisure segment, by offering its customers two leading brands in their categories (premium/general public for Europcar and low cost for Goldcar). The Group then strengthened its geographic coverage of low cost demand by acquiring Fox Rent-a-Car, a local champion in this segment in the United States in 2019. Finally, the Group has repositioned its InterRent brand in the Mid-tier segment to finalize its coverage of the vehicle rental segments.

Please refer to Section 1.6.2 "Europcar Mobility Group's brands and respective services offers" for further information.

The Service Lines, set up by the Connect plan in 2020, may need to change the brand portfolio, to best meet customer needs.

1.5.1.2 A capacity to acquire a diversified customer base

The Group has a broad customer base, well-balanced between business and leisure customers (which generated 51% and 49%, respectively, of vehicle rental income in 2020 versus 39% and 61% respectively in 2019). This diversity is based on the capacity of the Group to get integrated into different ecosystems, to acquire and serve customers wherever they are. This has pushed the Group to manage directly or indirectly different capabilities (inbound call centers, e-commerce platforms, smartphone applications, B2B sales force, Global Sales Agents, etc.) and to contractualize with a very diversified set of intermediaries (Global Distribution Systems, brokers, Travel Management Companies, Online Travel Agencies, roadside assistance operators, Mobility-as-a-Service platforms, etc.).

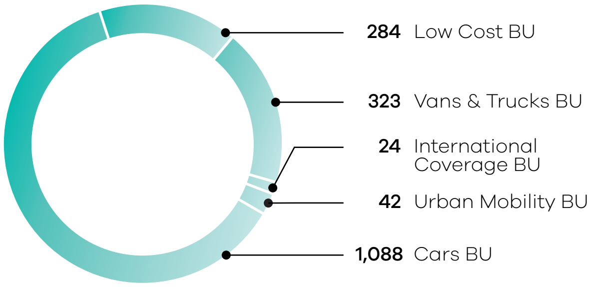
This diversity allows the Group both to maximize the acquisition of its customers during the high season, and to compensate for the seasonality of its activity by acquiring other types of customers during the low season. In fact, we observe a higher demand from leisure customers during the summer and relatively stable demand from business customers throughout the year. Similarly, there is a peak demand during the weekends for leisure customers and during the week for business customers. The Group's contractual relationships with numerous large corporate customers, as well as with small and medium-sized businesses across multiple industries, promote a certain resilience of the Group's business vehicle rental income, in particular during periods outside of tourist seasons and during business days. In addition, the Group's leisure activity is characterized by longer-term rentals than business rentals. Lastly, the Group's mid-term rental business involves rental durations that are even longer (several months), with in consequence revenue per transaction day lower than the leisure business.

Refer to Section 1.6.3 "Customers ("Business"/"Leisure")" for more information.

Due to the Covid-19 crisis, the Group experienced a drastic change in its revenue mix in 2020. As international mobility has collapsed, the demand for the rental of low cost vehicles (mainly linked to international demand) has drastically decreased, resulting in a lower share of the Low-Cost BU in the mix. On the other hand, the Cars BU, which serves both domestic and international demand, saw its volumes less affected by continuing to serve domestic demand. Lastly, demand served by the Vans & Trucks BU held up well because it was almost exclusively domestic, and linked to the mobility of goods. Directionally, besides 2020 that has been an exception, and as already stated, the Group's strategy aims at continuing to rebalance its business towards a lower share of cross-country business to the advantage of a higher share of domestic business.

The Group's total revenue by Business Unit for the year ending December 31, 2020 was as follows:

Distribution of the Group's revenue by Business Unit in 2020 (in millions of euros)



Source: Company.

1.5.2 An established leader position offering a solid infrastructure for mobility solutions

The mobility industry is undergoing profound change, driven by new technologies, in a context of increasingly powerful platforms. Changes in usage, particularly in urban mobility, provide a growth opportunity for a company such as Europcar Mobility Group. It has long been positioned throughout a large portion of the mobility value chain, due to key skills such as the ability to manage a large-scale fleet (logistics) and the know-how to directly serve its customers in a growing number of mobility uses. The Group's expertise is the ability to offer the right vehicle, in good condition, at the right time, at the right price, to the right person. Achieving this depends on three key skills:

- the ability to obtain and finance a significant number of different vehicles at the best price;
- the ability to maintain its vehicles in good condition across a granular network;
- the ability to optimize its offering by means of precise demand forecasting.

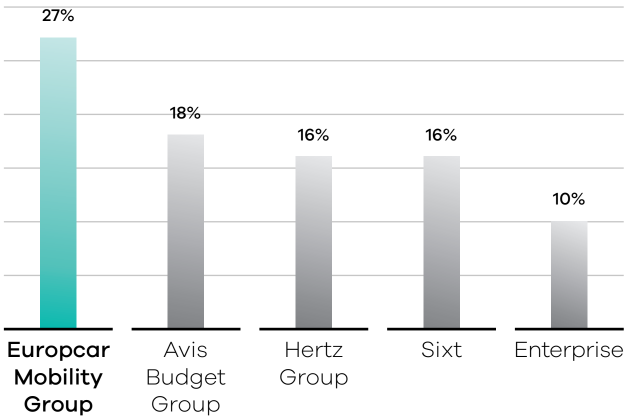
In terms of mobility services for customers, the Group operates various digital platforms and is continually improving them to serve customers better throughout their experience. This customer experience is differentiated depending on the brand and is becoming increasingly digital and seamless.

1.5.2.1 A dense global network

With more than 70 years of experience, Europcar Mobility Group has a global presence and is one of the main players in the mobility industry. The Group has a wide international network serving a broad range of customer mobility needs based on sophisticated revenue management and optimized fleet capacity. The Group leverages these strengths to continue to deploy innovative solutions and services to better serve changing customer mobility usages.

In 2020, the Group was the leading European vehicle rental organization. In 2020, the Group's competitive positioning within the franchisee countries was also very favorable.

Europcar Mobility Group market shares in Western Europe (1) in 2019



Source: 2019 Euromonitor Statistics.

The Group believes that its leadership position in Europe is sustainable, particularly due to the extent of its activities, the quality of its network, its brand strategy (the main ones being Europcar®, Goldcar®, InterRent® and Ubeeqo®) and its ability to manage complex operational systems and financing schemes with flexibility and efficiency. The European vehicle rental market is one of the most difficult to penetrate due to the multiplicity and diversity of countries with different rules and regulations and with regional differences in consumer habits. The Group believes that its extensive local presence and professional expertise allow it to respond effectively to the complex and highly diverse nature of its markets.

(1) Germany, Belgium, Denmark, Spain, Finland, France, Ireland, Italy, Norway, Portugal, United Kingdom.

Furthermore, the Group's strong roots in various European countries in which it directly operates 1,066 stations located near the homes and workplaces of its customers (17% are located in airports) enable it to monitor and anticipate changes in demand and market trends, and thus better manage its fleet volume. Moreover, it is through this desire to best serve local demand that the Group has decided to create the Service Line Proximity. The Group has consolidated its network by purchasing the operations of national franchisee in Ireland, Denmark, Finland and Norway in 2016, 2017 and 2019 respectively.

In 2019, the Group also acquired Fox Rent-a-Car, a US-based company with revenue of approximately $250 million in 2019 operating a network of 21 corporate stations in the US and with affiliates in over 100 overseas locations. This acquisition enables the Group to have a direct presence in the US, the biggest car rental market worldwide, and to reap the full benefits of the US-Europe traffic flows in both directions.

The Group had a presence in 144 countries throughout the world at the end of 2020, with numerous partnerships and commercial representation agreements. Franchises (1,732 stations) enable the Group to extend its network and are a source of high-value growth with lower risk, while its partnerships and alliances provide additional market penetration in growing markets. In addition, franchises and alliances make it possible to expand the Group's offering to its business customers. The Group's strategy includes the development of partnerships with sales representatives, airlines and large travel intermediaries. This enhanced strategic presence should lead to better capture of international traffic flows. In addition to its franchisees, the Group relies on partners, particularly in Canada, China, India and Japan, as well as on commercial and general sales agency arrangements.

As of September 30, 2020, the Group signed a partnership with Routes, one of the leading car rental companies in Canada. Routes operates a rental fleet of more than 6,000 vehicles in six airports in Canada and the United States, serving more than 250,000 customers per year. This agreement ensures continuity of service for the Group's customers following the termination of the agreement with Discount.

As of January 1, 2020, the Group is partnering with general sales agencies in 45 countries around the world with a strong focus on source markets in China, Brazil, USA, Canada and Argentina. General sales agents allow the Group to access local travel intermediaries, hence reach a very large audience around the world. All general sales agents are appointed to act as non-exclusive representatives authorized to promote and offer the Group's rental services.

Europcar Mobility Group's infrastructure is made up of more than 140 digital web platforms providing access to all its services. This is a key type of infrastructure that meets the needs of customers who are now accustomed to entirely mobile experiences with geolocation and immediate service. These digital platforms, coupled with predictive algorithms, enable the Group to customize its relationship with each of its customers and accordingly, better address their different needs. In this context, the Group's network becomes a full-fledged component of its service.

The Group's network, particularly in its subsidiaries where it operates directly, is supported by its GreenWay® system for the Europcar brand and by Sigger for its Goldcar and InterRent brands, forming the basis of a powerful and effective reservation platform and revenue capacity and fleet management tool. The Group's network is also commercially supported by the use of forecasting models that help to determine pricing while also optimizing the distribution, planning, allocation and yield of the fleet according to demand.

1.5.2.2 Optimized and flexible fleet

Fleet management is a core competency and one of its main areas of expertise of Europcar Mobility Group. The Group has a flexible and low-risk fleet, together with strong skills in logistics, maintenance, and optimization of fleet utilization rate.

The Group's efficient fleet management benefits from central coordination and local initiatives, leveraging strong, longstanding partnerships with vehicle manufacturers. In addition, the Group takes a pragmatic approach to fleet management, optimizing the mix between regional and local contracts, maintaining short- and long-term flexibility in volume commitments and vehicle holding periods to meet fluctuations in demand, especially seasonal. This efficiency also relies on repurchase commitments the Group has obtained from manufacturers that give it the flexibility to react to changes in demand.

The Group's network is supported by a flexible fleet that has one of the highest proportions of buy-back agreements in the industry, a diverse fleet supply and flexible fleet financing. 84% of Europcar's 2020 fleet vehicles delivered were covered by such buy-back agreements. This high level of buy-back agreements limits risk by providing greater fleet cost visibility. It also increases fleet flexibility, with commitments allowing for a five to nine month buy-back period which allow the Group to manage the seasonality inherent to the business. The sourcing of the Group's fleet is also diversified in terms of automobile manufacturers and brands (see Section 1.6.6 "the Group's fleet" for more details). The Group can periodically and opportunistically enter into multi-year framework contracts (generally for a two-year term) with certain manufacturers to ensure fleet availability. In order to optimize its financing conditions, the Group uses diversified asset-backed financing represented by the fleet, including securitization, capital market financing (bond financing), revolving credit facilities and operating leases.

Europcar Mobility Group's expertise in fleet management is one of its major assets in the face of the ongoing changes in the mobility market:

- the emergence of new technologies, with the development of connected vehicles, predictive distribution and maintenance algorithms, creates opportunities to optimize the fleet and increase the value added in its management;

- the changeover to electric, which is going to significantly impact maintenance operations, energy management for the vehicle fleet and customer experience;
- given the trend toward multi-modal means of transport and the increased convergence between car-sharing and vehicle rental, parking and maintenance areas will have to be transformed into hubs in a multi-modal ecosystem.

Finally, in order to improve its fleet utilization, and to comply with the "One Group" vision, Europcar Mobility Group initiated its new "One Fleet" program to unify fleet sourcing and management and create a single pool of vehicles to serve all its brands.

1.5.3 Strong capabilities in balancing supply and demand

One of the most critical assets of the Group has also been its continued ability to balance, on a daily basis, the mobility demand with the fleet supply. This means offering to each customer the right vehicle, at the right time, at the right place for a fair price. These capabilities are managed by the Revenue and Capacity Management (RCM) function.

There are three main capabilities that are mastered:

- demand forecasting, based on the current backlog, external data such as airlines own backlog, and historical patterns. Demand is broken down by several metrics to allow a precise management of the fleet: by vehicle type, by pricing zone, by rental length, by customer segment and by day;
- capacity planning (i.e. fleet planning), based on the demand forecast, to optimally match the size and mix of the fleet in each station with the demand, taking into account operational constraints such as slack time, infleeting/defleeting time, redispatching time;
- price setting and adjustment, to optimize the prices with the demand and the actual fleet available. Algorithm-based dynamic pricing techniques are used to be as efficient and granular as possible.

RCM is working on two time horizons:

- medium term: there is a preliminary forecast that serves as a basis to define the fleet purchasing plan for the following year;
- short term (tactical): demand forecasting is adjusted all along the year on a daily basis to allow more tactical moves both in terms of fleet reallocation or size and mix adjustment, sales channel adjustments and pricing policy. Notably during the high season, the management team is adjusting on a regular basis:
  - the mix of sales channels, to not only optimize revenues, but also the contribution margin, with a main focus on direct sales channels where possible,
  - the capacity to infleet and defleet tactically throughout the year to adjust at the last minute the capacity to the actual demand to serve.

1.5.4 Gradual return to business model standards in 2021

The Group's income has been deeply affected by the Covid-19 crisis, like all players in the "Travel & Leisure" sector. This sudden global crisis has severely tested the Group's business model and its ability to adapt its resources to its needs in order to support greatly reduced revenues. The Group will thus have reduced the costs of its initial roadmap by more than 1 billion euros for revenues that were down nearly 50%, demonstrating its flexibility and its ability to significantly reduce its costs during this exceptional, sudden and global collapse of its activities.

As a general rule, the Group benefits from a flexible and constantly optimized cost and financing structure, in particular for the fleet depending on the level of income (seasonality); The "buy back" model, which represents more than 80% of the Group's fleet, reinforces this ability to quickly adapt motor resources without penalty for the company. Its financing provided by numerous instruments to atomize risk is also designed to be flexible. This fleet component is increased by numerous outsourced activities which give great agility and flexibility to adapt to the "business model".

This agile model is reinforced by the savings and transformation programs initiated in the Connect strategic plan through the digitalization of many tasks (the customer journey, work in stations, work in the back office) and the operational integration of acquisitions.

Beyond the operational generation of Corporate EBITDA, the operating cash allowance focuses on three topics: restructuring costs, investments and working capital management. 2021 will be marked by exceptional consumption on these three items linked to restructuring to adjust costs to the level of activity, catching up on digitalization projects in investments and regularizations of the post-Covid WCR. The standard should rather be in more limited allocations on these 3 items allowing the Group to deliver 50% of conversion of its Corporate EBITDA into operating cash flow.

These essentials will allow the Group to keep generating cash in the coming years for both accelerating its growth and bringing return to the shareholders.

1.6 THE GROUP'S BUSINESS

As mentioned in section 1.4.2.2, the Group has redefined its go-to-market strategy by eliminating its organization in Business Units and replacing it with an organization in Service Lines. The description of the Group presented below is based on the same premises as in 2020.

1.6.1 Business overview

The Group's strategy and development are defined and overseen by the Management Board. The Management Board has three members: Caroline Parot, Chairwoman of the Management Board, Fabrizio Ruggiero, Deputy CEO and Olivier Baldassari, Chief Countries and Operations officer.

The Group's operational organization is based on management of the Group's activities at a local level by Corporate Countries, which implement the strategy and objectives set by the Group through its Business Lines. Management of the Group's activities outside the Corporate Countries consists of management of franchisees, partnerships and commercial agency agreements. Dedicated management teams at the Group level (Human Resources, Fleet, Finance, Operations & Network, Commercial, IT and Legal) also oversee the execution of the Group's strategy.

In 2017, the Group modified its organization, with the goal of optimizing its competitiveness and agility as well as accelerating its growth. The Group wishes to better capitalize on its customer-focused vision to ensure sustainable growth. The Management Board accordingly decided to launch a project to organize the Group around five Business Units reflecting the Group's commercial strategy and a strong focus on the activities linked to its core business, while also developing new business opportunities. As explained in section 1.4.2.1 of this Document *A unique business model for the Group*, the organization of Business Units migrated from the second half of 2020 towards an organization by Service Lines, which is fully operational for 2021. For the sake of clarity and simplicity for this year, the figures in this Document are again classified by Business Unit.

- **Cars BU**

The Cars Business Unit is the Group's historic division. Its objective is to consolidate the Group's leading position in Europe by continuing an organic and external growth strategy, in particular through acquisitions of franchisees. In 2020, the Cars BU had revenue of 1.090 billion euros, which represented around 62% of the Group's revenue for the year. The Cars BU targets both the leisure and business customer and offers customers a wide range of vehicles in all the countries where the Group operates;

- **Vans & Trucks BU**

The objective of the Vans & Trucks Business Unit is to become the European leader of the highly fragmented market of light commercial vehicle rentals. Although sharing the Europcar brand with the Cars BU, the Vans & Trucks BU is made up of a small, dedicated central team that supports the development of the Vans & Trucks activity with country managers and the Vans & Trucks teams in the field. The Business Unit generated revenue of 323 million euros in 2020, representing nearly 18% of the Group's revenue.

The main objectives for 2020 were to develop a network of branches dedicated to the Vans & Trucks business segment, restructure its operational network, increase the revenue per rental day and improve the average monthly costs per fleet unit.

- **Low-Cost BU**

The objective of the Low-Cost Business Unit is to consolidate the Group's leadership in the low-cost segment by offering an incomparable customer experience through technological innovations at accessible prices and a strong presence in the main tourist locations in Europe. The Low-Cost BU had revenue of 284 million euros in 2020, which represented around 16% of total Group revenue. The key factors of the success of the Low-Cost BU are: an economy rental fleet, a growing digitalization of the customer experience, and to be at the technological forefront of the sector. Following the Group's acquisition of Goldcar in December 2017, it focused on creating the European low-cost leader with the integration of the Group's low-cost businesses (Goldcar and InterRent) while retaining the "lean" organization and procedures of the Goldcar Group acquired. Upon the acquisition of Goldcar, the Group announced that it planned to extract synergies from integrating Goldcar in the areas of fleet financing, purchase, insurance and structure costs.

- **Urban Mobility BU**

The purpose of the Urban Mobility Business Unit is to set up, develop and deploy Europcar Mobility Group's new mobility solutions to make it one of the major players on this high-growth market. The Business Unit has three main business lines: closed-loop car-sharing, B2B ride-hailing, and PHV rental (Private Hire Vehicle). These mobility solutions are offered on fully digital platforms (application and Web) and are specially designed to meet specific needs of customers (on-demand service near the reservation point, seamless, fast reservation). In 2020, the BU recorded a decline of approximately 14% in revenues.

- **International Coverage BU**

The International Coverage Business Unit's objective is to expand Europcar Mobility Group's services worldwide. The Business Unit is managed by a Chief Executive Officer, with full responsibility for the Business Unit's earnings, and consists of three departments managed by Department Directors: the Group Franchise Department, the Group Alliances Department and the Regional Sales Department. In 2020, this Business Unit contributed 24 million euros to the revenue of Europcar Mobility Group, which was significantly down in 2019, like the activities managed directly by the Group. The main task of the International Coverage Business Unit is to act as a facilitator between countries, driving and steering profitable business from/to all Europcar Mobility Group's Corporate Countries, franchisees and partners.

These five Business Units benefit from the network's strength in different Corporate Countries as well as the experience of their managers.

The support functions ensure the implementation of the Group's strategy and bring their expertise to the Business Units and Corporate Countries.

This corporate organization, which was implemented in 2017, also provides the Group with management bodies to better achieve the Group's ambition. For this purpose, the Group relies on:

- the Group Executive Committee whose task is to roll out the Group's strategy within the Business Units. It is managed by the Chair of the Management Board and includes the other Management Board members as well as the Vans & Trucks Business Unit Director, the Director of Sales and Customer Accounts, the Northern Europe and US Managing Director, the Southern Europe & Australia/New-Zealand Managing Director, and the heads of the following support functions: Chief Financial officer, Human Resources Director, Chief Product & Technology officer, Company Secretary, Chief Strategy officer;
- the Commitment Committee, whose role is to validate CAPEX expenses and responses to calls for tenders for major commercial contracts. It brings together the Deputy CEO, the CFO, the CEO Southern Europe & Australia/New Zealand and the Strategy Director.

See Section 5.1.5 "Other management bodies" of this Universal Registration Document for more information on the management of the Group and the Corporate Countries within the new Group organization built around five Business Units.

1.6.2 Europcar Mobility Group's brands and their services offers

In 2020, Europcar Mobility Group operated as a mobility service company, addressing the car and light commercial vehicle rental markets as well as the new mobility market. The Group's brand portfolio demonstrates a strong capability to meet the mobility needs in all segments with the appropriate solutions.

The brand portfolio

The Group covers the traditional and upscale market with its Europcar® brand, the mid-range market with its Interrent® brand, the low-cost market with its Goldcar® brand and the urban mobility market with its Ubeeqo® brand.

During the summer of 2019, the positioning and attributes of each of these four brands were reinforced to increase the Group's brand capital and improve the perception of each of its brands. In 2020, the Group conducted a review of its brand portfolio in order to sustainably adapt its mobility service offers to the new market context and to changes in customer expectations post-Covid-19 in its three key markets: Proximity, Leisure and Professional customers.

Europcar® is the Group's core brand addressing the mainstream short to long-term vehicle, car, van and truck rental market.

Europcar has developed an offer focused on knowing its customer base thoroughly and providing them with an extensive choice of customer experiences, whether they are looking for a fully digitalized journey or a step-by-step journey with human interaction at all stages, or a mix of both. The Europcar brand serves a wide range of market segments, as well as a portfolio of diversified customers, from large multinational business accounts to small and medium enterprises and individual customers, regardless of their uses and needs, whether in the professional, leisure or mixed segment.

Europcar's extensive local network covers more than 130 countries worldwide through the Group's corporate and franchisee network and also serves customers in the United States via the takeover of Fox Rent A Car, as well as Canada and Asia through a global alliance with expert partners such as Routes Car Rental in North America, Times Car Rental, ShouQi Car Rental and Eco Rent a car in Asia.

Founded in 1949, the Europcar brand has always been a pioneer in the field of car-sharing through rental services, consistently ready to provide more services to travel beyond a city's or a country's borders. The brand has turned this heritage into a strength, continuously demonstrating its ability to renew its offers and expand its network.

The brand's traditional color since 1989 also symbolizes its eco-citizen commitment, whether in terms of its low-carbon, hybrid and electric vehicle fleet or the commitment of its employees to reduce water waste when washing cars or printing paper, and to reduce plastics and waste at the stations and at headquarters.

Although the Europcar brand remains focused on winning new customers and increasing its market share in the world, the loyalty of its existing customer base is a key strategic priority in the brand's development.

The Europcar Privilege® program addresses this ambition through a free loyalty program that offers regular customers a wide range of rewards and exclusive services. The program is structured into four status levels (Privilege® Club, Privilege® Executive, Privilege® Elite and Privilege® Elite VIP) and rewards customers based on the number of rentals or rental days, for cars, vans or trucks, with great advantages for three rentals and more, enabling customers to receive a free car rental weekend anywhere in the world in Europcar's countries of operation.

Among the program's special services, priority access to vehicle pick-up, a guaranteed reservation until the station closes, and an additional driver free of charge for the program's top statuses were decisive advantages contributing to the program's adoption. It has received two prestigious "Frequent Traveler Awards 2019" for "Program of the year" in Europe and Africa, and "Best Loyalty Customer Service" in Europe, Africa and Asia-Pacific.

In terms of the program's efficiency, 70% of regular customers who are program members have repeated their rentals from Europcar from one year to the next, compared to 30% for non-members. In addition, the program's specific customer relations plan helps maintain a special, fully personalized relationship with each of the members while increasing revenue from the promotional emailing channel via exclusive and/or preview offers. In 2020, the Group is launching a multi-brand loyalty program for its four main brands with the total overhaul of the Europcar Privilege® and Goldcar Club programs to launch a new program combining simplicity with a smoother, more personalized experience and offering the full range of services provided by Europcar Mobility Group.

Moreover, in order to promote the Europcar brand, the Group uses various digital campaigns regarding its products and services and based on the brand signature: "moving your way". The Group also has international partnerships with airlines, major hotel groups, railway companies and credit card companies that both promote the brand and generate demand.

The Europcar brand has received numerous national and international awards, including the World Travel Awards, a range of awards granted by travel professionals that recognize excellence in the global travel and tourism industry.

In 2019, for the fifth consecutive year, Europcar was awarded the World Travel Awards for the World's Leading Green Transport Solution Company, the World's Leading Car Rental Company Website, and also received regional awards such as Europe's Leading Car Rental company, and Oceania's Leading Car Rental company (Australia/New-Zealand):

World's Leading Green Transport Solution Company

World's Leading Car Rental Company Website

For the third consecutive year, Europcar received the prestigious "TripAdvisor Travellers' favorites" award in Germany, Spain and France:

InterRent®, deployed by the Group since 2013 originally as a low-cost brand, is repositioning itself as the Group's mid-tier market brand following the acquisition of Goldcar.

Thanks to the "key'n go" facility, InterRent provides a smooth service directly connecting the customer, his or her smartphone and the car, thereby making it possible to enjoy all the other connections necessary for a seamless journey. This new offer is being rolled out swiftly in Europe and has already been set up in the main tourist airports of five countries: Spain, France, Italy, Portugal and the United Kingdom.

Goldcar® is the Group's low-cost brand. Goldcar enables its customers to get the best value for their vacation budget by choosing the most economical way of driving to their vacation destination. Its aim is to consolidate its leading position in the low-cost leisure market in Europe. Goldcar's primary goal in the coming years will be to work on constantly improving its services and committing to customer satisfaction in the long term.

With more than 30 years of experience in the car rental sector, the Company operates more than 100 stations in Europe, including both corporate and franchisees, and now has a presence in more than 20 airports in the United States thanks to the Group's takeover of Fox Rent A Car. The three pillars of its core business strategy, namely geographical expansion, an excellent customer service, and investment in new technologies, allow Goldcar to continue offering the best prices and services to its customers.

Finally, Goldcar will be the driving force behind the recovery of the leisure market after the Covid-19 crisis, benefiting from a market that will be driven more by regional destinations than long distance, an attraction for accessible offers and the search for a more frugal approach to consumption and travel.

Ubeeqo® is a French start-up company established in 2008 in mobility and fleet management services for companies and more recently for individuals. Since February 2017, Europcar Mobility Group wholly owns Ubeeqo International. This acquisition was part of Europcar Mobility Group's strategy to expand its mobility solutions offerings to respond to customer needs by providing simple, turnkey solutions.

Through its solutions and technologies, Ubeeqo encourages individuals to travel differently, by making better use of cars when they are indispensable, or by using an alternative where possible, in full synergy with other solutions mobility such as public transport or micro-mobility.

Ubeeqo, present in France, as well as in the United Kingdom and Germany since 2015 and in Spain and Italy since 2016, offers various services and car-sharing services (general public or in companies) or mobility credit for their employees.

Ubeeqo's current customer base includes several international blue-chip companies, such as Danone, L'Oréal, Airbus, Michelin, Commerz Bank or Endesa. Its business that targets German companies recorded strong growth in 2019 and 2020. Its solutions aim to provide customers with significant savings, enhanced employee satisfaction and a limited impact of the mobility on the environment.

In terms of brand positioning, Ubeeqo strives to become the smart alternative to owning a car, while endeavoring to push the boundaries of individual mobility. Ubeeqo is the Group brand that offers a climate-friendly urban footprint and a fully-fledged digital experience.

Ubeeqo's offer showed good resistance in 2020 despite the Covid-19 crisis, in keeping with a more limited use of individual vehicles linked to the development of remote working and offering a 100% digital, zero contact experience, in line with the health safety expectations of city dwellers.

Customer relationship

After the deployment in 2019 of its new Customer Relations model on the Europcar, InterRent and Goldcar brands, the Group finalized in 2020 the transformation of the Ubeeqo customer relations centers. The main result has been to gain operational agility in a model based on outsourced production and centralized governance.

This organization makes it possible to adapt the response capacities to customers according to the different markets while ensuring a high quality of service (95% response rate to telephone requests). The effective management of the Covid-19 crisis was made possible by this model, allowing the Group to ensure the continuity of its support to customers around the world, from production platforms or remote working.

The outcome of this program was rewarded by the AFRC (French Association for Client Relations) through the award of the "Palm of Transformation through Client Experience" award, obtained in October 2020.

The harmonization of the Group's Customer Relationship management will continue in 2021 with the finalization of the integration of Buchbinder and FOX into this global model.

Customer satisfaction

Since 2011, with a view to enriching the Customer Experience, Europcar monitors and manages customer satisfaction by gathering customer feedback as part of a continuous improvement approach.

Within the Customer Engagement structure, "Voice of the Customer" ambassadors ensure the consistency and prioritization of the initiatives implemented to address customer satisfaction challenges. This approach makes it possible to implement significant changes in the management of our customer processes.

The impacts of these changes are monitored through the Net Promoter Score. The NPS is one of the main customer satisfaction measurement indicators, both at the operational and executive levels, and shows the difference between "promoters" and "detractors" of our brands.

All Group employees have an interest in this indicator as it is linked to a portion of their variable compensation. Rental station scores are reviewed weekly and action plans implemented based on these reviews.

- Europcar's NPS is calculated in the same way across all countries, subsidiaries and franchisees. This key performance indicator is constantly on the rise, and increased from 45 in 2015 to 51.8 in 2020 – data as of the year ended December 2020, based on the revised calculation method, standardized for all brands, which explains the "technical" decline between 2019 and 2020 – reflecting the efforts to transform the customer relationship management process coordinated by the Group's Commitments Department. See the box labeled, "*Palme de la Transformation par l'Expérience Client*" ("Prize for Transformation through Customer Experience") awarded by the French Customer Relationship Association (AFRC);
- Goldcar, InterRent and Ubeeqo have also implemented the Net Promoter Score. The measurements, which have been aligned since January 2020, are aggregated in a Group NPS made up of the different brands' results;
- this integration of the indicator within Europcar Mobility Group will be continued in 2021 with Fox, while customer satisfaction is already managed at the local level thanks to the NPS indicator. Likewise, the deployment of the NPS measurement in 2021 on the scope of consolidation of the Buchbinder brand will allow the Group to monitor this indicator across all of its operations.

As the Covid-19 pandemic has changed the behavior of our customers and also the responses provided by operations (see section "Customer journeys"), Europcar Mobility Group has updated its NPS questionnaire in order to better reflect the perception of these adaptations by:

- modifying the content of the NPS survey and asking the customer how they feel about the specific security measures taken by our agents to deliver the rental service;
- adding the "pandemic" theme to our semantic analysis tool to detect weak signals concerning this subject.

Customer journey

In keeping with the definition of its brand portfolio and through the implementation of Service Lines integrating the concept of customer use cases (Leisure, Professional and Proximity), Europcar Mobility Group develops a better understanding of its customers, their typical profiles and the "moments of truth" in their physical or digital journeys.

Collecting needs, preferences and uses, including an overview of all the customer's interactions with each of our brands, constitutes a key pillar in developing an improved customer experience.

This materialized through an acceleration of the digital experience offered to our customers and the integration of new functionalities aimed at enhanced customer autonomy:

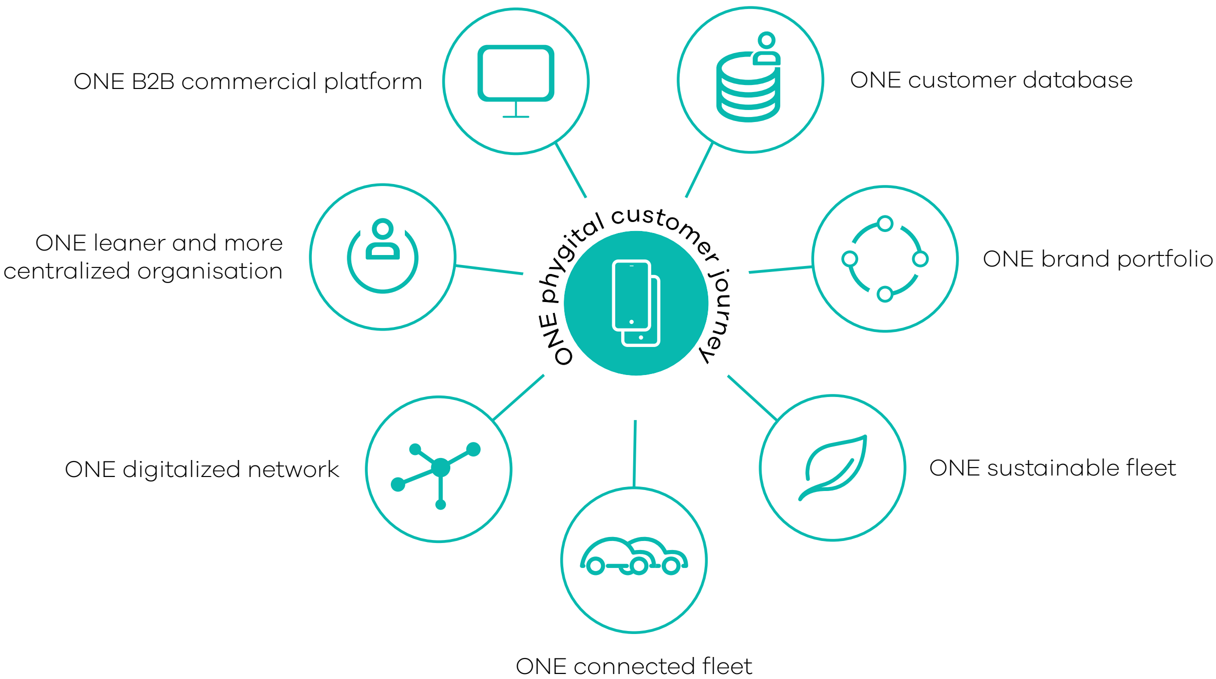
- the overhaul of the two iOS and Android Europcar applications (including an overhaul of the reservation tunnel and the integration of the driver's license registration and scanning functionality, as well as online registration), making the customer experience more fluid and reduction of waiting times in stations;

- the launch of the redesign of Web platforms with the Onesite project;
- the industrialization of the Key n'Go machine program enabling the immediate and autonomous recovery of Goldcar vehicles;
- the integration of connectivity in our vehicles allowing us to meet the needs of our customers and adapt our offers.

Digital tools will allow us to support the rise of electric vehicles in all that their customer journey may have specific or anxiety (range, possibility of recharging, instructions for use, etc.).

In order to adapt to the health context linked to the Covid-19 pandemic, Europcar Mobility Group has launched 2 structuring initiatives:

- a demanding Safety Program materializing the first of our commitments: the safety of our employees and our customers Operational processes adapted to the health context and rigorously applied to offer a safe and flexible travel experience ("zero contact" policy, cleaning and disinfection rigorous of agencies and vehicles);
- process certification. "Clean & Safe" by Bureau Veritas. Europcar Mobility Group and Bureau Veritas have signed a partnership which applies to the entire network of Europcar Mobility Group agencies. Its objective is to ensure that the hygiene and safety measures applied there (agencies and vehicles) follow the recommendations of the health authorities, as well as the best protocols in terms of cleaning and disinfection. The partnership covers 14 countries and is based on two main axes;
- first of all, to assess the processes and practices of Europcar Mobility Group in terms of health and safety for customers and employees, through the prism of local regulations and recommendations from the scientific world;
- lastly, supporting the Europcar Mobility Group network in the implementation of benchmark health protocols.



1.6.3 Customers (Business/Leisure)

The Group's products and services are offered to a large range of business and leisure customers. Business customers primarily include large corporates, small and medium-sized businesses, as well as entities renting vehicles to provide temporary vehicle replacement services. Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, directly or indirectly via tour operators, brokers or travel agencies. This clientele also includes city residents who rent their vehicles for their local mobility needs (replacement of personal vehicles by medium-term vehicle rental or car-sharing, rental of utility vehicles, etc.).

The business and leisure segments have different and complementary characteristics, particularly in terms of seasonality of demand, which allows for better management of the Group's network (both in terms of stations and the fleet utilization rate*). The Group believes that maintaining an appropriate balance between business and leisure rentals is important to maintain and enhance its overall profitability and the consistency of its operations throughout its network. Consolidated revenue generated by the business and leisure customer segments remained relatively stable during the last few years (except for 2020 which was very different due to the Coronavirus epidemic, both our Business and Leisure profiles have changed with more long-term corporate rentals both vans and cars and leisure travel being more domestic in its nature). For the year ended December 31, 2020, leisure rentals accounted for approximately 49% of the Group's vehicle rental income (excluding fees received from franchises), with business rentals accounting for the remaining 51% (against 61% and 39% respectively in 2019).

Some of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy, Portugal and Ireland) are more geared towards leisure customers (however in 2020 we have seen a shift towards B2B cars and vans due to less leisure inbound volume) and others (France, the United Kingdom and Denmark) have a balance between business and leisure customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market. Once again, B2B dominated this year. The United States is predominantly "leisure" because the Fox brand is aimed only at this clientèle and there were few international flights from Europe to America in 2020, bringing Europcar B2B clients. The table below shows the breakdown of the Group's revenues from rental activities (excluding fees received from franchisees) by business and leisure customer segments by Business Unit for the year ended December 31, 2020:

Breakdown of the Group's vehicle rental income by customer segment and by BU in 2020

	At December 31, 2020	
BU	Business segment	Leisure segment
Cars	55%	45%
Vans & Trucks	81%	19%
Low Cost	0%	100%
TOTAL	**51%**	**49%**

1.6.3.1 Business customers

Business customers who rent a vehicle from the Group network include large corporates, small and medium-sized companies as well as vehicle-rental companies offering replacement services. Most business customers rent cars on terms that the Group has negotiated (either directly or, in the case of small and medium-sized enterprises, through travel agencies). The Group also categorizes rentals to customers of companies offering support services and vehicle replacement as business rentals.

Revenue from business customers tends to be primarily concentrated during the period from Tuesday through Thursday each week. Revenue from business customers is less subject to seasonal change. We have seen this change in 2020 as business travel has reduced as a result of the travel restrictions. We have developed our mid-term business by targeting companies with a requirement for a flexible alternative to a lease. We have seen success in consultancy, logistics and constructions sectors where the flexibility to scale the fleet up and down is key.

In 2019, the Group strengthened its B2B organization, with particular emphasis on the development of new customer accounts. A new leadership team is in charge of the steering centrally (with countries and Business Units) to make business customers a top priority with a focus on mid-sized key accounts and growth segments. The Group's sales organization is now in a strong position to cater for all business needs. In 2020, the sales processes and tools were streamlined to support the customer journey, utilizing digital tools and automation. Investments in sales tools such as salesforce automation improved productivity and team priorities. Salesforce automation provided true insights into the activities of teams and the customer base that in turn made it possible to continuously evolve the Group's products and processes to meet the demands of customers.

Even though the Group's core business remains short-term rental, market trends in medium-term rental offer a considerable development opportunity for the Group in many countries, on the basis of initiatives already implemented locally. In 2020, because of the Covid-19 crisis, the medium-term rental market surpassed the short-term one. This represents an opportunity for the Group to develop its mid-term rental business in 2021, which could represent a solid base for its activity when the business travel segment recovers.

The 'Together' program was launched in 2020 to support the mobility of workers in essential sectors during the Covid-19 crisis. As part of this solidarity program, the Group's teams worked in partnership with retailers and other businesses alongside expanding this offering out to local health and pharmaceutical services at the time of crisis. This program was very successful and supported a wide range of customers in uncertain times.

Large corporates

Europcar Mobility Group has several contracts with major international accounts for which it is the exclusive or preferred supplier of rental vehicles to their employees for their professional use. The Group also has a strong presence within assistance companies and rental (leasing) companies which provide short-term rental services for their own B2B or B2C customers.

The contracts with large corporates are concluded at pre-negotiated rates and service-levels. Many of the Group's business customers have direct access to Europcar's information systems via dedicated micro-sites, providing such customers with reservation and invoicing interfaces specifically tailored to their needs. When the volume of rental transactions with a particular customer is significant, Europcar may be led to "implant" a rental station directly on the customers premises.

Vehicle rental contracts are typically signed with large corporates based on competitive tenders at the end of which one or more suppliers are selected. The Group organizes the structure of its sales teams for large corporates based on the general requirements of different industry sectors to ensure that it uses its knowledge of these sectors to propose appropriately tailored offers.

The companies which have centralized purchasing services at the Group level are managed by a dedicated international sales team who are responsible for the sales relationship at the Group level.

Small and medium-sized businesses

Europcar Mobility Group is the exclusive or preferred provider of rental vehicles to employees of numerous small and medium-sized businesses (SMEs) at pre-negotiated rates and conditions. This customer segment is characterized by a large number of accounts, which limits exposure to any single customer. The Group is focused on further penetrating this customer segment, in which it sees opportunities for profitable growth. This segment experienced sustained growth and now has a specific B2B portal with services and information tailored to business customers. Our digital customer journey has been enhanced with our Electronic Business Self Serve ("EBSS) tool proving a wide range of new opportunities within this segment catering for the immediate needs of SMEs. The SME market has experienced significant challenges during this year and "Business" products are positioned to support a wide range of business needs to cater for this market, alongside offering a variety of payment options.

Vehicle replacement

The replacement vehicle rental industry principally involves the rental of vehicles to insurance and leasing companies, vehicle dealers and other entities offering vehicle replacement services to their own customers. Via insurance companies, the Group offers its services to individuals, whose vehicles were damaged in accidents, are being repaired or are temporarily unavailable. In order to strengthen this business, Europcar has entered into several agreements with insurers, dealerships, repair shops and vehicle leasing companies. The Group seeks to further develop its activities in this customer segment by expanding its existing customer base (including in franchised countries) and through the implementation of incentives and special offers.

1.6.3.2 Leisure customers

Leisure customers primarily include individuals renting vehicles for their personal needs, in particular for travel during holidays and weekends, directly or indirectly via tour operators, brokers and travel agencies. The Group also serves a portion of its leisure customers through partnerships to expand its customer base.

Leisure rentals are typically longer in duration and generate more revenue per transaction than business rentals (other than vehicle replacements). Leisure rental activity is more seasonal than business rental activity, with heightened activity during the spring and summer (particularly in France, Southern Europe, and in December and January in Australia and New Zealand). Leisure rental activity also tends to be higher on weekends than mid-week.

In this critical customer segment and leisure travel, the Group recently adapted its organization by creating a dedicated Service Line Department, oriented to improve the offer, services and distribution to this market, mainly focused into continuing delivering zero contact solutions.

Individuals

This segment includes all individual customers contracting directly with Europcar Mobility Group's portfolio of brands. For example, individuals book directly under the Europcar® brand through the brand's website or using the Europcar® app, chat, cell phones or tablets, through call centers and vehicle rental stations and under the InterRent® or Goldcar brands dedicated platforms (see Europcar Mobility Group's Direct Distribution Channels under Section 1.6.4 "Distribution Channels"). The Group intends to further develop its activities in this customer segment following the optimization of its E-commerce & Direct to Brand Department in order to accelerate the trend in reservations on websites and mobile applications, improving the customer experience and the signing of new agreements with general sales agents in order to stimulate international demand, in particular in China, India, Russia and Brazil.

In recent years, the development of new mobility services has led to new uses by customers. For example, customers are not only using the Ubeeqo and E-car services for leisure, but also use these services daily and throughout the week. In addition, the duration of the use of services can be very short, with rentals limited to a few hours that can be extended to several days.

Partnerships to reach leisure customers

Europcar Mobility Group has partnerships with several players in order to offer mobility services to its customers. These exclusive or preferential partnerships allow Europcar to expand its leisure customers. Business is generated through Europcar's distribution on partners' channels or through participation in partners' loyalty programs. Europcar currently has international partnerships in different sectors:

- in the airline sector, with partnerships with airlines such as EasyJet, Lufthansa, Aeroflot, Emirates;

- in the hotel sector, with large groups such as Accor;
- in the railway sector, partnerships with Thalys and Deutsche Bahn.

The Group also has marketing partnerships with credit card companies, credit institutions and organizations offering loyalty programs, such as HSBC Home Away.

Europcar's contractual relationships with its principal commercial partners typically have terms between two and four years.

The Group plans to increase its development on this customer segment through the signature of partnerships in new sectors (cruise ships, banks, insurance) utilizing it multiple brands and products.

Tour operators, travel agents and brokers

Europcar Mobility Group works in close collaboration with various tourism-industry intermediaries, leveraging their marketing positioning to improve the Group's visibility and reputation and to enter additional distribution channels.

Europcar Mobility Group has agreements at the international and national levels with several travel agencies (including online travel agencies) that work directly with Europcar/Goldcar or through tour operators or brokers to offer vehicle rentals to customers, either on a stand-alone basis or as part of packages. Domestic traffic has been more dominant in 2020 due to the coronavirus situation.

In addition, Europcar Mobility Group has multi-year agreements with certain major tour operators such as TUI to serve their customers' leisure-destination needs. Tour operators are traditional partners, combining vehicle rental with hotels and flights to offer packages to customers.

Brokers (such as Rentalcar.com, Expedia.com, CarTrawler Do You Spain and AutoEurope.com) are leisure intermediaries who sell vehicle rental services to end customers on their own behalf or on behalf of the vehicle rental companies.

The Group considers that it maintains ongoing, balanced relationships with these different intermediaries. These relations based on a multi-brand (now selling Europcar, InterRent and Goldcar including Buchbinder and Global in Germany) or multi-product strategy allow the Group to benefit from additional contributions made to its activities during the low season, or for certain partners, from intermediaries' early payments especially during high season, a period when the Group guarantees them a certain number of vehicles.

1.6.4 Distribution channels

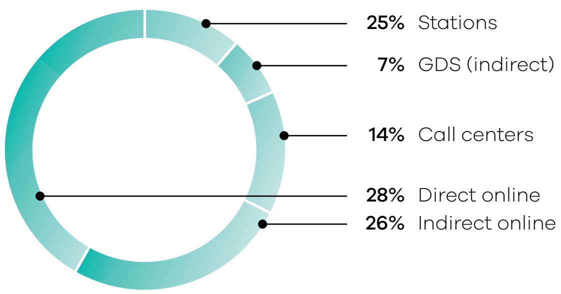
The Group's customers have access to mobility offers of Europcar Mobility Group's through various distribution channels.

Customers may book rental vehicles worldwide network through local, national or toll-free telephone calls handled by call centers; directly through stations; or, in the case of replacement vehicle rentals, through a proprietary dedicated system serving the insurance industry. Additionally, customers may make reservations for rentals worldwide through the Group's websites and using its apps or cell phones and tablets. These distribution channels are known as "direct" booking channels as they are controlled by the Group.

Customers may also book vehicles through indirect distribution channels, such as travel agents, brokers, or other third-party travel websites. Such third-party actors often utilize a third-party operated computerized reservation system, known as a Global Distribution System or "GDS", to contact Europcar and make the reservation on behalf of the customer.

For the Europcar brand, the following chart sets out the breakdown in reservations by distribution channel in 2020, including direct channels (stations, call centers, websites) and indirect distribution channels (intermediaries' websites and GDS) in the Corporate Countries.

Breakdown of Europcar® reservations by distribution channel in 2020, excluding Ireland, Finland and Denmark



Source: Company.

1.6.4.1 Direct distribution channels

E-Commerce

In a context of e-commerce growth and considering the increasingly important need to offer a full digital experience more than ever, the Group has continued to invest in its websites, applications and digital experience. Following the launch of a new successful iOS application in 2019, Europcar Mobility Group continues its digitalization with the launch of this application on Android and the development of new features such as the Face and Touch ID login or the launch of fast sign-up to benefit from our Privilege loyalty program.

In 2020, the Group started a major initiative to completely revamp the design and technology of the Europcar site in order to meet the new mobile uses of customers and ensure excellent technical performance. This initiative will continue in 2021 in order to fully deliver this new experience and to include the Group's brands in the project such as Goldcar.

Always with the objective of improving the digital experience, the Group have also set up a new conversational bot, accessible from the site which makes it possible to respond to simple requests from visitors, facilitating the customer and booking experience.

B2B customers being at the core of the digital strategy, the Group has extended its B2B portal, facilitating the opening of an account with preferential rate, to more than 14 countries in total.

Ubeeqo launched enhanced functionality for electric vehicles, damage reporting and booking ratings, and reached a significant milestone of launching its first franchise in Switzerland.

The Goldcar brand has taken a step forward in the development of its multi-channel digital experience, creating synergies between the different channels of contact with the user, such as implementing a chat service on the site to resolve customer doubts in real-time. Also trying to deliver simple and better navigation along with mobile devices, the navigation has been improved and adapted to the mentioned devices.

Traditional direct distribution channels

Although vehicle reservations are increasingly moving towards e-commerce, the Group continues to maintain its traditional direct distribution channels. Traditional direct distribution channels include call centers and rental stations. These channels remain important indeed and are complementary to Internet channels since, among other things, they are more conducive to the sale of ancillary services.

For the Europcar® brand, call center network consists of call centers located in Portugal, Belgium, Italy, and the United Kingdom. The call centers in Pristina, Kosovo (covering Germany), in Madrid, Spain (covering Germany, France, Italy, Spain and the United Kingdom) and in Sofia, Bulgaria (covering Germany, Belgium, France, Italy, Spain and the United Kingdom) are outsourced and handle approximately 80% of calls from Europcar customers who wish to make a reservation or request. These contacts methods offered include calls, emails, chat and social media.

1.6.4.2 Indirect distribution channels (Internet, GDS)

Classic indirect distribution channels are represented by vehicle rental brokers and intermediaries such as travel agents and tour operators, who use computerized reservation systems (GDS), which allow reservations on the Group's networks. The Group pays third-party distributor fees for each reservation.

Conversely, indirect online reservations have increased from 13% of the Group's total number of reservations in 2010 to 40% in 2019. The share drops to 26% in 2020, due to the fact that these bookings generally result from international leisure travel, which has dropped drastically due to the pandemic.

Although these indirect distribution channels provide the Group with access to a broader customer base than through its direct distribution channels alone, the indirect customer segment can face stronger competition, as intermediaries and partners generally distribute rental vehicles from several players in the sector. Therefore, Europcar seeks to conclude exclusive or privileged strategic partnerships, under which the Company is the only or the first rental vehicle service provider.

The Group has signed local agreements with large tour operators and travel agents, which target business customers in particular. Europcar is not an exclusive supplier for these tour operators and agents, who choose at a local level to make reservations for business customers who do not have a direct agreement with a vehicle rental company. When a customer has a relationship with both the Group and a tour operator, the tour operator acts as the distribution channel and makes reservations in accordance with the conditions negotiated with the customer.

Tour operators generally offer vehicle rentals as an independent service or as part of a global offering including other services such as air tickets or hotel rooms and are generally compensated by the difference between the resale price to customers and Europcar's selling price to tour operators. Travel agents and most of the brokers, who act as Europcar agents, rent vehicles at a price determined by Europcar and receive a commission on this price.

Third party travel websites have also grown in importance as a distribution channel for Europcar, Goldcar and InterRent. Currently, the Group is a partner of several major online travel portals, which offer three distinct marketing benefits:

- expand the geographical zone addressable by the Group and thus increase potential customers, particularly from the non-European market;
- implement dynamic pricing strategies sensitive to short-term demand and supply trends of vehicles at specific locations with the global service offering of these travel portals;
- indirectly benefit from the links between these travel portals and airlines that are not yet partners in the Group's network.

The development of the indirect digital distribution channels has also benefited from the growing presence of car rental brokers in the market. The Group has signed agreements with most of the major car rental brokers in Europe. Customers have access to a wide range of offers from car rental companies and can directly reserve via the broker's website.

The Group enjoys balanced relationships with intermediaries from the tourism industry. These include the following:

- the vehicle rental industry in Europe consists, as regards the major players, of companies operating under strong and recognizable brands, including Europcar, Goldcar and InterRent. Moreover, these companies have developed attractive geographical networks for customers. The direct relationship between customers and the brand, and the proximity of services offered to customers to the places where they need mobility favors the adoption of balanced partnerships between the vehicle rental company and intermediaries in the tourism sector addressing a complementary target;

- vehicle rental companies are able to adjust their fleet sizes to match demand, in particular when their vehicles are acquired through buy-back programs, which is the case for the majority of the Group's fleet. The Group believes that it has variable vehicle capacity, as contrasted with the fixed capacity that may characterize other sectors, such as the hotel sector, which enables it to manage its various distribution channels consistently;
- vehicle rental companies benefit from volume commitments in low season and prepayments in high season from certain intermediaries, and in return, offer these intermediaries guaranteed availability in high season; and
- in their principal markets, agents rent vehicles at a price determined by the Group and receive as compensation a commission on this price.

The size of the Group's network, the availability of its fleet and the quality of its service are the principal factors of its success in this distribution channel.

1.6.5 Europcar Mobility Group's network

The Group operates directly mainly in Europe through its directly operated and agent-operated stations. It is also present internationally through its franchises as well as via partnerships and general sales agency arrangements. The Group's directly- and agent-operated stations are located in the Corporate Countries, in which the Group has a long-standing local presence and expertise. Franchise stations extend Europcar Mobility Group's network both in Corporate Countries (particularly in France) and around the world to extend the Group's range of services to a wider customer base, and to increase the Group's sales and the reputation of its brands worldwide. This global network gives the Group extensive geographic coverage of both business and leisure customers, with individual Corporate Countries either weighted to one customer category or the other or balanced between them, depending on the geographic location.

The density of the Europcar Mobility Group's network in the Corporate Countries enables it to address customer demand for proximity and convenience (as well as a Delivery and Collection service) in such countries. The international scope of the Europcar Mobility Group's network provided by franchisees, partnerships and other commercial and sales agency agreements significantly enhances the Group's ability to capture business from customers traveling outside of their home countries and provides a basis for the Group's continued growth and expansion.

The organizational structure of the Group's operations in each country is tailored to local market dynamics, in particular the nature of the customer base, which may be more business or leisure based and more local or tourist based, and also reflects the historical development of the Group (including the corporate versus agent/franchise mix of the stations in each country). In addition to airport stations, the Europcar Mobility Group network includes agencies at major travel points such as railway terminals, city and suburban centers, hotels, resorts and office buildings. The Group is continuing to optimize its network in order to better serve the needs of its customers and to attract new ones. In particular, the Group is strengthening its network of downtown rental stations in order to capture growth related to the changing user habits for vehicles, which presuppose far less purchase and possession. Some of the Corporate Countries in Europe (Germany and Belgium) are more geared towards business customers, while others (Spain, Italy, Portugal and Ireland) are more geared towards leisure customers and others (France, United Kingdom, and Denmark) have a balance between business and leisure-customers. The Corporate Countries in the Rest of World operating segment (Australia and New Zealand) are more active in the leisure market.

The Group believes that maintaining a balance between business and leisure customers is an important part of preserving and enhancing the profitability of its business and the consistency of its operations. The locations of stations (airports or other locations) also reflect the specificities of each country's customer base.

The following map presents the Group's global network (defined broadly to include – in addition to directly-operated – agent-operated and franchise stations, strategic partnerships and general sales agency arrangements) throughout the world:

Thanks to this unique network of franchisees, strategic partnerships and sales agents, the Group was the fourth player in the world in the rental vehicle market in 2019 on a company revenue basis (source: Townhall 2019).

	2020			
	Stations			
	Group	Agents	Franchises	Total
Europe				
Germany	329	201	2	530
United Kingdom	131	6	1	138
France	262	25	191	478
Italy	47	165	-	212
Spain	181	40	-	221
Belgium	11	12	-	23
Portugal	34	60	-	94
Ireland	20	5	-	25
Denmark	34	3	-	37
Norway	35	1	5	41
Finland	29	11	3	43
Austria	15	2	28	45
Luxembourg	2	-	-	2
Slovakia	3	-	9	12
Hungary	2	-	14	16
Franchisees outside of Corporate Countries	-	-	471	471
Total Europe	**1,135**	**531**	**722**	**2,388**
Of which stations in airports	*256*	*24*	*119*	*399*
Rest of the World				
Australia	83	11	30	124
New Zealand	16	4	-	20
USA	20		11	31
Goldcar other territories	21	-	0	21
Franchisees outside of Corporate Countries	-	-	969	928
Total Rest of World	**140**	**15**	**1,010**	**1,165**
Of which stations in airports	*61*	*8*	*324*	*393*
TOTAL GROUP	**1,275**	**546**	**1,732**	**3,553**

Our Group is operated through the five following business units:

- **Cars BU**

With the Cars BU being the main contributor to the Group's revenue, special attention is paid to the management of its network. Customers of the Cars BU cover almost the entire spectrum of customer segments (see Section 1.6.3). It is therefore important to ensure extensive coverage of the Group's locations with agencies having all or part of their business centered on the Cars BU.

In this regard, agencies working on behalf of the Cars BU are present in all types of locations: airports, stations, city centers.

At the same time, as part of the ongoing search for an increase in the profitability of the Cars BU, the Group has initiated discussions in some of its Corporate Countries on the optimal structure of their network, whether in terms of number, size, organization or agency specialization.

- **Vans & Trucks BU**

The network is based on the principle of concentrating the BU's vehicles in a minimum number of agencies in order to offer a large range of products to customers which contribute to the revenue of this business, mainly corporate customers.

To achieve that, the number of "supersites" continued to grow in 2020 in line with this deployment strategy, either through the opening of new full-fledged agencies or changes made to existing agencies. These "supersite" agencies are entirely dedicated to the business of the Vans & Trucks BU, with direct cost and revenue allocation.

- **Low-Cost BU**

The products of the Low-Cost BU had historically been offered in the same agencies as those of the Cars BU. However, in conjunction with the takeover of the entire business of the Low-Cost BU by Goldcar in 2018, the Group has continued the transfer of the low-cost business to agencies fully dedicated to this type of businesses, mainly Leisure;

- **Urban Mobility BU**

Following a sharp growth in their business, the Group's Urban Mobility brands, in particular Ubeeqo, are developing their product offering and their presence in Corporate Countries.

In the case of Ubeeqo, the Group is streamlining the structure of the network developed and used for the brand by identifying, organizing and managing parking spaces owned (on rental, to third parties or other BUs of the Group).

In 2020, Ubeeqo is operating in six European cities with a global fleet of 2,360 vehicles, out of which 957 are dedicated to corporate car-sharing schemes.

The identification and development of synergies between the Cars and Urban Mobility BUs in the case of sharing of parking spaces and preparation costs, for example, is the subject of particular attention, which has led to supplying the Service Line "Proximity" in the new organization defined in the Connect plan.

In 2020, Ubeeqo continued to develop the Paris car-sharing program and has an overall fleet of 1,073 cars, most of which are hybrid or electric vehicles parked in the streets.

- **International Coverage BU**

The strengthening of the Group in the countries not directly covered by it cannot happen without the Group's strategic management of its franchisees (see Section 1.6.5.3).

Promoting cross-border activity and inbound traffic in Corporate Countries

The density of the Group's network in the Corporate Countries enables the Group to address domestic customer demand for proximity, while the international coverage of its network considerably enhances its ability to capture business from customers traveling outside of their home countries.

The Group is maintaining and growing its domestic rental business (reserved vehicles, checked out and returned in a single country), and is actively developing its international rental business (in which vehicles are booked through its direct and indirect distribution channels in one country and checked out in another country). Internationally sourced rentals represent an important source of reservations and revenue for the Group's operations.

In order to develop the Group's international business, management has defined key regional markets outside the Corporate Countries in which it is actively promoting the development of cross-border inbound business to the Corporate Countries. In addition to the promotion of international business through cross-country conferences between franchisees, the development of international business is supported through joint marketing efforts with international partners and business customers, including, for example, campaigns with vehicle manufacturers in connection with the launch of new car models.

1.6.5.1 Operating models

The Group's network is based on different operating models: directly operated, agent-operated or franchise, as may be further extended through partnerships, commercial cooperation agreements and general sales agency arrangements. In general, directly operated stations are located in larger airports and cities, while franchise and agent-operated stations are located in smaller airports and cities. This mix allows a greater coverage for the Group's customers throughout the Corporate Countries.

The Group's revenue is comprised of:

- vehicle rental income generated by its directly-operated rental stations or by the agent-operated rental stations of its Corporate Countries (1.646 billion euros in revenues in 2020, of which 84.5% was generated in Europe and 15.5% in the Rest of the World, the Group's two operating segments);
- revenue from additional services, mainly revenue from the sale of fuel and revenue from the Urban Mobility BU (82 million euros in revenue in 2020);
- royalties, territorial costs and costs for the use of IT systems collected from its franchisees (33 million euros in 2020).

1.6.5.2 Stations operated directly by the Group or by agents

Stations operated directly by the Group

As of December 31, 2020, the Group directly operated 1,275 stations, all located in the Corporate Countries. Each of these stations is managed through one of the Corporate Countries, which owns (or leases) the rental fleet and station sites and employs the stations' staff. The Managing Director of each Corporate Country is responsible for managing the fleet in the relevant Corporate Country and for overseeing the local sales and marketing, the operations, Human Resources and legal functions.

The revenue generated by stations directly operated by the Group is included in the Group's consolidated revenue. It represented 84% of the revenue generated by rental activities in 2020 (87% in 2019).

Agent-operated stations

As of December 31, 2020, agents operated 622 stations, all located in the Corporate Countries. Agent-operated stations use a Group rental fleet. The sites and employees of agent-operated stations are the responsibility of the agents. Relationships with agents are managed by the Managing Director of the Corporate Country in question.

The revenue generated by these stations is included in the consolidated revenue of the Group and agents are paid a commission (which is accounted for as an expense in the consolidated financial statements of the Group) based on the revenue of the relevant stations. This revenue represented 16% of the revenue generated by rental activities in 2020 (down 55% at airports and 24% at city stations in 2019).

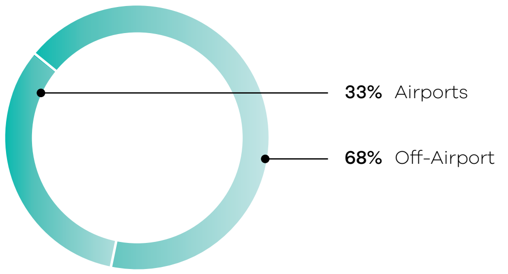
Station locations

The overall Europcar network rents vehicles to its customers from stations located in airports, railway terminals, hotels, resorts, office buildings, and other urban and suburban locations. The branch revenues are dependent on local market dynamics as well as on the density of the Group's network in the country.

Airport locations are important for the Group, as they enable it to offer convenience to customers travelling by air (domestic and inbound) and to benefit from the growth in business in these areas. This is one of the Group's main sources of revenues. Airport stations generally generate higher revenue per unit than stations located in downtown areas.

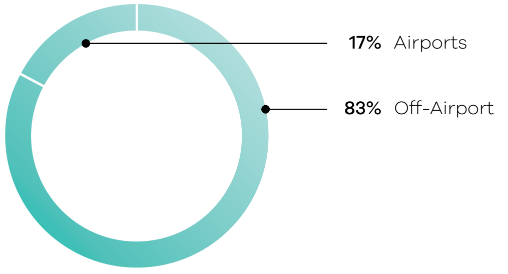
The following charts provide a breakdown in percentage of the number of directly and agent-operated stations and of the Group's rental revenues in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2020:

Breakdown by revenue



Source: Company.

Breakdown by number of stations



The following table presents a breakdown of the Group's vehicle rental income in Corporate Countries (excluding fees received from franchises) between stations located at airports and other locations in 2020:

Breakdown of the Group's rental revenue in corporate countries between stations located in airports and other locations in 2020:

Countries	Airport	Off-Airport
Germany	11%	89%
United Kingdom	15%	85%
France	40%	60%
Italy	38%	62%
Spain	63%	37%
USA	62%	38%
Belgium	17%	83%
Australia	45%	55%
New Zealand	82%	18%
Portugal	54%	46%
Ireland	48%	52%
Denmark	18%	82%
Norway	73%	27%
Finland	20%	80%
Luxembourg	27%	73%
Croatia	100%	0%
Turkey	100%	0%
Greece	1%	99%
Austria	30%	70%
Slovakia	67%	33%
Hungary	9%	91%
TOTAL	**33%**	**68%**

Source: Company.

Airport concessions

Through its extensive network of airport stations, the Group is able to serve high passenger volumes at airports. The number of rental stations in airports as a percentage of the Group's total number of stations has increased slightly to 19.2% in 2020. Airport business is highly related to the levels of air travel at the relevant airport, and customers often make vehicle rental reservations at the same time that they purchase their airline tickets. Partnerships with airlines also underpin this business (see Section 1.6.3 "Customers (Business/Leisure)").

In order to operate airport stations, the Group (or the relevant agent or franchisee) has entered into a concession or similar leasing, licensing or other such agreements or arrangements granting it the right to conduct a vehicle rental business at the relevant airports. The Group's concessions are granted by the airport operators, following either negotiation or bidding for the right to operate a vehicle rental business in such airports.

Access to airports is relatively costly, and the airports' operators control the number of locations made available to vehicle rental companies. The terms of an airport concession agreement typically require payment to the airport's operator of concession fees based upon a specified percentage of revenue generated by Europcar at the airport, subject to a minimum annual fee. Under most concession arrangements, Europcar must also pay fixed rent for terminal counters or other leased properties and facilities such as parking garages. Some concession arrangements are for a fixed length of time (generally three to five years), while others, more rarely, and create operating rights and payment obligations that, as a formal matter, may be terminated at any time. Concession arrangements generally impose on Europcar specific covenants which include certain price restrictions and quality of service requirements.

Under most concession agreements, if the revenue generated by the concessionaire increases or decreases, the airports' operators may modify the concession, in particular with respect to the number of parking lots granted to the concessionaire and the rate of concession fees. In 2020, as the number of passengers in airports has declined considerably due to travel restrictions imposed by governments as a result of the Covid-19 crisis, Europcar has been able to renegotiate and amend existing contracts with its airport partners, allowing it to modify or reduce the minimum annual fee, and to reduce or modify the fixed rent for terminal counters or other leased properties and facilities, such as parking garages.

The terms of concession arrangements typically permit the Group to seek complete or partial reimbursement of concession fees from customers to the extent permitted under local regulations.

Other stations

In addition to airport stations, the Europcar network includes agencies at other major travel points such as railway terminals, city and suburban centers, hotels, resorts and office buildings. This market is considerably more fragmented than the airport market, with numerous smaller vehicle rental businesses, dealers and body shop replacement vehicles, each having limited market share and geographical distribution, competing with larger organizations such as Europcar Mobility Group. When compared to airport stations, other stations typically deal with a greater range of customers, use smaller rental facilities with fewer employees and, on average, generate fewer transactions per period than airport locations. Rental stations located at or near railway terminals are operated pursuant to concession agreements similar to those described above for airport stations. Railway stations, particularly those serving high-speed trains, generally generate higher traffic volume than other non-airport stations. A dense network in the outskirts of big cities is also essential as it brings us closer to customers and their needs, in particular small- and medium-sized businesses. In certain Corporate Countries B2B customers in downtown largely use delivery and collection services.

1.6.5.3 The Group Franchise Department

During the year ended December 31, 2020, franchisees operated approximately 1,732 stations worldwide, including 722 stations in Europe and 1,010 stations in the Rest of the World. Royalties, territorial costs, fee for the use of IT systems, and territorial costs collected by the Group amount to 33 million euros for the fiscal year ended December 31, 2020. For further information on the franchisee network, see the map presented in Section 1.6.5 "Europcar Mobility Group's network".

Franchise arrangements have provided the Group with a cost-effective route to expand into small and medium-sized businesses in local, regional and international markets. The franchise network changes in accordance with any franchise buyouts, the performance of franchisees and the market in which they are situated, as well as the policy for extending the network.

The Group continues to expand its network (i) by adding new franchisees in the few countries in which it has a limited or does not have a presence and (ii) by developing its service offering under the Europcar® brand to allow Group franchisees to better address market needs. The current focus of the Group's international network expansion includes large markets in Latin America, the Indian subcontinent, Middle East and the Asia-Pacific region.

The Group is also developing its InterRent® franchise network, with franchises in place in 32 countries as of December 31, 2020, around the Mediterranean basin but also with the aim of strengthening the brand's presence in other European countries and in the Middle East.

The Group has also expanded its franchise activity with Goldcar and Global brands, respectively present in 7 countries (13 stations) and 15 countries (141 stations).

Management of the franchises

The Group manages its franchise network based on a regional approach, with regional Directors and with annual global and regional franchise conferences and also through business plans that help franchisees to manage their business and ensure they are performing in their own markets.

2019 has seen the amalgamation of the Buchbinder and Goldcar franchise Business Unit teams into the International Coverage franchise team, providing one coherent Group approach to franchising all our brands around the world. 2020 has seen the Goldcar openings mainly in Europe (Cyprus, Malta,) and Latin America (Ecuador). Global has strengthened its position in Europe (Albania, Russia) and will expand its presence around the world, with openings in Africa (South Africa, Mauritius).

Compliance with the terms of the Group's franchise agreements and the uniformity of service quality across the network are controlled through informal visits to franchisee locations and through regularly scheduled audits by the Group's Internal Audit Department. Regional franchisee conferences are held on an annual or semi-annual basis to establish best practice guidelines and to promote inter-regional and intra-company business within the Europcar network.

The Group supports the promotion of the brand image by franchisees through:

- local marketing with advertising assistance and resources;
- corporate branding material and signage;
- structuring of services offered;
- partnerships with airlines and hotels;
- access to loyalty card programs to increase customer fidelity; and
- expansion of product range for services offered to drivers, the Vans & Trucks segment and the Ubeeqo technology platform.

Franchisees share the costs associated with these brand initiatives.

The Group has implemented initiatives aimed at further integrating franchisees, including information via an intranet platform and monthly newsletters.

The Group also seeks to encourage cross-border sales between franchisees and directly operated stations. It also aims to build on its franchise network to increase inbound and outbound flows as part of the development of general sales agency arrangements worldwide.

Characteristics of franchise operations

Franchisees operate using their own fleet and employees and have the exclusive right to use the Group's brand under license for specified services and for a predetermined brand. Franchise agreements generally cover a specific portion of a country (e.g., a region or a city) or the entire country, in which case each franchisee may operate directly or through sub-franchise or agency agreements between it and third parties.

Franchisees initially pay an entrance fee, and, upon renewal of their contracts, a territory fee, for the exclusive right to use the franchise rights in the area covered by the agreement for the agreed services and brands. The franchisees pay royalties representing a percentage of the revenue generated by the vehicle rental operations, a reservation fee based on the number of reservations made through the Group's reservation system and, if applicable, a fee to use the Group's IT systems. Franchisees are required to send monthly results to the Group, which form the basis of the calculation of royalties. In return for the payment of fees and royalties, franchisees benefit from the Group's expertise, access to its reservation system, worldwide network, international brand, customer base and information technology systems. Royalties and fees paid by the Group's network (Europcar, InterRent, Goldcar, Global) franchise in the Corporate Countries and in the franchised countries amounted to 33.5 million euros for the year ended December 31, 2020, of which 23.9 million euros were received by the Group in the franchised countries (compared with 39.7 million euros for the fiscal year ended December 31, 2019 – see Section 3.1.2.2 "Analysis of Group results", (A) "Revenue"). Except in a very limited number of cases, franchisees are exclusive to the Europcar/InterRent/Goldcar network, meaning that they agree not to work with any other vehicle rental group or to operate a vehicle rental business under their own name for the duration of the franchise agreement. Most of the franchise agreements concluded by the Group provide that when a Europcar network customer makes a reservation relating to the territory of a franchisee, that customer becomes a customer of the said franchisee.

Franchisees hold (or rent from third parties) and finance their fleet independently from the Group. Franchisees may benefit from agreements with buy-back commitments signed at the Group level, but are free to conclude their own fleet supply agreements with automobile manufacturers. Franchise contracts provide that franchisees are required to respect the Group's fleet standards (mileage, maintenance, safety etc.). In order to ensure that franchisees respect the Group's standards, an exhaustive review of their fleet is realized based on operating data (mileage, holding period) and, through sampling, a physical verification of the fleet is carried out during visits of rental stations operated by franchisees.

In general, the Group's franchise contracts do not permit the franchisee to terminate the agreement prior to the expiration of the agreed term. In most cases, local franchisees are entitled to be indemnified by the Group (either pursuant to applicable law or under the terms of the franchise agreement) should the franchise agreement be terminated by the Group before the expiration of its term. The Group retains the right in most cases to terminate a franchise agreement in the event the franchisee fails to meet its contractual obligations, notably payment of royalties and fees, or takes actions that risk damaging the Group's brand and reputation. Franchisees may generally also terminate the agreements concluded with the Group in the event of a material breach of the agreement by the Group.

1.6.5.4 The Group Alliances Department

The Group has entered into commercial cooperation agreements with certain entities in order to benefit from commercial synergies in various countries. These agreements allow the Group's customers to be served in certain locations while also increasing in-bound flows. Revenue generated by strategic partnerships represented less than 1% of the revenue generated by the Group's rental activities in 2020, unchanged from 2019.

The Group had entered into four commercial cooperation agreements allowing its customers to access its services in Japan via an agreement signed in September 2006 with Times Car; in China via an agreement signed on January 12, 2017 with one of the leading car rental firms in China, Shouqi Car Rental; in India via an agreement signed in December 2018 with ECO Rent A Car for both self-drive and chauffeur services within India under the Europcar brand; and in Canada through an agreement entered into with Routes Car Rental in September 2020.

The partnership with Shouqi Car Rental was entered into in order to benefit from the growing flow of Chinese tourists worldwide – and in particular in Europe – and to give Europcar's customers access to one of the leading car rental networks in China. It came into effect on January 12, 2017, and has been extended every two years since. In return for a commission on the volume generated, it allows the Group to service its customers in China under its Europcar® brand via the Shouqi network. Reciprocally, it allows Shouqi to service its clients under its own brand, via the Europcar network, in regions where the Group operates. This alliance allows the Group to extend its proprietary network and improve its services for its customers in China.

The Group has had an exclusive long-term partnership with Times Car Rental (previously Mazda Car Rental) since 2006, through which it seeks to benefit from commercial synergies and offer cross-border services. Times Car Rental is a leading Japanese car rental company with a rental fleet of approximately 29,000 vehicles and over 438 rental stations throughout. Times Car Rentals is also the leading provider of car parking spaces in Japan and supports this cross-border business with the Group in Japan, both in terms of vehicle rental and mobility solutions (with the growing trend of autonomous vehicle use).

The Group entered into a partnership in India in December 2018 with ECO Rent A Car for both self-drive and chauffeur services within India under the Europcar brand, and allowing ECO to service its own clients under the ECO brand via the Europcar network, in regions where the Group operates. ECO Rent A Car has been India's leading professional car rental since 1974, based in New Delhi. It offers a 5,000+ vehicles fleet across all categories and transports a number of 50,000 passengers every day. With its services spread across another 60 cities across India, ECO is shaping the sphere of mobility with continuous investments in the latest fleet, a customer-centric team and a best-in-class user-friendly technology.

The Group has most recently entered into a partnership in Canada in September 2020 with Routes Car Rental, headquartered in Toronto, Canada, offering a 6,000+ vehicles fleet across all categories and serving 250,000 customers a year. Routes Car Rental, founded in 1998 by Mr Hardeep Nagra with only five cars and a location in Toronto, expanded rapidly, thanks to a corporate culture which is built around investing in employees' commitment and providing superior customer service. Today, it stands to be a trusted brand for car hire in Canada. Routes has plans for further expansion, by opening and operating new locations in Montreal as well as in Denver by December 2020. This partnership replaces the one previously established in Canada with Discount.

1.6.5.5 The Regional Sales/General Sales Agents Department

A key part of the Group's sales strategy is the development of its network of general sales agents. The Group strives to enter into commercial and general sales agency arrangements in countries where it has limited or no presence, in order to ensure significant commercial presence in such countries and to benefit from the travel flows from the United States and emerging countries to Europe, Australia and the wider Europcar network. General sales agents (GSAs) sell the Group's services, in exchange for a commission. All costs related to running the GSA's business are the responsibility of the GSA, including among others, insurance, rent, general office expenses as well as any travel within the country or region needed to promote or sell the product.

At the end of 2019, a total of 39 GSAs had been appointed worldwide, including in Asia, North/South America, Middle East, Africa and Europe. To further grow cross-border sales the Group has started to appoint GSAs in business markets and is now present in Belgium, Ireland, UK, France and Germany. Existing agreements with the Group's GSAs, in particular in China, Hong Kong, Canada, Dubai and Abu Dhabi continue to allow the generation of strong performance.

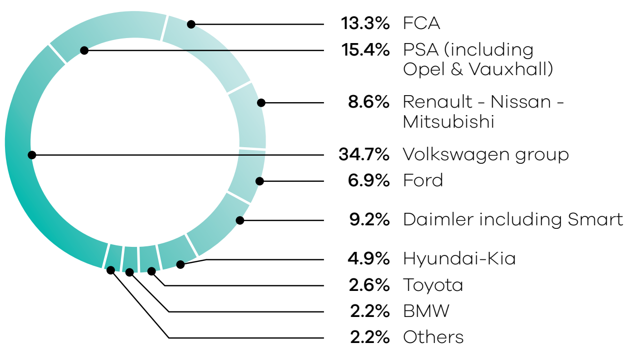
In November 2020, the Regional Sales/GSA Department was incorporated into the commercial Department and from November 2020, the Franchise & Alliance partners are managed under the new International Partner Development function.

1.6.6 The Group's fleet

Unless otherwise indicated, this Section relates solely to the fleet operated directly by Europcar Mobility Group under the Europcar®, Goldcar® and Buchbinder® brands, and not to the fleet owned by Ubeeqo and Fox Rent-a-Car, nor that operated by franchisees and independently owned (or leased from third parties) (for more information about the franchisee fleets, see "Characteristics of franchise operations" under Section 1.6.5.3 "the Group franchise Department").

The EMG fleet is sourced from various manufacturers, including Volkswagen (with the Volkswagen®, Audi®, Seat® and Skoda® brands), Fiat, Renault-Nissan, PSA (Peugeot®, Opel®, Vauxhall®, Citroën®, DS®), Daimler (Mercedes®, Smart®), Ford, BMW and Toyota. Volkswagen AG was Europcar's largest supplier of vehicles in 2020. The Group currently uses more than 350 different models provided by 18 different car manufacturers.

The following chart illustrates the diversity of the Group's fleet in terms of deliveries by manufacturer (expressed as a percentage of total acquisitions by the Group) for the year ending December 31, 2020.



Source: Company.

The diversity of the Group's fleet allows it to respond to the rental demands of a broad range of customers. It is made up of eleven main categories of vehicles in line with the sector's standards – mini, economy, compact, medium, standard, sedan, premium, luxury, vans, trucks and convertible cars. The fleet varies by brand, with a fleet offered for rent under the Europcar® brand covering the full range of vehicles (from the mini category to the Selection category, comprising "prestige" and "fun" vehicles), and the fleet offered for rent under the Goldcar® brand corresponding to the most frequently requested types of vehicles in the medium or low-cost segment. The Goldcar® offer is thus limited to four categories: mini, economy, compact and intermediate.

The Group believes that Europcar is one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry. During the year ended December 31, 2020, the Group took delivery of approximately 171,000 vehicles and operated an average rental fleet of 248,000 passenger and light commercial vehicles. The breakdown between passenger and light commercial vehicles was as follows in 2020: 86.5% of passenger vehicles and 13.5% of light commercial vehicles. For the year ended December 31, 2020, Europcar's approximate average vehicle holding period was 10.7 months (8.4 months for vehicles covered by buy-back or lease agreements). Some of the sourcing agreements with manufacturers allow Europcar's franchisees to benefit from the terms and conditions of these agreements, including the buy-back provisions. For more information on buy-back programs with carmakers, see Section 1.6.6.3 "Vehicle buy-back commitments".

The following table provides a breakdown of the Group's average rental fleet* by Corporate Country between the "cars" and "light commercial vehicles" categories for 2020:

Corporate countries	Cars	Light Commercial Vehicles
Germany	85%	15%
United Kingdom	79%	21%
France	68%	32%
Italy	86%	14%
Spain	87%	13%
Australia – New Zealand	92%	8%
Belgium	91%	9%
Portugal	87%	13%
Ireland	73%	27%
Denmark	69%	31%
Buchbinder	63%	37%
Goldcar	100%	0%
Luxembourg	97%	3%
Finland	79%	21%
Norway	96%	4%
USA	100%	0%

Source: Company.

1.6.6.1 Fleet management

In addition to negotiating the acquisition of fleet vehicles from manufacturers, the Fleet Department is involved in the process of planning and the geographical deployment of vehicles, vehicle in-fleeting and de-fleeting, and the monitoring of the fleet utilization rate.

The Europcar fleet is managed with a view to optimizing costs. This management includes economic depreciation, acquisition and disposal costs, maintenance and repair costs, taxes and financing costs, according to a set of pre-defined needs and constraints, including marketing needs, the maximum movements of the fleet (which means the maximum quantity of vehicles that can join the fleet or leave it during a given period) and the supply capacity from a single manufacturer. The Group is able to respond to seasonal fluctuations in demand through continuous optimization of fleet management. Through its daily management, the Group is able to adjust its fleet size by modifying acquisition plans and/or holding periods to meet both expected and unforeseen variations in demand. Through its flexible contracts with vehicle manufacturers, the Group can increase its orders for vehicles in advance of high season and use the flexibility of the holding periods, ranging generally from five to ten months to de-fleet the vehicles once demand is less pronounced. The Group is also able to react rapidly to geographical changes in demand by re-directing the delivery of new vehicles to sites where demand is especially strong.

The Group's fleet utilization rate was only 62.2% in 2020 due to the impact of the Covid-19 pandemic on business volume. Despite Europcar being able to quickly reduce the fleet at the beginning of the crisis, the level of activity was very low in periods of total lockdowns (when assets could not be moved/resold) and utilization rate was deteriorated.

Aside from the exceptional year in 2020, the Group focused on regularly improving the utilization rate in each of the Corporate Countries and for the various brands it operates, although management believes that the utilization rate reached in the past years was close to the optimum rate achievable in the industry (76% in 2019).

The Group calculates its fleet utilization rate as the percentage of the total actual rental days of the fleet out of the theoretical total potential Number of Rental Days of its fleet of vehicles. The theoretical total potential number is equal to the number of vehicles held over the period, multiplied by the total number of days over the period.

The Group operates central logistics centers for in-fleeting and de-fleeting of vehicles, including car parks at various locations, typically airports, in the Corporate Countries. From these locations, vehicles are either transported by logistics companies or driven to the rental station where they are needed.

1.6.6.2 Fleet sourcing and planning

The fleet sourcing and planning processes are supervised locally by the Fleet Department of each Corporate Country.

In 2020, the Group created the Fleet Planning Virtual Center of Excellence (CoE), bringing together a team of fleet planners located in each country, coordinated centrally by the Fleet Planning Manager. The objective is to strengthen the optimization of the fleet through the harmonization of the planning method between brands and inter-country fleet sharing.

Purchase contracts are negotiated depending on the manufacturers, either at country or international level. The annual or multi-year agreements define the acquisition and disposal terms and the volumes of vehicles and model mix to be acquired over the contractual period. Almost half of the volumes purchased by the Group are purchased through pan-European agreements. The Group also relies on its local teams to negotiate local agreements and maintain sufficient flexibility to benefit from spot deals.

The Group considers at-risk purchases when appropriate, based on its systematic arbitration between at-risk purchases versus buy-back mechanisms. To that end, it takes into account the choice of models and their options as well as used vehicle market dynamics and its capacity to absorb resale volumes.

Purchase contracts for the coming year are generally concluded at the end of each calendar year, in order to anticipate market trends, and are readjusted monthly throughout the year to ensure maximum responsiveness to market demand. In 2020, the Group conducted the process of fleet purchase and contractualization with car manufacturers later than usual, due to the Group's and the automotive industry's difficulties in anticipating the pace of business recovery.

The Group recognizes its entire rental fleet in the balance sheet as from January 1, 2019, in accordance with the application of IFRS 16. The following table summarizes the Group's fleet asset and financing[1] structure:

	Rental fleet	Fleet financings	
	Assets	Liabilities	Type of facility
On balance sheet	Fleet Asset[2]	Fleet financing debt	€1.7bn Senior Asset Revolving Facility (SARF)
			€500m Fleet Bond
			£400m UK Fleet Financing Facility
			Other fleet financings (Portugal, Australia/New Zealand, Denmark, Buchbinder, United states, Finland, Norway, Ireland)
	Fleet working rapital requirement related to purchasing commitments		€670m Revolving Credit Facility (RCF)
			Operating lease rent liabilities (under IFRS 16)

Source: Company.[2]

The Group finances the acquisition of the vehicles in its fleet by various means, in particular through asset-backed financing (see Section 3.2 "Liquidity and capital resources" and Note 2 "Significant accounting policies", Section 2.10.1 "Rental fleet", paragraph (i) "Vehicles purchased with a manufacturer or dealer buy-back commitment" in the consolidated financial statements included in Section 3.4 of the Universal Registration Document).

The diversity of financing available to acquire the fleet vehicles allows the Group to limit the impact of such acquisitions on the Group's cash flows. See Section 3.2 "the Group's liquidity and capital resources".

(1) Note that the presentation of operating leases in the off-balance sheet has evolved with the application of IFRS 16 since January 1, 2019, which requires the inclusion in the Balance Sheet of leases meeting this standard. See Note 2.2 of the consolidated financial statements presented in Section 3.4 of this Universal Registration Document for more information.

(2) Including rights of use of vehicles under leases (under simple standards as per IFRS 16 criteria).

1.6.6.3 Vehicle buy-back commitments

Europcar Mobility Group acquires, subject to availability, a majority of its vehicles pursuant to various fleet purchase programs established with the manufacturers. Under these contractual programs, Europcar Mobility Group purchases vehicles from vehicle manufacturers or dealers. These manufacturers or dealers undertake, subject to certain terms and conditions, to grant Europcar Mobility Group the right to sell those vehicles back to them at a pre-determined price during a specified time window (after which the repurchase transaction is automatically triggered if it has not already occurred). Vehicles purchased by vehicle rental companies under a buy-back commitment are referred to as buy-back vehicles. The minimum buy-back period under these buy-back commitments generally varies from five to 10 months for passenger cars and from six to 24 months for light commercial vehicles.

Repurchase programs limit Europcar Mobility Group's potential residual risk with respect to vehicles purchased under the programs, allow Europcar Mobility Group to arrange financing on the basis of the agreed repurchase price and provide Europcar's fleet managers with flexibility to respond to changes in demand. In addition, the high percentage of buy-back vehicles in Europcar's fleet allows the Group to be less dependent on the used car market. These programs operate to the benefit of the car manufacturers as well, since the return of the vehicles to them within a short time period enables them to resell the vehicles quicker through their dealership networks as newer models.

The visibility and flexibility conferred by the Group's buy-back strategy are important. The Group has long been committed to maintaining a high rate of fleet purchases in units acquired under buy-back commitments. On average, the Group estimates that more than 91% of the vehicles purchased over the past 10 years were covered by buy-back commitments.

During the Covid-19 pandemic, buy-back agreements allowed the Group to reduce its fleet quickly and to adapt it to the decreased demand, assuring flexibility and speed in fleet management. The long lasting partnership with OEMs allowed the Group to find suitable measures, such as shortening contractual holding periods, postponing new cars delivery and cancelling some committed fleet orders without penalties. These measures were also in favor of the car manufacturers, since the early return of vehicles and the cancellation of orders helped them, on one hand, to feed their dealers with used cars for sale (which offset the drastic decrease of their new vehicle business, that was almost blocked) and, on the other hand, to be able to reallocate their new cars to some of their other strategic customers (due to their important delay of production).

In 2020, the share of vehicles in buy-back contracts in the fleet decreased down to 84%, due to steep fleet reduction done in Q2 with the return of buy-back vehicles, to adapt the fleet size to decreasing business volume. Comparatively, the share of vehicles purchased with a buy-back contract during 2019 was 86%.

1.6.6.4 "At risk" vehicles

Europcar Mobility Group acquires a number of vehicles from carmakers or dealers without the benefit of any buy-back commitment. These vehicles fall under the category of "at-risk" vehicles. See Section 2.2.4 "Risks related to the Group's holding of vehicles not covered by buy-back agreements".

The Group considers "at-risk" purchases according to its needs, based on a systematic analysis of at-risk purchases versus buy-back mechanisms. It takes into account the mix of models that it needs as well as its ability to resell "at risk" vehicles, particularly in relation to the changes in the second-hand market. Europcar Mobility Group disposes of "at risk" vehicles through a variety of channels, including sales to individuals, wholesalers, brokered retail sales and auctions. To meet market demand, Europcar Mobility Group has set up an electronic platform for online sales: www.2ndmove.eu.

As at December 31, 2020, 15% of at-risk fleet passenger cars were diesel versus 14% in 2019 (25% in 2018). Vans and trucks are nearly all diesel-powered.

Despite falling sales of new diesel-powered vehicles, the second-hand market for diesel vehicles remains active, with only a limited impact on the residual values of small diesel vehicles.

In 2020, as in 2019, the Group strategy is to avoid the purchase of diesel passenger cars as much as possible.

1.6.6.5 Maintenance

Europcar Mobility Group arranges for each vehicle to be inspected and cleaned at the end of every rental and to be maintained according to the manufacturer's recommendations. Europcar Mobility Group must follow the maintenance specifications of the manufacturers in order to maintain the warranty and repurchase commitment on the vehicle. Europcar Mobility Group operates vehicle maintenance centers at certain rental stations in the Corporate Countries. These centers provide maintenance and light repair facilities and monitoring and processing of more seriously damaged vehicles for which repairs are handled by specialized bodywork and/or mechanical companies. The objective is, on the basis of detailed appraisals, to optimize repair costs and lead times in order to limit the impact on the use of the vehicle. For the most badly damaged vehicles, the choice is made between repairing the vehicle or selling it in its current condition.

1.6.7 Trade payables

This Section presents the items relating to the Group's suppliers and the purchase volumes (called "non-fleet purchase costs"), but excludes items relating to the acquisition, registration and insurance of the fleet, which are presented in Sections 1.6.6 "the Group's fleet" and 2.6.3 "Insurance" of this Universal Registration Document.

The Group's cost of purchases excluding fleet and taxes[1] is, on average, approximately one quarter of the Group's total consolidated annual revenues. This cost is broken down as follows:

- 40% related to indirect purchases or overheads (IT and telecommunications, call centers, real estate and maintenance of the station network and its installations at an operating capacity, sales and marketing, communications and advertisement, office supplies, uniforms, consulting and services);
- 60% related to direct purchases related to customer service and the maintenance of the Group's fleet in operating condition, as well as making the fleet available (maintenance and repair, intense repair services following accidents, preparation and cleaning services, transportation services for the geographic redistribution of the fleet according to the needs of the Group's customers).

The Group's operating needs are processed either by the Group's purchasing Department, for some major projects, mainly IT/Digital or even Marketing, or on a country-by-country basis with an annual average volume of expenses generally proportional to the country's share in the Group's annual consolidated revenue. As a result, the Group has relationships with a multitude of suppliers (around 21,000 active suppliers each year) for a very broad range of categories of products and types of services. In particular, the share of value-added services relating to labor-intensive activities is close to 50%.

The non-fleet purchasing Department has identified three strategic priorities for purchasing in the coming years:

a) Operational excellence, with the harmonization of P2P ("Purchase to Pay") solutions across the Group and the entities

This design process, which is underway, is carried out as part of the information systems unification program led by Purple. Its deployment will be done gradually, at the same time as that of Purple in the countries. It aims to restructure the tools back-office and to align the solutions used in the Group in order to bring coherence and consistency to the information, thereby facilitating the process of purchases through the digitalization and automation of certain tasks and obtaining consolidated reporting. This restructuring also aims to make the end-to-end process (from order to payment) more agile and efficient and to harmonize them within all of the Group's subsidiaries.

b) Corporate Social Responsibility (CSR)

In application of the Sapin 2 law, a CSR strategy based on the analysis and control of supplier risks has been defined and implemented since 2017. The aim is to bring all Group partners into compliance with the Company's Ethics Code. The procedure will also help streamline the Group's panel of suppliers. A call for tenders has just been launched to select a Group tool for analyzing supplier CSR performance.

c) Sourcing strategy

The Group continues to develop its previously decentralized non-fleet purchasing organization towards a hybrid model, made up of a Group Purchasing Center of Excellence which defines procedures and processes, manages categories and establishes Group Purchasing strategy; and local purchasing team that guarantee agility and rapid response time to specific country needs. Since this year, country buyers who have previously reported to local management now report functionally to the Group Purchasing Department.

1.6.8 Product and Technology division

Technology is a vital part of our ability to attract, engage with and serve our customers, and to stand out from the competition and improve our internal processes. To accelerate this digital transformation, the Group has decided to bring together within a single team, the "Product" teams aiming at the functional improvement of our products and the customer experience, and the "Technology" teams ensuring the design, development, integration and maintenance of our technical solutions. The main objective of this Department is to maximize the value creation by rolling out digital and technological solutions It also ensures the continuity of service, particularly in a context of transformation, and the prevention of risks related to data and the systems that process them (legal, normative, obsolescence, security or performance risks). The management of this organization is highly centralized, with a view to maximizing synergies between the various systems and teams of the Group, spread over three development centers in Paris, Alicante and Barcelona.

1.6.8.1 Organization of teams

Teams in the Product & Technology Department have been reorganized by applying some Agile and Lean methodology principles:

- establishing multidisciplinary product teams (business, design, development, tests) called "Squads", preferably co-located, stable in size and composition, with a specific and limited area of expertise, with decision-making autonomy regarding the solutions to be implemented to meet the strategic initiatives defined by the Group. These product teams were harmonized in 2020 to cover the entire scope of consolidation of the Europcar, Ubeeqo, Goldcar and Interrent brands (the Buchbinder teams having been integrated into the Europcar teams at the end of 2020);

(1) Expenses for goods and services incurred by the Group's directly-operated rental stations only, excluding stations operated by agents or franchisees.

- the establishment of horizontal teams at the service of the product teams, to support them and to make them autonomous when necessary: infrastructure and security (in particular via DevSecOps), data, architecture, methodology, governance and support. These horizontal teams also safeguard the consistency of the overall vision, contribute to sharing best practices and to improving the teams' skills;
- the introduction of 15-day short development cycles called "sprints" in the Agile method, to deliver added value regularly and frequently;
- the use of prioritization methodologies ("Objectives and Key Results" and ICE methods) to focus team efforts on tasks with the highest added value for the Group; the use of design teams to maximize the user experience, whether the user is a customer to strengthen their engagement and recurrence in our brands, or whether this user is an employee or a partner, to automate high-repetition tasks but with low added value.

This organization is applied consistently within the Group's brands and ecosystems, and the management of product or horizontal functions is systematically centralized to ensure strong transversal coordination.

The year 2020 was obviously strongly marked by the health crisis linked to Covid-19.

Faced with this exceptional situation, the Product and Technology teams quickly adapted.

1.6.8.2 Response to the COVID crisis

The reaction to the COVID crisis took place in several phases within the Product and Technology teams:

- phase 1: immediate reaction in order to ensure the safety of the Group's teams, the adaptation of our systems, networks and equipment, to allow generalized remote working in all the teams allowing it;
- phase 2: adaptation and modification of systems and applications to properly inform our customers, ensure service continuity and adapt our processes when necessary;
- phase 3: reduction of structural costs, in particular by reduction of external workforce, partial unemployment plan, review of contracts and optimization of the main operating costs.

Once these reactive actions were carried out, the team focused on longer-term adaptation actions, allowing us to better prepare for the rebound and the way out of the crisis.

These include the launch of the Product & Tech Transformation program, aimed at accelerating the plan to harmonize information systems within the Group.

1.6.8.3 Product & Tech Transformation program

In a context where the level of uncertainty is increasing and where the speed of reaction and adaptation is key, the ability of the Product and Technology teams to work in an agile manner, and according to a leaner cost structure, becomes the Department's number one priority.

This is why, in accordance with the Group's strategic CONNECT transformation project, a decision was made to launch a program to accelerate the harmonization of the Group's information systems: Product & Tech Transformation.

This harmonization plan, which was already part of the key programs of the SHIFT 2023 strategy, aims to reduce the weight of "legacy", in particular by reducing the number of systems, simplifying business processes and management rules and by the technical re-engineering of certain application fields.

This program, which includes most of the transformation initiatives initiated in 2019 (Data plan, migration to the cloud, modularization and APIsation of the architecture) will allow the rationalization of the operating model and therefore of the IT costs as well as greater synergy within the technical and also business teams.

Finally, this program will also support from a technological point of view, the strategic development axes of the CONNECT program.

1.6.8.4 The roadmap

Beyond the reaction and adaptation of the Product and Technology Department to the impacts of the health crisis, the teams continued their efforts in 2020 around the Group's digital transformation:

- **Digitalization of the Customer journey**

In 2020, the Group has started the deployment of its new website, built on a responsive model (OneSite project) enabling the harmonization of the legacy web platforms (desktop and mobile). The Group also launched its new Android mobile application, built on the model of the iOS application launched in 2019.

- **Fleet connectivity**

The Group also continued its efforts to transform its fleet into a connected fleet. This was notably materialized by the connection of its "Vans & Trucks" fleet in France at the end of 2020.

- **Harmonization and re-engineering of systems (Product & Tech Transformation, One Fleet, Mission One)**

Finally, as mentioned above, the Group is accelerating the harmonization of its various systems, with a view to enabling the development of stronger synergies and increasing the agility of new developments. This materialized in 2020 by the launch of the Product & Tech Transformation program, but also by the system integration plan of Europcar and Buchbinder in Germany (Mission One project), and finally by the initiative for an integrated fleet management (One Fleet project).

In 2021, all of these initiatives will be extended, strongly integrated into the transformation program, Product & Tech Transformation.

1

1.6.8.5 Systems and architecture

At the heart of the Product & Tech Transformation program is the re-engineering of the Group's systems architecture.

The target Product & Tech Transformation architecture is designed around the Group's three main ecosystems: that of Europcar, that of Goldcar and that of Ubeeqo. It is also based on the projects initiated in previous years and in particular the Greenway Transformation project.

The architecture of the systems implemented via Product & Tech Transformation is based on several major fundamental principles:

- **Unified**

  The system must cover all use cases and customer typologies (general public and professional). It will also cover all of the Group's brands and geographies;

- **"Cloud-based"**

  The Group has started to migrate its infrastructure to the cloud. This migration will make it possible to reduce the overall cost of its infrastructure and its hosting costs. It must also allow greater agility in the deployment of its technological solutions as well as better resilience to changes of the traffic patterns on the systems;

- **"Data driven"**

  Since the end of 2019, the Group has initiated several initiatives aimed at transforming its information system and its culture towards an approach driven by data and its analysis. These initiatives were integrated in 2020 as part of the Product & Tech Transformation program (implementation of the Group Datawarehouse giving a 360 ° view of all our strategic data, creation of unique Customer and Fleet databases, allowing better knowledge of our customers, a more targeted marketing and sales approach, optimization of our fleet and better exchange processes between the various entities of the Group);

- **Decoupled**

  The modularization of our information system is at the heart of our design strategy. It notably involves the implementation of an SOA (Service Oriented Architecture) type architecture and the development of micro-services. This transformation initiated in the two major ecosystems (Greenway of Europcar and Sigger of Goldcar) will accelerate through the Product & Tech Transformation program;

- **Open**

  Correlated to the decoupling of our services and applications, the APIsation of our information system (i.e. the implementation of integration layers around the systems allowing their intercommunication and greater modularity) must increase its integration capability, in particular to the many external players involved in the mobility ecosystem (SMD, brokers, public transport, MaaS, etc.).

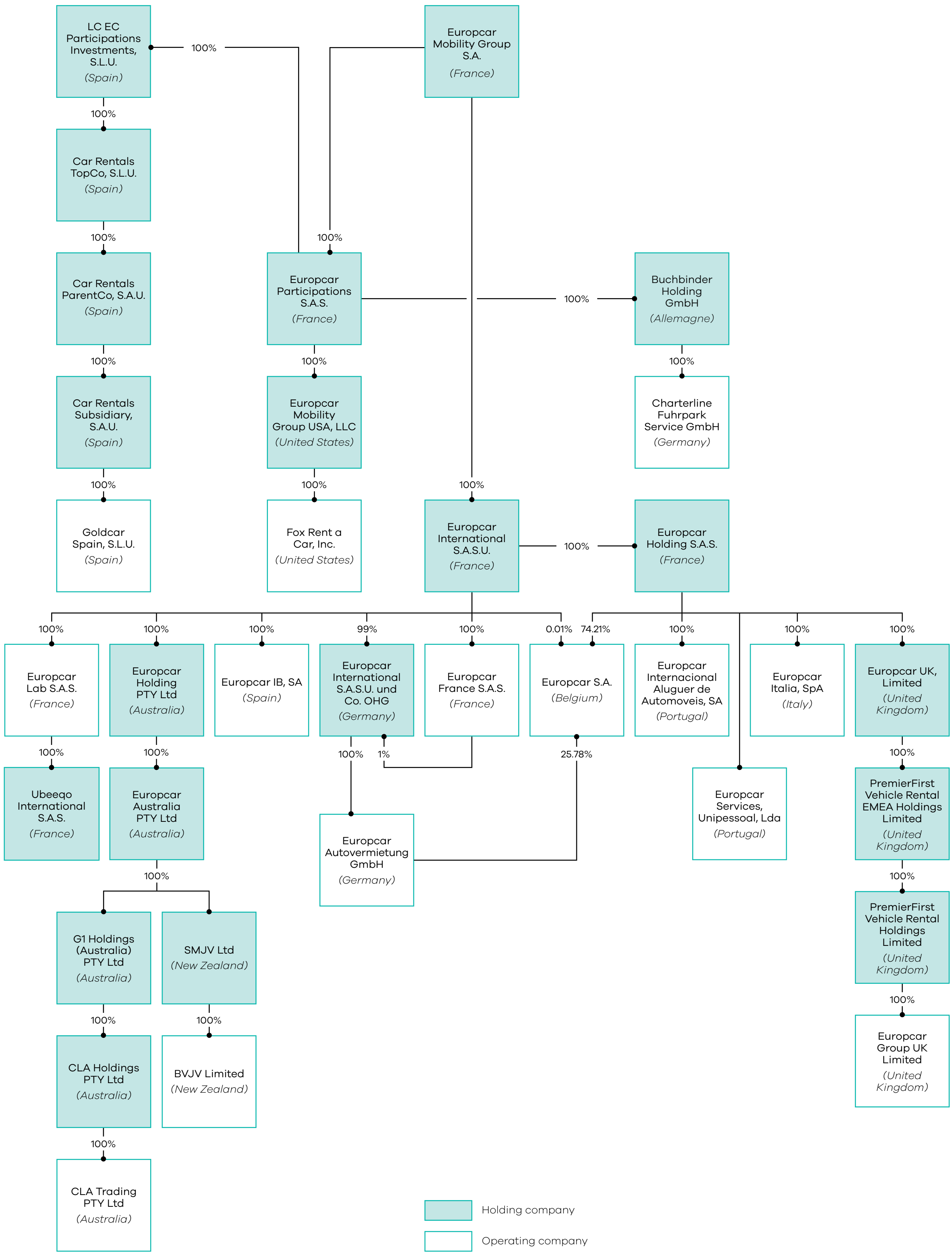
1.7 ORGANIZATIONAL CHART

The Company, the Group's non-operational holding company, directly or indirectly holds all of the entities comprising the Group and as such lays down certain broad policies, for instance, determining the Group's strategy and the resources necessary for its implementation, as well as its commercial policy.

The Company assists its Corporate Countries through a number of support functions. On September 28, 2006, it concluded with Europcar International S.A.S.U. a services agreement pursuant to which the Company provides ECI with its know-how regarding fleet management, sales, marketing, communications, Human Resources management, accounting, finance, operations and legal services. In consideration for these services, the Company receives monthly payments from Europcar International S.A.S.U. For further information on this general service agreement, see Section 7.2.5 "General Services Agreement signed by the Company" of this Universal Registration Document.

1.7.1 Simplified Group organizational chart

The following chart presents the Group's legal organization and the percentage that Europcar Mobility Group S.A.holds directly or indirectly in the share capital and voting rights of its subsidiaries as of the date of this Universal Registration Document.



1.7.2 Subsidiaries and equity investments

1.7.2.1 Significant subsidiaries

The Company's principal direct and indirect subsidiaries are described below:

- **Europcar International S.A.S.U.** ("ECI") is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter* boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 542 065 305. The Company directly holds 100% of the share capital and voting rights of ECI. ECI's main role is as an operational holding company for the Group. It directly or indirectly holds the majority of the Group's subsidiaries and equity investments. At the date of this Universal Registration Document, ECI is the holder of some of the Group's principal trademarks, including Europcar®. It negotiates and manages the Group's international agreements and partnerships. It manages and operates the principal information systems;
- **Europcar Holding S.A.S.** is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 13 *ter* boulevard Berthier, 75017 Paris, France, and registered with the Paris Trade and Companies Register under number 428 713 937. The Company indirectly holds 100% of the share capital and voting rights of Europcar Holding S.A.S. Europcar Holding S.A.S. directly or indirectly holds some of the Group's subsidiaries and centralizes the Group's finances;
- **Europcar France S.A.S.** is a French single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 2 rue René-Caudron, Parc d'affaires "Le Val Saint Quentin", Bâtiment L, 78960 Voisins-le-Bretonneux, France, and registered with the Versailles Trade and Companies Register under number 303 656 847. The Company indirectly holds 100% of the share capital and voting rights of Europcar France S.A.S. Europcar France S.A.S.'s principal business is short-term vehicle rental in France;
- **Europcar International S.A.S.U. & Co. OHG** is a German partnership, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRA83202. The Company indirectly holds 100% of the share capital and voting rights of Europcar International S.A.S.U. & Co. OHG. Europcar International S.A.S.U. Co. OHG is the Group's holding company in Germany;
- **Europcar Autovermietung GmbH** is a German limited liability company, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB42081. The Company indirectly holds 100% of the share capital and voting rights of Europcar Autovermietung GmbH. Europcar Autovermietung GmbH's principal business is short-term vehicle rental in Germany;
- **Charterline Fuhrpark Service GmbH** is a company incorporated under German law, whose registered office is located at Weidener Strasse 1, Regensburg 93057, Germany. It is registered in the Regensburg Trade and Companies Commercial Register under number HRB 6534. The Company indirectly holds 100% of the share capital and rights of vote of Charterline Fuhrpark Service GmbH. Charterline Fuhrpark Service GmbH's main activity is the short-term rental of motor vehicles in Germany;
- **Europcar UK Limited** is an English limited liability company, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 875561. The Company indirectly holds 100% of the share capital and voting rights of Europcar UK Limited. Europcar UK Limited is the Group's holding company in the United Kingdom;
- **Europcar Group UK Limited** is an English limited liability company, the registered office of which is located at James House, 55 Welford Road, Leicester LE2 7AR, United Kingdom, and registered with the Registrar of Companies of England and Wales under number 1089053. The Company indirectly holds 100% of the share capital and voting rights of Europcar Group UK Limited. Europcar Group UK Limited's principal business is short-term vehicle rental in the United Kingdom;
- **Europcar Italia S.p.A.** is an Italian single-shareholder stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 207101. The Company indirectly holds 100% of the share capital and voting rights of Europcar Italia S.p.A. Europcar Italia S.p.A.'s principal business is short-term vehicle rental in Italy;
- **Europcar IB S.A.** is a Spanish company, the registered office of which is located at Avenida del Partenon 16-18, 2a planta, Campos de las Naciones, Madrid, 28042, Spain, and registered with the Madrid Trade Register under number 5999. The Company indirectly holds 100% of the share capital and voting rights of Europcar IB S.A. Europcar IB S.A.'s principal business is short-term vehicle rental in Spain;
- **Goldcar Spain S.L.U.** is a Spanish company, the registered office of which is located at Carretera Valencia N-332 Km 115, Sant Joan d'Alacant, 03550, Alicante, Spain, and registered with the Alicante Trade Register under number B03403169. The Company indirectly holds 100% of the share capital and voting rights of Goldcar Spain S.L.U. Goldcar Spain S.L.U.'s principal business is short-term vehicle rental in Spain and Portugal;
- **Europcar Australia Pty Ltd.** is a Spanish company, the registered office of which is located at Avenida del Partenon 16-18, 2a planta, Campos de las Naciones, Madrid, 28042 Spain, and registered with the Madrid Trade Register under number B87929428. The Company indirectly holds 100% of the share capital and voting rights of LC EC Participations Investments S.L.U. LC EC Participations Investments S.L.U. is the Group's holding company for Goldcar's activities.

For a description of the Group's other consolidated subsidiaries, see Note 36 "Group Entities" to the 2019 financial statements included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2019" of the Universal Registration Document.

1.7.2.2 Acquisitions and disposals of subsidiaries in 2019

On May 31, 2019, the Group acquired its Norwegian and Finnish franchisees from Matti and Jussi Holopainen. Both companies have a strong presence in their respective national markets (No. 1 in Finland and No. 3 in Norway). The combined revenue of the two businesses was 58 million euros in 2018.

On October 31, 2019, the Group acquired the American company Fox Rent A Car, one of the largest independent players in the vehicle rental market in the United States. Fox Rent A Car operates a network of 21 corporate stations and more than 100 stations held by franchisees. The Company operates in 15 of the 25 largest American airports, with a fleet of about 18,000 vehicles. In 2018, Fox Rent A Car achieved revenue of about 214 million euros.

These two companies are consolidated over 12 months in 2020 against respectively six months for the Finnish and Norwegian companies and two months for the American company in 2019.

1.7.2.3 Investments

As part of the development of its mobility strategy, in September 2016 the Group, through its Italian subsidiary Europcar Lab Italia S.p.A., acquired a 20% minority stake in the capital of Wanderio S.p.A., an Italian start-up company whose ambition is to offer, through a multimodal research and comparison platform, the best means of transport to get from point A to point B according to two criteria: price and duration.

During 2019, Europcar Lab Italia S.p.A. increased its stake in the capital of Wanderio S.p.A. from 69.16% to 91.8% by acquiring shares from existing shareholders. On December 31, 2019, Europcar Lab Italia S.p.A.'s stake in Wanderio S.p.A. rose to 91.83% and the entity is now fully integrated in the Group's consolidated accounts. In 2020, the stake in Wanderio was maintained at 91.83% of its capital.

1.7.2.4 EC Finance Plc

EC Finance plc is an autonomous special-purpose financing vehicle formed in connection with the issuance of the EC Finance Notes, which are used to finance part of the Group's fleet. All of EC Finance Plc's common shares are held by TMF Trustee Limited, an English entity, in its capacity as trustee for a charitable trust established under English law. EC Finance plc has no material operations. The Company is deemed to indirectly control EC Finance Plc, which is included in the Group's scope of consolidation. For more information on the EC Finance Notes, see Section 3.2.3 "Description of the financing as of December 31, 2019" of this Universal Registration Document.

1.7.2.5 Securitifleet and Goldfleet Entities

Securitifleet S.A.S.U., Goldfleet France S.A.S., Goldfleet Italy S.p.A. and Securitifleet S.p.A. are consolidated, and are respectively, 100%, 100%, 100% and 94% held by Securitifleet Holding S.A., which in turn is controlled by Sanne Capital Market (Ireland) Limited, an autonomous special purpose vehicle governed by Irish law:

- **Securitifleet S.A.S.U.**, is a single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 57 avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 443 071 816. Securitifleet S.A.S.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar France S.A.S.;
- **Goldfleet France S.A.S.** is a single-shareholder simplified stock company (société par actions simplifiée), the registered office of which is located at 57 avenue de Bretagne, 76100 Rouen, France, and registered with the Rouen Trade and Companies Register under number 839 096 997. Goldfleet France S.A.S. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar France S.A.R.L.;
- **Goldfleet Italy S.p.A.** is an Italian stock company, the registered office of which is located at Via Alfred Nobel 18, Laives (BZ), Italy, and registered with the Bolzano Trade Register under number 02993600218. Goldfleet Italy S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Italy S.R.L.; and
- **Securitifleet S.p.A.** is an Italian stock company, the registered office of which is located at 32 Corso Italia, 39100 Bolzano, Italy, and registered with the Bolzano Trade Register under number 205586. Securitifleet S.p.A is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar Italia S.p.A.

Goldfleet Spain S.L., Securitifleet S.L. and Securitifleet GmbH are, respectively, 100%, 95% and 90% held by Securitifleet Holding Bis S.A.S.U., itself controlled by Intertrust Corporate Services 2 (Ireland) Limited, an autonomous special purpose vehicle governed by Irish law:

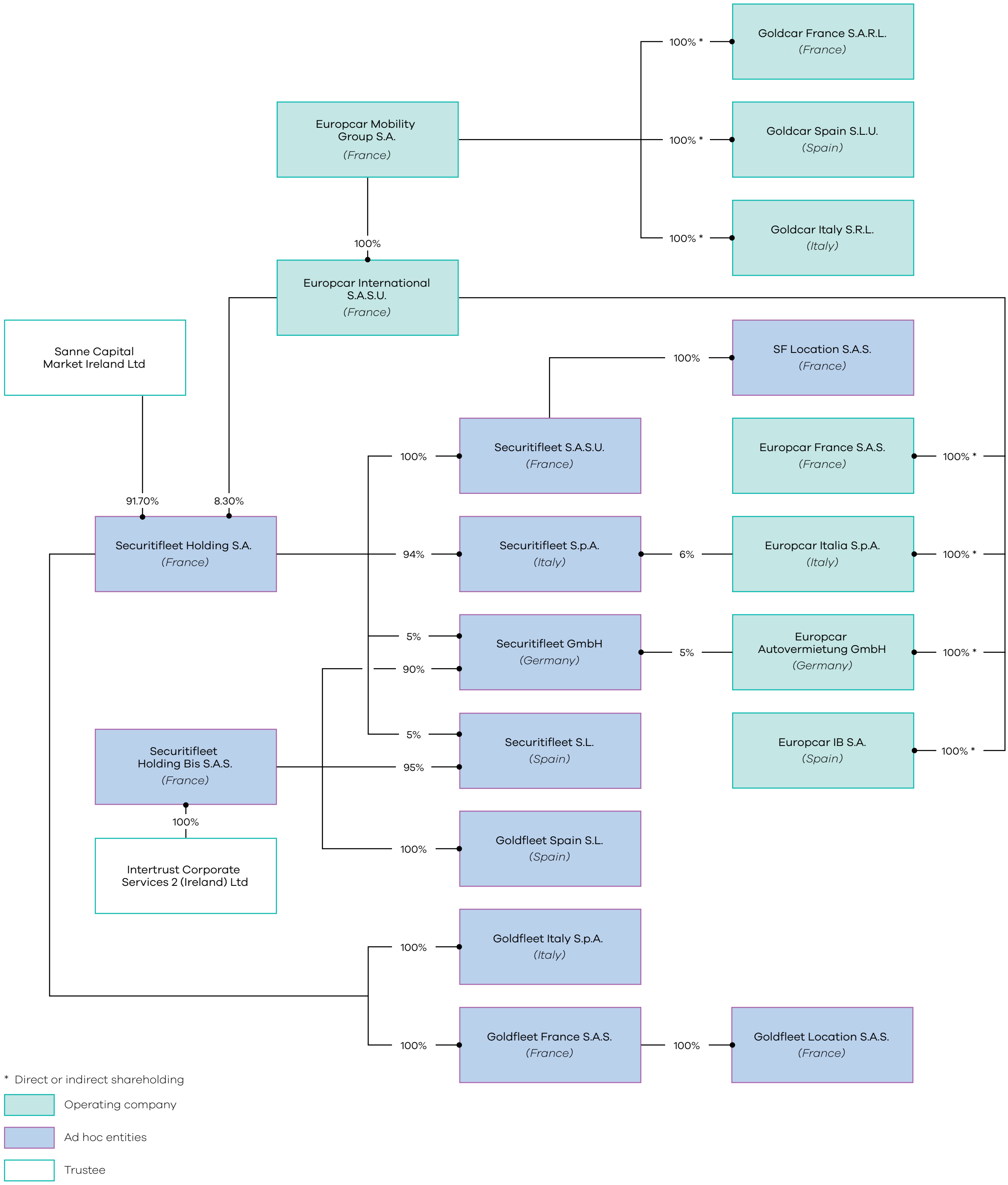
- **Goldfleet Spain S.L.U.** is a Spanish limited liability company, the registered office of which is located at Carretera Valencia, km 115, Edificio Goldcar, 03550 Sant Joan d´Alacant (Alicante), Spain, registered with the Commercial Registry of Alicante and holder of Tax Identity Code B42572438. Goldfleet Spain S.L.U. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Goldcar Spain S.L.U.;
- **Securitifleet GmbH** is a German limited liability company, the registered office of which is located at 81 Tangstedter Landstrasse, 22415 Hamburg, Germany, and registered with the Hamburg Trade Register under number HRB 91341. Securitifleet GmbH is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole

purpose the acquisition and ownership of vehicles to be leased to Europcar Autovermietung GmbH; and

- **Securitifleet S.L.** is a Spanish limited liability company, the registered office of which is located at C/ Trespaderne, 19 Madrid, Spain, 28042, registered with the Madrid Trade Register, Sheet M (310,150), Book 17.955, page 92, and holding Tax Identification Code B83382549. Securitifleet S.L. is an autonomous special purpose company set up in connection with the Group's securitization structure and having as its sole purpose the acquisition and ownership of vehicles to be leased to Europcar IB S.A.

The above-mentioned Securitifleet and Goldfleet entities are included in the Group's scope of consolidation.

The following organizational chart sets forth the legal organization of the Securitifleet and Goldfleet companies at the date of this Universal Registration Document. For more details on the capital structure between the Europcar operating entities, the Goldcar operating entities and the Securitifleet and Goldfleet companies, please see the chart shown in Section 3.2.3 "Description of financing as of December 31, 2019".



1.8 RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

1.8.1 Research and development

Although the Group does not strictly speaking conduct any research and development, it is constantly in search of innovative solutions. In 2014, in particular, it set up Europcar Lab, renamed Mobility Lab in 2018, which is an ideas incubator for the Group's strategic projects. Mobility Lab has also invested in and acquired several companies developing new mobility solutions in Europe. These companies hold most of the intellectual property rights used in their respective activities (including car sharing and private vehicle rental services).

1.8.2 Intellectual property, licenses, user rights and other intangible assets

The Group holds most of the intellectual property rights used in connection with its business, particularly the material rights, which enables it in the vast majority of cases to provide services to its customers without having to rely on third parties.

These rights are mainly held either (i) in their majority, by Europcar International, Europcar Mobility Group and through subsidiaries of Europcar Participations and Europcar Lab, or (ii) for distinctive signs used in only one country, by a Group subsidiary in that country.

The Group's intellectual property rights primarily consist of:

(i) rights to distinctive signs such as trademarks or domain names, particularly those including the names "Europcar®", "InterRent®", "Buchbinder®", "Goldcar®" or "Keddy®". These intellectual property rights are registered or in the process of being registered in most of the countries where the Group does business, in order to protect them in a manner appropriate to the activities concerned;

(ii) rights relating to the "GreenWay®" technology, an application offering a comprehensive commercial solution, mainly in the areas of vehicle fleet management, e-commerce, reservations and global distribution systems as well as rental activities; and

(iii) the rights relating to the trademarks and, if applicable, technological solutions and applications used by the new mobility companies acquired by the Company since its creation. These intellectual property rights allow these acquired companies (such as Ubeeqo) to operate their services in certain cases without relying on third parties.

In the context of several partnership or franchise contracts outside France and in cases where the services provided so require, ECI grants its partners or franchisees a license on some of its intellectual property rights (in particular on brands and the GreenWay® technology) in a given territory. Up until the end of 2019, ECI was also party to a cross-licensing agreement with Advantage OpCo ("Advantage") pursuant to which (i) Advantage granted ECI an exclusive license to certain "Advantage" trademarks in the countries where the Group is present or has a franchise, with the exception of the United States (although the license did cover Puerto Rico) and (ii) ECI granted Advantage an exclusive license to the "Europcar®" trademark in the United States (but not covering Puerto Rico). In the context of two partnerships, one with the Chinese Shouqi Car Rental group and the other with ECOS (India) Mobility and Hospitality Private Limited, cross-licensing contracts have been entered into, whereby (i) Shouqi and ECOS grant Europcar International S.A.S.U., licenses to certain trademarks in countries where the Group is established or has a franchise, and (ii) Europcar International S.A.S.U. grants Shouqi and ECOS licenses to the Europcar® brand for China and India respectively. The licenses are non-exclusive and non-transferable for a duration equal to the term of the joint venture or franchise agreements in connection with which they are granted. These licenses are not the subject of specific fees, but instead are taken into account in the overall negotiation of the partnership or franchise agreements to which they apply.

Please refer to Note 5 "Intangible Assets" in the financial statements for 2019, shown in Section 3.4 "Consolidated financial statements and Statutory Auditors' report on the financial statements for the fiscal year ended December 31, 2020" for details of the valuation of the Group's trademarks.

1.9 PROPERTY, PLANT AND EQUIPMENT

At December 31, 2020, the Group held property, plant and equipment with a gross value of 860 million euros including usage rights (889 million euros at December 31, 2019).

The Group also leases some of its fixed assets, in particular certain buildings and technical equipment. Pursuant to IFRS 16, leases are recognized in the balance sheet in the form of a right of use on the leased asset and a financial liability for the rents and other payments to be made during the rental period used in valuing the lease liability. The gross value of the rights of use related to real estate and equipment leases stood at 426 million euros as of December 31, 2020 versus 476 million euros as of December 31, 2019.

Property, plant and equipment owned or leased by Group entities consists mainly of:

- administrative buildings and offices for the needs of the Group's administrative and commercial functions in all the countries in which it carries on its activities.

  The Company has established its head office in Paris (75017) (France) and occupies three floors of the Metropolitan Building, comprising 5,470 m² of rented office space plus parking spaces, leased by Europcar International under a commercial (office) lease agreement signed on October 2, 2017 for a fixed ten-year term from February 1, 2018. The initial ten-year term is firm and irrevocable, Europcar International having waived its right to terminate after the first three three-year periods.

  Each of the Corporate Countries also occupies premises for its headquarters;
- rental agencies mainly located at or near airports or train stations, or in certain business neighborhoods and suburbs.

  The Corporate Countries rent or operate the majority of the Group's 1,275 directly managed stations, pursuant to concessions awarded by governmental authorities and leases with private entities. These leases and concession agreements generally require the payment of rent or minimum concession fees, and in certain countries also require the relevant Corporate Country entity to pay or reimburse operating fees, additional rent, or concession fees that are greater than the guaranteed minimum, calculated based on a percentage of revenue or sales at the locations in question;
- technical infrastructures of servers and datacenters;
- fuel pump and car washing equipment at rental agencies in each of the Corporate Countries.

These property, plant and equipment items are pledged as collateral for corporate financing, as indicated in Note 5.3 "Property, plant and equipment" of the 2020 consolidated financial statements included in Section 3.4 of this Universal Registration Document.

2

RISK FACTORS AND RISK MANAGEMENT

Before any decision to acquire the Company's shares, investors should consider all of the information set forth in this Universal Registration Document, including the following risk factors as set out in this Chapter.

Pursuant to the provisions of Article 16 of Regulation (EU) 2017-1129 of the European Parliament and of the Council, this Chapter presents the main risks that, as of the date of this Universal Registration Document, could impact the Group's activity, financial position, results, outlook, image or reputation or the stock market price of the Company's shares, as identified while preparing the Group's risk mapping, and after taking into account the procedures and checks put in place in order to identify, monitor and manage the risks on an ongoing basis. These risk procedures and controls are described in Sections 2.6 "Risk management procedures" and 2.8 "Internal control procedures" of this Universal Registration Document. Other hitherto unknown risks or those deemed unlikely to have a material adverse effect as at the date of this Universal Registration Document, could have a significant impact on the Group in the future. The Group could indeed be exposed to emerging, new, or constantly evolving risks whose impact remains uncertain. Any risks that are currently unknown or considered immaterial could prove important in the future and have a significant impact on the Group. Given the level of uncertainty associated with these risks, the Group is not always able to quantify their consequences with adequate or sufficient accuracy. Within each of the risk categories mentioned below, the risk factors that the Company considers, as of the date of this Universal Registration Document, as the most significant due to their probability of occurrence and/or their materiality are mentioned first.

Global tourism and transport heavily impacted by the Covid-19 pandemic in 2020

Since the beginning of March 2020, the international spread of the Covid-19 pandemic has forced a large number of governments to put in place exceptional travel restrictions or lockdowns and to limit or prohibit public meetings or gatherings.

The Group has taken the appropriate measures with regard to both its employees and its customers and for its business, with a dedicated multidisciplinary team working under the supervision of the Company's Management Board.

At the date of this Universal Registration Document, the scale of the pandemic and its ongoing spread throughout the world means that we are unable to assess the financial impacts or full consequences, including a possible worsening of the situation and/or of the scale of the consequences relating to the risks presented in this Chapter and, in particular, "Risks related to the decrease in demand for travel and transport in the regions in which the Group operates" in Section 2.1.1, "Risks related to the seasonal nature of the vehicle rental industry and its sensitivity to weather conditions" in Section 2.1.3, "Risks related to the supply of the Group's vehicle fleet and to manufacturers' recall campaigns" in Section 2.2.1, "Risks linked to the Group's holding of vehicles not covered by buy-back agreements" in Section 2.2.7, "Market risks" in Section 2.4.1, "Risks related to the Group's substantial indebtedness" in Section 2.4.3, "Risks related to the Group's ability to generate cash and/or secure financing to fund its indebtedness or forecast liquidity requirements" in Section 2.4.4, and "Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet" in Section 2.4.6. of this Chapter.

At the date of this Universal Registration Document, it is still very difficult to assess the extent of the repercussions of such a stoppage of economic activity in so many countries, given the numerous chain reactions, in the short term. The Group regularly reviews the course of the pandemic as well as its impact on the Group's business, operations and financial position, and is taking all appropriate measures for its customers, employees, stations and fleet (in particular, with regard to the fleet, by capitalizing on its flexible fleet supply model (with a buy-back commitment)).

2.1 RISKS RELATING TO THE GROUP'S INDUSTRY AND MARKETS

2.1.1 Risks related to the decrease in demand for travel and transport in the regions in which the Group operates **(high risk)**

The Group benefits from an international network and operates primarily in Europe. The Group generated 84.5% and 15.5% of its total revenue (before intra-group and holdings eliminations) in Europe and the rest of the world, respectively, for the year ended December 31, 2020. Demand for vehicle rentals in a given region, and for "corporate" rentals in particular, is affected by trends in the gross domestic product (GDP). Declines in or stagnation of GDP negatively impacts the level of vehicle rental demand. This could lead to a tightening in the credit market, a drop in business and leisure travel, a reduction in consumption and greater volatility in fuel prices. All these factors could negatively impact the vehicle rental industry, and particularly demand in the "business" segment. The current situation and the outlook for 2021 for the Eurozone remain very uncertain, with a risk of stagnation.

A deflationary environment in Europe or one of its member States would limit the Group's growth prospects and any deterioration in the Eurozone economy, including in connection with "Brexit", could adversely affect the Group's business, operating income, financial position and prospects. For further information on Brexit, see Section 2.1.4 of this Universal Registration Document.

Vehicle rental demand, particularly in the "leisure" segment, is also affected by trends in air travel, which in turn are affected both by macroeconomic conditions and specific factors such as flight ticket prices, fuel price trends, work stoppages, social movements, natural catastrophes, epidemics, terrorist attacks (or a perceived heightened risk of attacks), military conflicts, external events on a global scale, and governments' responses to any of these events. In the same manner, if repeated attacks or perturbations were to occur in Europe, it could have a significant adverse effect on the Group's activities, results of operations and financial position. In order to limit the negative effect, the Group subscribed to an insurance program (see Section 2.6.3.3 "Risks related to the Group's business (excluding its fleet)").

With regard to the Covid-19 outbreak, which began in China in December 2019 before spreading to Europe and the United States, the Group is monitoring its exposure in order to take the appropriate steps, both in terms of its staff and its customers, and its business, with a dedicated multidisciplinary team under the supervision of the Management Board. The Group regularly reviews the course of the pandemic as well as its impact on the Group's business, operations and financial position, and is taking all appropriate measures for its customers, employees, stations and fleet (in particular, with regard to the fleet, by capitalizing on its flexible fleet supply model (with a buy-back commitment)). A protracted global epidemic and the continuation of restrictive measures to control it, insofar as it is creating a slowdown in business and tourist travel, is having a significant impact on the Group's business, operating income and financial position (see Section 1.2.2.1 of this Universal Registration Document).

For the year ending December 31, 2019, the Group earned 46.7% of its consolidated revenue through rentals from agencies located at airports, which revenue (33% at end of 2020) saw a sharp decline owing to the closure of most airports throughout the world, or to a drastic reduction in their operations (see Section 1.6.5.2 "Agencies operated directly by the Group or by agents" in this Universal Registration Document). This significant proportion of the Groups revenue, which correlated highly with the level of air traffic, both for its leisure and business customer base, was severely impacted. The Covid-19 pandemic, as a long-term event accompanied by ongoing restrictive measures to control its spread, has led to a sharp decline in business and tourist air travel, and therefore has a significant adverse effect on the Group's operations, earnings, financial position and prospects. Ongoing economic uncertainty, volatile economic conditions, the decline in air travel, changes in customer behavior and the scale of the Covid-19 pandemic make demand forecasting and therefore sound fleet management even more uncertain, and consequently impact the Group's economic performance.

Vehicle rental demand is also highly sensitive to weather conditions. The tendency towards last minute reservations (itself resulting in part from the increasing weight of Internet-based distribution channels) has increased this sensitivity. Adverse weather conditions, particularly in the summer months, could lead to a decline in demand during this critical period of the year. A sharp reduction in demand due to poor weather may not be anticipated by the Group's fleet management planning and could have a material adverse effect on the Group's revenues and profitability.

2.1.2 Risks related to the high level of competition in the vehicle rental industry, affected by structural changes (high risk)

The vehicle rental industry is a competitive market. At the international level, the Group's main competitors are several multinational vehicle rental companies and brokers. The Group also competes in specific regions or countries with a number of smaller regional companies. In particular regions, some of the Group's competitors and potential competitors may have greater market share, more technical staff, larger customer bases, lower cost bases, more established distribution channels or greater brand recognition and may adapt more rapidly than the Group does to respond to expectations and changes in demand in the regions in which they operate. Globally, some of these competitors and potential competitors, owing to the fact that they might have had access to more financial and marketing resources before the onset of the first wave of the Covid-19 pandemic, could affect the Group's post-Covid-19 competitive position.

Price is one of the industry's main competitive factors. Pricing is highly dependent on the supply of vehicles available for rent relative to demand, and oversupply of rental vehicles relative to demand can lead to intense pressure on prices as vehicle rental companies seek to maintain high fleet utilization rates. A number of variables complicate the accuracy of such forecasts, including the variability of other vehicle rental companies' fleet sizes and the relative dispersion of the European market, which may lead to mismatches between supply and demand. If potential competitive pressures require the Group to match competitors' prices but the Group is not able to reduce operating costs correspondingly, then the Group's results of operations and financial position could be materially and adversely affected.

The vehicle rental industry has been evolving and is facing further and substantial structural changes due to changing customer preferences and usages combined with and driven by new technologies. The increased use of the Internet and mobile phone applications for reservations of rental vehicles is a major structural change which makes competition more transparent, and thus increases the potential pressure on prices in the vehicle rental industry, such that pricing could become the main, if not the only, source of differentiation. This trend is expected to continue. At the Group level, the percentage of Internet reservations increased from 27% in 2008 to 70% in 2020. This increase is due, among other things, to the ease of use of this distribution channel (including for "last minute" bookings) and the fact that it enables price and service comparisons. These trends could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

With increased pricing transparency and the recent economic downturn, individuals and businesses have been increasingly focused on low-cost travel and many companies have implemented measures to reduce business travel costs. As a result, the vehicle rental market has also witnessed increased demand for smaller economy vehicles, and more generally the low-cost market, which has required industry players to adjust their fleet and adapt the cost structure associated with these offers. Failure to adapt to these market changes, together with increased competition, could have a material adverse effect on the Group's profitability.

The emergence of new mobility solutions creates opportunities but is not devoid of risks (see Sections 1.3 "Mobility services market" and 1.4 "Strategy" in this Universal Registration Document). The entry into the market of new potential competitors that have adopted a digital-only model – such as companies offering car sharing and car-pooling services – and their growing presence in the mobility market, or the arrival of leasing companies on the market for shorter-term contracts, could also affect the Group's competitive position. In response to such competition and to these changes market conditions, in June 2020 the Group implemented the "Connect" strategic program (structured around three Services Lines and use cases), which seeks to address these new demands and customer behaviors.

2.1.3 Risks related to the seasonal nature of the vehicle rental industry and its sensitivity to weather conditions

The third quarter of the year has historically been the Group's strongest quarter due to higher levels of leisure travel in the summer months. The scale of the Covid-19 pandemic, and its ongoing spread across the world, has massively disrupted the second, third and fourth quarters of 2020, and has had a significant and material adverse effect on the Group's revenue and operating income.

The Group purchases vehicles for its fleet based on anticipated fluctuations in demand, in particular seasonal fluctuations. The necessary variation in fleet levels also results in higher levels of debt in the summer months compared to other times of year, as additional capital is required to fund fleet acquisitions. The Group manages its cost base and investment decisions in line with forecast activity levels and historical needs. Any difference between forecasted and actual activity, in particular during peak periods, could have a material adverse effect on pricing both during the peak periods and in the "shoulder" periods before and after them and therefore on the Group's business, results of operations and financial position.

2.1.4 Risks related to the exit of the United Kingdom from the European Union

In a referendum held on June 23, 2016, the United Kingdom chose to leave the European Union ("Brexit"). The Brexit date initially scheduled for March 29, 2019 was postponed several times, such that Brexit actually became effective on January 31, 2020 at midnight (Paris time) after the European Union and the United Kingdom agreed on the new rules governing the partnership for the future.

The Group pays particular attention to Leisure activities in Southern Europe, particularly in Spain, Italy and Portugal. Due to the Covid19 pandemic, the impact on these activities had already begun to felt be impacted since the summer of 2020. In normal conditions, these destinations, which are very popular among tourists from the United Kingdom, would be affected by a devaluation in the British currency, a slow-down in the British economy, or regulatory developments or travel restrictions.

Brexit, and the uncertainties surrounding the proper implementation of the agreement, could negatively affect global economies and market conditions, and could contribute to the instability of financial and currency markets, due to the volatility in the value of the pound sterling or the euro. As the effects of Brexit cannot be fully anticipated, they may have a materially adverse effect on car manufacturing, the availability of vehicles and spare parts, customs duties, and the Group's operations, operating income, financial position and prospects. Structurally, Great Britain is a highly competitive and tightly priced territory, which tends to push prices down, particularly in the SME and Replacement markets of the business segment. This environment is intensified by Brexit, which creates pressure on volumes and adversely affects the business segment, and is only partly offset by the volumes achieved in the Leisure segment. Financially, Brexit could potentially affect prices owing to a rise in inflation, which might not be offset by a rise in prices. It could also affect currency prices, which would affect conversion rates used in the Group's accounting. Finally, Brexit could create uncertainties as to the legal framework applicable to the Group's operations due in particular to the potential divergence of laws and regulations by country, with the United Kingdom having to decide on the European Union laws that it may wish to either replace or replicate. See Note 8 "Financing and financial risks management", on foreign exchange risk in the 2020 financial statements, presented in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2020".

2.2 OPERATIONAL RISKS RELATED TO THE BUSINESS

2.2.1 Risks related to the supply of the Group's vehicle fleet and to manufacturers' recall campaigns **(high risk)**

The Group relies to a significant extent on contractual agreements with a limited number of car manufacturers and dealers.

Any of these manufacturers could decide or be forced to restrict the production or sale of vehicles to the rental industry for various reasons, or could be affected by the occurrence of unforeseeable events, such as the Covid-19 pandemic, that would affect the vehicle supply chain. In general, car manufacturers limit the number of vehicles sold to short-term rental companies to a percentage of their total sales of new vehicles. This percentage varies between 7% and 12% depending on the manufacturer. In addition, depending on market conditions, sales of vehicles to rental companies may be less profitable for automobile manufacturers than other distribution channels or may not suit their marketing and branding strategy at a given time. Historically, vehicle sales to the vehicle rental industry have been relatively less profitable for car manufacturers due to sales incentive and other discount programs that allow fleet purchasers such as Europcar to limit their average vehicle holding costs. Procurement and fleet holding costs may also increase due to taxes linked to emission reduction requirements for the type of energy imposed and it cannot be guaranteed that the Group would be able to pass on this increase in costs to its customers. If the Group is unable to obtain favorable pricing and other terms when it acquires vehicles and is unable to pass on increased costs to customers, the Group's results of operation and financial position could be materially adversely affected. For further information on the Group's expenses related to vehicle purchases and costs related to purchasing and selling vehicles, see Section 3.1.1.2 "Main factors that can impact the Group's Results", subsection "Costs structure and operational efficiency", and 3.3.1 "Investment history" of this Universal Registration Document.

Any changes in standards or economic or financial distress, particularly linked to Covid-19, affecting manufacturers, dealers and their suppliers of vehicle components, could also cause them to raise the prices the Group pays for vehicles or to reduce the capacity of the Group to supply its fleet. As a result, there is no guarantee that the Group will continue to be able to obtain vehicles at terms and conditions that are as competitive or in the form of the particular vehicle sales arrangements on which the Group currently relies.

The Group relies on buy-back agreements (whereby the Group's vehicles are repurchased by manufacturers or dealers on pre-established terms after a pre-determined holding period) to limit the risk on vehicles resale value, finance its fleet on the basis of agreed repurchase prices, and enjoy greater flexibility in managing its fleet.

During the Covid-19 pandemic, the use of buy-back contracts allowed the Group to quickly reduce the size of its fleet and adjust to the decline in demand, and in so doing ensure flexible and efficient fleet management. Owing to its consolidated partnerships with car manufacturers, the Group was able adapt its contracts and implement appropriate measures, such as reducing contractual holding periods, postpone the delivery of new vehicles, and cancel orders for certain vehicles that it had planned to add to its fleet, without penalties.

The negotiations with car manufacturers were based on the agreed understanding that the Covid-19 pandemic was an exceptional and unforeseeable event, and that to surmount it, the Group was counting on its long-term partnerships, such as those it had established with car manufacturers.

The Group's vehicle purchasing policy is primarily buy-back oriented.

The proportion of diesel vehicles in the Group's purchases of passenger cars fell from 59% in 2015 to 41% in 2020. This decrease mainly concerns small vehicles in the mini, economy and compact ranges.

Given the still favorable savings in use diesel vehicles (lower consumption price per liter and VAT recovery), the Group had yet to record any discernable reduction in diesel demand from its customers as of the date of this Universal Registration Document.

At the date of this Universal Registration Document, it was noted that manufacturers had reduced the proportion of diesel vehicles in favor of gasoline vehicles in 2020, as they had done in 2019. In 2020, the proportion of electric vehicles (EV) in the fleet remained very low (less than 1% of purchases). However, if hybrid vehicles are taken into account, they account for 3.85% of the fleet, as opposed to 1.66% in 2019. As car manufacturers' are progressively extending their offerings, the proportion of electric vehicles is expected to increase, but will remain very limited since car manufacturers tend to prioritize private customers.

Moreover, customer demand for electric vehicles remains sporadic for short-term rental activity. Limited range, lengthy recharge time and limited infrastructure are still real deterrents for customers. While hybrid vehicles are well regarded, manufacturers' offerings are still very limited, including in 2020. The Group predicts an increasing number in the offer of hybrid and electric vehicles by 2021.

The WLTP Procedure (Worldwide-harmonized Light vehicles Test procedure), used to measure fuel consumption and emissions of CO_2 and other pollutants, became effective on September 1, 2018. Since the entry into force of the WLTP procedure, CO_2 levels have been found to be higher than those recorded under the previous standard, and this has led to an increase in taxes imposed on vehicles. France, the United Kingdom, and Germany are the main countries impacted by this increase. Additionally, as of the date of this Universal Registration Document, it cannot be ruled out that governments may decide to continue to increase CO_2 taxes significantly in the future to encourage manufacturers and consumers to switch to low-emissions vehicles. This could lead to an increase in holding costs and have a material adverse effect on the Group's operating income and financial position.

The Group might have to spend considerable sums if a manufacturer or dealer were no longer able to respect its buy back commitments for reasons of insolvency or any other reason, or if a manufacturer or dealer no longer wished to buy back vehicles whose residual value may have declined. In these circumstances, the Group may be unable to dispose of its vehicles at the prices specified under the buy-back agreement or calculated based on the guaranteed depreciation, or it may be unable to receive contractual premiums. Failure by a manufacturer or dealer to fulfill the aforementioned obligations could leave the Group with a substantial and uncertain unpaid claim, particularly with respect to vehicles that have been (i) resold for an amount less than the contractually guaranteed amount, and therefore requiring the manufacturer or the dealer to compensate the Group for the loss incurred, or (ii) returned to the manufacturer or dealer, but for which the Group may risk not receiving any payment or only partial payment. Such failure to perform could lead the Group to incur a substantial loss.

Vehicles in the Group's fleet may be subject to recalls by their manufacturers. Under certain circumstances, recalls may cause the Group to attempt to recall rented vehicles from customers or to decline to rent available vehicles until the steps described in the recalls can be applied. If a large number of vehicles were to be simultaneously recalled, or the necessary spare parts were not available in sufficient quantities, the Group may find it difficult to meet customer demand for several weeks or months. The Group could also potentially face liability claims if recalls concern vehicles that it has already re-sold. Depending on their number and severity, recalls could materially adversely affect the Group's revenue, reduce the residual value of the vehicles involved, create customer service problems, and harm the Group's general reputation and the consumer's view of the Group.

2.2.2 Risks related to the contractual relationships with certain key partners and key distribution channels

In the leisure segment, the Group relies on a number of targeted partnerships and third-party distribution channels, which generate significant rental revenue (for more information on the Group's partnerships in the leisure segment, see Section 1.6.3.2 "Leisure customers", subsection "Partnerships to reach leisure customers" in this Universal Registration Document).

In the business segment, the Group has also entered into many exclusive or non-exclusive agreements with large corporations, which cumulatively account for a substantial portion of the Group's consolidated revenue.

The loss of certain of these partnerships, distribution channels or contracts, unfavorable changes in their terms, including commission schedules or financial arrangements, the potential termination of certain of these contracts (a certain number of which may be terminated at any time by partners), a reduction in the volume of sales from certain partners or channels, or a party's inability to process and communicate reservations to the Group could have a material adverse effect on the Group's business, results of operations, financial position and prospects.

2.2.3 Risks related to the Group's potential failure to detect fraud

The scale and nature of the Group's businesses expose it to the risk of fraud, which could adversely affect its results of operations, its financial position and harm its image. The Group may be exposed to various types of fraud, targeting it directly or targeting its customers. Furthermore, with the increasing complexity of technology and the acceleration in the rate at which new services or applications are introduced, in particular in the area of billing and customer relationship management, new types of fraud that are more difficult to detect or counter could also emerge. See also Section 2.3.4 "Risks related to the Group's potential failure to protect customer data against security breaches and cyber-attacks" in this Chapter. In the event of such occurrences or the failure to detect these new types of fraud, the Group's revenue, operating income and reputation could be affected.

2.2.4 Risks related to contractual relationships with certain key suppliers in addition to car manufacturers

The Group signed a number of contractual agreements with suppliers other than car manufacturers, in particular insurance providers and information technology suppliers. The Group relies mainly on AIG and Allianz (see Section 2.5.2 "Risks related to liabilities and insurances" and Section 2.6.3 "Insurance" of this Universal Registration Document). The Group also maintains important business relationships with several software and service providers that it uses to operate its IT systems, manage reservations and its fleet, and provide certain customer services.

The suppliers on which the Group relies may be unwilling to extend contracts under terms that are favorable to the Group, or they may seek to renegotiate existing contracts with the Group. The Group cannot guarantee that the suppliers on which it relies will properly provide the services and products it needs for the operation of its business or will provide such services on competitive terms. The occurrence of any of these risks may create operational problems, damage the Group's reputation, result in the loss of customers and have a material adverse effect on the Group's business, results of operation and financial position.

2.2.5 Risks related to contractual relationships with franchisees, agents and affiliates

For the contracts in force in 2019 and 2020, in addition to an entrance fee, when franchisees renew their contracts, they pay a fee for the exclusive use of the brands determined and held by the Group for a given territory defined in their contracts. The franchisees also pay to the Group a reservation fee depending on the distribution channel used, as well as royalties equal to a percentage of the revenue generated by their vehicle rental operations with a possible guaranteed minimum.

In 2016, the Group completed a comprehensive review of its franchise agreements in anticipation of the roll-out several new Group projects. The new franchise agreement template provides for additional revenue streams to those mentioned above, generated through additional services to franchisees – particularly IT-based, marketing, and specific training – which the Group has been rolling out progressively since 2018. In 2020, the Group pursued the review of its franchise agreements and finalized the new Goldcar franchise agreement template based on the Europcar InterRent templates.

Where Europcar is concerned, 32 agreements were renewed and/or signed in 2020 and 26 are expected to be renewed/ signed in 2021, 29 in 2022, 35 in 2023 and 19 in 2024.

At InterRent, 11 agreements were renewed in 2020.

At Goldcar, 3 agreements were renewed and/or signed in 2020, and 19 are expected to be renewed/signed in 2021, 17 in 2022, between 15 and 20 in 2023, and between 15 and 20 in 2024.

The Group cannot guarantee that all of its franchise contracts will be renewed or renewed according to the terms and conditions proposed by the Company in the new franchise contract. The Group could lose franchisee to competing networks offering more favorable terms, or franchisees could cease operating as a result of the Covid-19 pandemic. If one or more of the Group's franchisees were to leave the Group's networks, its geographic coverage could be reduced; if the Group is unable to secure agreements with replacement franchisees at terms and conditions that are at least equally favorable, the Group's profitability and outlook could be materially adversely affected. The loss of certain franchisees could also weaken the Group's brands. The Group also operates certain rental stations through agents in its Corporate Countries. From time to time the validity or enforceability of certain terms and provisions of these agency agreements have been and may in the future be challenged by the Group's agents or third parties. To the extent a court or regulatory authority were to find a term or provision to be invalid or unenforceable and if such finding were determined to be applicable to all of the Group's agency agreements in a particular jurisdiction, the Group's results of operations could be materially adversely affected.

The Group also has a network of affiliates operating under the Brunel brand. New contracts are currently being reviewed. The Group cannot guarantee that all the members of its network of affiliates will remain within its network and therefore cannot guarantee that the geographic coverage of its services and the related revenue will be maintained. Furthermore, the Group faces risks related to the actions or omissions of its franchisees, agents and affiliates (for further information, see Section 2.3.3 "Risks related to the Group's ability to develop and maintain favorable brand recognition" and, for management of the operating characteristics of franchisees' business, see Section 1.6.5.3 "The Group Franchise Department" of this Universal Registration Document).

2.2.6 Risks related to the Group's potential inability to continue operations on acceptable terms at certain major airports and train stations

The Group operates rental agencies at airport and train stations, generally through three-year to five-year agreements. While historically such arrangements have been renewed, the commercial terms may be adjusted and there can be no assurance that they will be renewed on similar terms (in particular due to an upward trend in commissions paid to airports to be passed on to the end consumer, where applicable). A potential inability for the Group to continue operations on acceptable terms at certain major airports and train stations currently within the Europcar network could have a material adverse effect on the Group's business, results of operations and financial position.

2.2.7 Risks related to the Group's holding of vehicles not covered by buy-back agreements

In 2018, approximately 87% of the Group's vehicle fleet, in unit terms, was covered by a buy-back agreement. This rate fell slightly to 86% in 2019 (note that this figure does not take the fleets operated by Fox, Europcar Finland and Europcar Norway into account). In 2020, the proportion of the fleet covered by a buy-back agreement fell to 54% as a result of the significant reduction in fleet size that occurred in Q2 when buy-back vehicles were returned to adapt the fleet size to the decline in business operations.

The residual values of the remaining vehicles not covered by a buy-back agreement – referred to as "at-risk vehicles" – are exposed to variable conditions linked to uncertainties in the used-vehicle market. The Group's ability to sell its vehicles in the used vehicle market place could become constrained as a result of a number of factors, including the macro-economic conditions, in particular those resulting from the Covid-19 pandemic, model changes, legislative requirements (e.g. changes to environmental legislation or vehicle taxes), and oversupply by manufacturers of new or late model pre-owned vehicles, may result from the consequences of the Covid-19 pandemic. A decline in used-vehicle prices or a lack of liquidity in the used-vehicle market may severely hinder the Group's ability to resell "at-risk vehicles" without a loss on investment, and could adversely affect the Group's profitability.

This year, the percentage of "at-risk vehicles" held by the Group has increased, and could pose a risk if the Group is unable to re-establish the balance with a new buy-back fleet. Although the Group has entered into several multi-year buy-back agreements, the number of "at-risk" vehicles in the Group's fleet could increase as a result of market conditions, or if manufacturers were reluctant to agree to sales with a buy-back clause, or if the buy-back conditions were less attractive.

The Group relies heavily on the significant size of its buy-back fleet to obtain attractive financing conditions. If the Group could no longer purchase a significant proportion of its vehicles through buy-back agreements at acceptable conditions, obtaining vehicle-related debt financing at acceptable conditions could also become more difficult (see Section 2.4.5 "Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet" of this Universal Registration Document).

In addition, fleet holding costs represent a significant cost to the Group. Buy-back agreements enable the Group to determine a substantial portion of its fleet holding costs in advance. Any increase in the proportion of "at-risk vehicles" in the Group's fleet would diminish the Group's ability to forecast its fleet holding costs and would increase its exposure to fluctuations in the residual value of used vehicles. Additionally, any reduction in the residual values of "at-risk vehicles" could cause the Group to sustain a loss when such vehicles are ultimately resold and would affect its liquidity by decreasing the value of the asset base upon which financing is based.

Lastly, buy-back agreements offer more flexibility in adjusting the size of the Group's fleet to respond to seasonal fluctuations in demand or in the event of an economy downturn, since such agreements allow for shorter holding periods than for "at-risk" vehicles. This flexibility has enabled the Group to optimize its fleet holding costs and increase its profitability. The Group cannot warrant that it will be able to maintain the same percentage of vehicles covered by a buy-back commitment for its fleet and, consequently, that it will be able to maintain the same level of flexibility in its fleet management. This could have a material adverse effect on the Group's operating income and financial position.

2.3 RISKS RELATED TO THE OPERATION AND ORGANIZATION OF THE GROUP

2.3.1 Risks related to the Group's strategy **(high risk)**

The Group's strategy depends on its ability to identify and successfully exploit opportunities in the changing mobility solutions markets, and more generally, to adapt its commercial strategy to changes in customer preferences and its customer mix in its existing markets. The Covid-19 pandemic has demonstrated the resilience of the Group's teams and the flexibility of its business model, as borne out by the rapid implementation of cost-reduction plans and the adaptations to the Group's fleet plans since March 2020. Nevertheless, new waves of the pandemic in the short term could hinder the Group's ability to adapt and diminish the flexibility of its business model.

In addition to the risks related to the Group's ability to a relevant strategy that is consistent with its competitive environment and its resource, risks related to the implementation of the strategy also exist, particularly where its ongoing transformation plans (Connect) are concerned. Delays in the implementation of the Group's transformation program would result in considerable value-creation shortfalls, in terms of both expected earning and planned cost reductions. Lastly, poor implementation of the Group's reorganization plans could potentially lead to the loss of key skills, or a delay in expected productivity gains, at head offices or within the network of agencies.

It also depends in part on its ability to continue to expand into geographic areas where the Group has little experience and where competitive pressures, particularly on prices, may be substantial. The Group operates in 140 countries and territories through its subsidiaries, franchisees and partnerships. The Group is therefore likely to expand into other countries in line with its development strategy, including regions beyond its historic coverage in Western Europe, and particularly in Asia, Africa, America and Eastern Europe (for more information on the Group's development strategy, see Section 1.4 "Strategy" of this Universal Registration Document). The gradual standardization of the different internal control procedures across the various Corporate Countries could be a source of difficulties and slow down the implementation of the Group's strategy (see Section 2.8 "Internal control procedures" of this Universal Registration Document). Difficulties related to maintaining a corporate culture as the Group expands, and disparities in approaches to governance, may limit the Group's ability to successfully penetrate new markets. Operations in certain of these markets are also inherently subject to higher economic, political and legal risks than in more mature markets.

The Group's forays into new markets or market segments may take the form of franchise arrangements in line with the Group's traditional approach through organic growth such as a joint venture or partnership with another company, or the acquisition of an existing business. However, the Group may not be successful in identifying appropriate opportunities, potential franchisees, joint venture partners, alliances or agents, or in entering into agreements with them. The Group's partners may also have economic or business interests or goals that are inconsistent with the Group's or they may be unable or unwilling to fulfill their obligations under the joint venture or other agreements. Furthermore, they may benefit from knowledge acquired under these joint venture agreements. In addition, certain of the Group's debt instruments place certain limitations on the Group's ability to make acquisitions, enter into joint ventures or other partnership arrangements (see Section 3.2 "The Group's Liquidity and Capital Resources" in this Universal Registration Document).

In the course of deploying its strategy and making new acquisitions, the Group may not succeed in identifying the right targets at an acceptable price and terms, or it could be blocked by competition from other potential buyers. The Group may have to face high integration costs, delays, or other financial and operational difficulties when seeking to integrate the companies acquired. If the Group was not able to successfully integrate one or more acquired companies, while keeping the key customer contracts and key personnel of these companies, it could not guarantee that the acquisition in question would produce the expected synergies, including synergies related to the fleet (sourcing and financing). The success of these acquisitions will also depend on the Group's ability to effectively capitalize on the expertise of the integrated companies in order to optimize growth efforts, and to manage any potential differences in culture and work practices between the Group and the acquired company or companies, especially when they operate in geographical areas or industries that are very different from the Group's core business.

Furthermore, the Group cannot guarantee that, following their integration into the Group, the acquired companies will generate the desired cash flows. Before any acquisition, the Group conducts evaluations taking into account a certain number of estimates and assumptions concerning the growth, profitability and valuation of the Company whose acquisition is envisaged. The actual figures may clearly differ from the results originally expected according to the evaluations.

Furthermore, the completion of certain acquisitions could trigger, or lead to the triggering of, the change-of-control clauses contained in some agreements to which the acquired companies are a party, which could in turn lead to the early termination of these agreements and have adverse consequences on the Group's business and future results.

The accounting costs of the acquisitions could affect the Group's financial position and operating income. In addition, the financing of any significant acquisition may result in changes in the Group's capital structure, including the incurrence of additional indebtedness. The Group may not be successful in addressing these risks or any other problems encountered in connection with any acquisitions.

The occurrence of adverse events, disputes or unforeseen legal obligations, including disputes arising from the acquisition and/or in relation to any of the businesses that the Group might acquire without having the certainty of obtaining a satisfactory compensation from the sellers would have a materially adverse effect on the Group's operating results, financial position and outlook.

Any one of these factors could result in delays in implementation of the Group's strategy, increased costs or decreases in the amount of expected revenues related to the expansion and have a material adverse effect on the Group's results of operations, financial position and prospects.

2.3.2 Risks related to the ability of the Group to anticipate the failure or unavailability of the Group's centralized information systems and to pursue new information technology developments **(high risk)**

The Group relies heavily on information systems to record reservations, process rental and sales transactions, manage its fleets of vehicles, account for its activities and otherwise conduct its business. The Group has centralized its Information Systems and relies on communications service providers to link its systems with the business locations these systems serve (see Section 1.6.8 "Product and Technology division" of this Universal Registration Document). A major failure of IT or other systems, or a major disruption of communications between the system and the locations it serves, could cause a loss of reservations, slow rental and sales processes, interfere with the Group's ability to manage its fleet and otherwise materially adversely affect its ability to manage its business effectively. The Group's systems design and business continuity plans may not be sufficient to appropriately respond to any such failure or disruption.

To achieve its strategic objectives and remain competitive, the Group must continue to develop and enhance its information systems in order to meet customers' increasing expectations as regards digital solutions, remain competitive and keep pace with new information technology developments. This may require investment in and development of new proprietary software or other technology, the acquisition of equipment and software, or upgrades to the Group's existing systems. The Group has invested in its information systems – including within the framework of its core-system simplification program, which is part of its *Product & Tech Transformation* project – but no assurances can currently be given that the Group will be able to fully anticipate such developments, or that it will have the resources to acquire, design, develop, implement or utilize, in a cost-effective manner, information systems that provide the capabilities necessary for the Group to compete effectively. In addition, regulatory changes may require the Group to bring its IT system to applicable standards, which may entail significant costs. Any failure to adapt to technological developments could have an adverse effect on the Group's business, results of operations and financial position.

2.3.3 Risks related to the Group's ability to develop and maintain favorable brand recognition

The Group invests in the promotion of its brands, particularly through the signing of partnerships and advertising campaigns. However, since the Group is exposed to a number of factors affecting its brand recognition that are often beyond its control, such efforts may not be successful (for examples of these types of factors, see in particular Sections 2.5.3 "Risks related to the protection of intellectual property rights" and 2.9 "Regulatory, legal and arbitration procedures" of this Universal Registration Document). The integration of the Group's recently acquired brands could also represent a reputational risk for the Group and have a materially adverse effect on its business, results of operations, and financial position.

The risk of damage to the Group's reputation is magnified by the fact that it also operates through a large network of franchisees, agents and independent partners (see Section 1.6.5 "The Europcar Mobility Group network" of this Universal Registration Document). While the Group has implemented brand-use guidelines – which specify the conditions under which its partners, franchisees and agents may reproduce and/or represent its brands – and ensures, in particular through Internet monitoring, that franchisees, agents and partners adhere to the Group's standards and participate in promoting the brands that they use under license, any failure by them to do so could adversely affect the reputation of the Group's brands. This could in turn have a material adverse impact on the ability of the Group to attract new franchisees, agents or partners and thus compromise its growth strategy.

2.3.4 Risks related to the Group's potential failure to protect customer data against security breaches and cyber-attacks (high risk)

The Group's systems regularly collect, store and process customer data, including the personal data of millions of private individuals and businesses' non-public data. Failure by the Group to secure the data it holds or the integrity of its systems – whether as the result of the Group's own error or the malfeasance, errors, or malicious acts of others – could harm the Group's reputation and give rise to significant liabilities. Third parties may possess the technology or expertise to breach the security measures put in place by the Group to protect customer transaction data. The Covid-19 pandemic has seen a marked increase in the risk of cyber-attacks, owing to the number of attack generally reported by companies and to the widespread use of teleworking arrangements. At the beginning of the first lockdown, the Group observed a 40% increase in malicious activity on the Europcar website, which the Group was able to contain. Remote access capabilities have been reinforced and, on the whole, have proved satisfactory in that they allow for operational continuity of administrative tasks. Additionally, employees have been sensitized to the main identified risks and the associated risks of fraud.

The Group's security measures may not prevent security breaches that could result in temporary interruptions to the service concerned or a temporary interruption to the operations of the Group entity targeted in the attack, and likely to cause substantial harm to its business and results of operations and damage to its reputation. The Group is taking steps to implement and encryption and/or authentication solution, including for credit-card numbers. However, advances in technology, new discoveries in the field of cryptography, or other developments may compromise or affect the effectiveness of the technology the Group uses to protect data processed during customer transactions. In addition, individuals who are able to circumvent the Group's security measures could misappropriate proprietary information or disrupt the Group's operations (see Section 1.6.8 "Product and Technology Division" of this Universal Registration Document).

In addition, the payment card industry ("PCI") imposes strict customer credit card data security standards to ensure that the Group's customers' credit card information is protected. Failure to satisfy the PCI data security standards could result in a significant increase in credit-card companies' fees, retention of payments, or an extension of their payment terms, and/or loss of the right to accept payment by credit card.

Failure to protect customers' personal data, or security incidents resulting in a breach of the Company's IT data by third parties, could damage the Group's reputation and image, give rise to fines and administrative investigations, or material civil or criminal liability, all of which would have and adverse material effect on Group's business, operating income and financial position.

2.3.5 Risks related to the Group's human capital **(high risk)**

2.3.5.1 Risks related to attracting and retaining talent and skills management

The Group relies on a number of key employees with specialized skills and extensive experience in their respective fields. The Group believes that the growth and success of its business depends on its ability to attract and retain highly skilled and qualified personnel with specialized know-how in the vehicle rental and mobility solutions industry. If the Group were to lose certain employees, its ability to successfully implement its business strategy, financial and marketing plans and other programs geared towards achieving its objectives, could be significantly affected. The role of the Talents Department is to secure the key skills required for the Group's transformation. In 2020, with the emergence of the Covid-19 pandemic, global talent reviews could not be conducted and were postponed to 2021.

2.3.5.2 Risks related to personal safety

The safety of customers and employees, and employee well-being, are an integral part of the Group's values and of its *Commit Together* program. In terms of safety, in addition to environmental and safety regulations (see Section 2.5.1.3 "Risks related to environmental and health and safety rules" in this 2020 Universal Registration Document), the Group introduced, at the outset of the pandemic, its "Safety Program" to reinforce cleaning and hygiene measures across all its agencies and vehicle fleets to ensure the safety of customers and employees. The program is based on the recommendations of the public-health authorities and incorporates best cleaning and disinfection practices in light of the public-health crisis. In June 2020, through a partnership with Bureau Veritas, the Group was able to conduct an assessment of its processes and practices and secure support for the implementation of standard health and safety protocols.

2.3.5.3 Psychosocial risks

The worlds of work and mobility are rapidly changing, not only in response to the increasingly widespread use of digital technologies, among other things, but also as a result of the Covid-19 pandemic. Against this backdrop, the Group signed an agreement in 2019 introducing telecommuting arrangements for its headquarters-based employees. In 2020, on account of the pandemic, these arrangements were generalized across the Group. Local initiatives have also been undertaken, such as virtual meetings to maintain social ties, and the setting up of psychological support unit for employees to mitigate the risk of isolation.

Nevertheless, despite implementing a strategy to attract and retain talented personnel, and its concern for its employee's well-being, the Group cannot guarantee that it will be able to retain all its talent, given the current economic and public-health conditions, which have severely impacted the sector of activity in which the Group operates.

2.4 FINANCIAL RISKS

2.4.1 Market risks **(high risk)**

Through its activities, the Group is exposed to various financial risks which, in the context of the Covid-19 pandemic and its consequences, could be exacerbated: Among these are market risks (especially foreign-exchange and interest-rate risks), credit risks, pricing risks and liquidity risks. The Group's risk management programs seek to mitigate the potential negative effects of financial market volatility on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for management of insurable financial risks, and submits its proposals for financial transactions for approval by the Management Board in accordance with the Company by-laws and internal procedure rules. The Group does not use derivative financial instruments for any purpose other than managing its exposure. All hedging operations are either coordinated or carried out by Group Treasury.

The Group continuously assesses the financial risks identified (including market risk, credit risk and liquidity risk) and documents its exposure in its consolidated financial statements. A detailed analysis of these risks is set out in Note 8 "Financing and financial risk management" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2020" of this Universal Registration Document.

Although the Group reports its results in euros, the Group conducts business in countries that use currencies other than the euro, and the Group is therefore subject to risks associated with currency fluctuations.

The Group's operating income could be affected by foreign currency translation effects and exchange rate fluctuations, both of which would impact its international transactions. The Group is exposed to translation effects when one of the Group's subsidiaries incurs costs or earns revenue in a currency that is different from its functional currency. The Group is exposed to currency fluctuations when it converts currencies it receives from its operations into the currencies required to pay the Group's debt, or into currencies used to purchase vehicles, cover fixed costs or pay for services. Such transactions could result in a gain or loss depending on fluctuations in exchange rates.

The Group's results are also exposed to foreign currency translation risk as its sales in several countries are invoiced in currencies other than the euro while its consolidated revenue is reported in euros. As such, in any given period, the Group's financial results are materially affected by fluctuations in the value of the euro relative to the British pound, the Australian dollar, the Danish krone, the US dollar, and other currencies. Implementation of Brexit could cause further volatility in the euro British pound exchange rate in the future. Currency fluctuations may make it difficult for the Group to predict and/or provide guidance on the Group's results. If the value of the euro declines against currencies in which the Group's obligations are denominated or increases against currencies in which the Group's revenue is denominated, the Group's results of operations and financial position could be materially adversely affected.

To address these potential difficulties, and improve its balance sheet structure, the Group entered into negotiations with its creditors and, in a press release dated November 26, 2020, announced that it had concluded a Lock-up Agreement with the aim of reducing the Group's corporate debt by 1,100 million euros through a capital increase and the injection of 255 million euros in shareholders' equity. The Company is in a position meet its cash requirements and honor its debt payments until it has completed its reorganization, i.e. on February 23, 2021, according to its provisional schedule.

The implementation of the Safeguard Plan will reduce the Group's cash risk considerably. However, owing to the uncertainty surrounding the economic recovery, the impact of the Covid-19 pandemic on the mobility sector, and the outcome of the Group's transformation, the margin for maneuver considered in the calculation of the Company's requirements, and covered through the financial reorganization plan, could prove insufficient and require the Company to seek additional funding.

See Note 8 "Financing and financial risk management" in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2020" of this Universal Registration Document.

2.4.2 Risks related to the implementation of the financial reorganization project (high risk)

Given the very large number of shares issued as part of the capital increases resulting from the restructuring of corporate debt completed on February 26, 2021, a significant number of the Company's shares or SSWs could be quickly sold off as of the realization date of the capital increases, or such sales could be anticipated by the market, which could adversely affect the market price of the shares and/or the SSWs.

2.4.3 Risks related to the Group's substantial indebtedness (high risk)

The financing is described in Section 3.2.1 "General Overview" of this Universal Registration Document.

The increase in the Group's indebtedness, arising as a result of the impact of the Covid-19 pandemic on the Company's operations, could have significant consequences, in particular: (i) force the Group to allocate a significant part of the cash flow from its operations to financing its corporate or fleet, thereby reducing the cash available for its working capital requirements; (ii) restrict the Group's flexibility in reacting to changes in the industry and to competitors that could be less indebted; (iii) restrict the Group's ability to secure additional loans or increase its shareholders' equity.

On May 3, 2020, the Company announced the implementation of a financing plan structured around French and Spanish state-backed loans and designed to consolidate the Group's liquidity and allow it to address its vehicle financing and corporate needs arising as a result of the impact of the Covid-19 pandemic.

The second wave of the pandemic further aggravated the Group's ability to generate cash and the Group was forced to accelerate the implementation of the cost-cutting plan introduced in March 2020. To maintain its capacity to finance its transformation plan and adjust its corporate debt to its new size, the Group announced, on September 7, 2020, its intention to reorganize its corporate debt.

Note that the expected post-reorganization debt leverage in 2023, after implementation of the transformation plan and after a return to a level of earnings close to the 2019 figure, is less than 1.

For further information on the Group's indebtedness, see Section 3.2 "The Group's Liquidity and Capital Resources" of this Universal Registration Document.

2.4.4 Risks related to the Group's ability to generate cash and/or secure financing to fund its indebtedness or forecast liquidity requirements (high risk)

There can be no assurances that the Group will generate sufficient cash flows from operations or that future borrowing will be available in an amount sufficient to enable it to pay its debts, or to fund other liquidity needs.

It is important to mention that, in response to the impacts of the Covid-19 pandemic, the Group implemented a special cost-reduction and cash-preservation plan, announced on March 23, 2020, providing for a reduction in the size of its fleet, the freezing of its investment expenditure, and the cancellation of dividend pay-outs for 2019 and 2020. In the wake of the second wave of the Covid-19 pandemic, this savings plan was further reinforced. Furthermore, the measures provided for in the reorganization plan – the conversion of debt into capital, a 255 million euro capital injection and the securing of a 225 million euro floating-rate loan, enabled the Group to implement its transformation plan as described in the publication dated November 26, 2020. With these financial resources, in 2021 the Group will be able to cover its current costs, a 75 million euro non-fleet investment budget, and certain charges carried forward from 2020. In a highly deteriorated business environment, the deployment of financial resources beyond those secured through the measures described in the reorganization plan is likely to be extremely difficult for the company.

2.4.5 The Company is a holding company whose ability to generate cash comes from its subsidiaries

Europcar Mobility Group SA is a holding company and, as such, its principal assets consist of direct and indirect investments in its different subsidiaries, which generate the Group's cash flow (see Section 1.7.1 "Simplified Group organizational chart" of this Universal Registration Document). The Company's ability to generate cash to meet its debt service obligations or to pay dividends on its shares is dependent on the earnings and the receipt of funds from its subsidiaries. If the profits of its operating subsidiaries decrease, the Group's profits and cash flow could be affected.

The cash flow of the Group's parent company is primarily derived from dividends, interest and repayments on intra-group loans and asset transfers by its subsidiaries. The ability of the Group's operating subsidiaries to make these payments depends on economic, commercial, contractual, legal and regulatory considerations. Any potential decrease in profits, or potential failure by the Group's subsidiaries to make payments to other Group subsidiaries or to the Company could have a material adverse effect on the ability of the subsidiaries or the Company to repay their debt and meet other obligations, which could have a material adverse effect on the Group's business, results of operations and financial position.

2.4.6 Risks related to the Group's potential inability to continue financing vehicle acquisitions for its fleet

The Group relies significantly on fleet asset-backed financing to purchase vehicles for its domestic and international vehicle rental fleets. Currently, it relies mainly on the SARF, the EC Finance Notes and the Club Facility in the UK (see Section 3.2 "The Group's liquidity and capital resources" in this Universal Registration Document).

If the Group's access to asset-backed financing were reduced or the cost of such financing were to increase, the Group may not be able to refinance or replace its existing asset-backed financing or continue to finance new vehicle acquisitions through asset-backed financing on favorable terms, or at all. The Group's asset-backed financing capacity could be decreased, or financing costs could be increased, as a result of risks and contingencies, many of which are beyond the Group's control, including, without limitation:

- the scale of the Covid-19 pandemic, its spread, and its consequences, including a possible worsening of the situation and/or of the scale of the consequences;
- requirements by the rating agencies that provide credit ratings for the Group's asset-backed indebtedness to change the terms or structure of the Group's asset-backed financing, including increased credit enhancement (i) by securing additional financing or by refinancing existing asset-backed debt, (ii) upon the occurrence of external events, such as changes in general economic and market conditions or a deterioration in the credit ratings of the Group's principal vehicle manufacturers, including the Volkswagen group, Fiat, Ford, Renault or Peugeot Citroën, or (iii) otherwise;

- the insolvency or a deterioration in the financial position of one or more swap counterparts or financial institutions involved in any capacity in the Group's asset-backed financing;
- the occurrence of certain events that, under the agreements governing the Group's existing asset-backed financing, could result, among other things, in particular in (i) an amortization event pursuant to which payments of principal and interest on the relevant indebtedness may be accelerated, or (ii) a default event pursuant to which the security trustee or relevant creditors would be permitted to require the sale of fleet vehicles that collateralize the asset-backed financing;
- legal and regulatory changes (including the implementation of the changes under Basel III) that have an adverse impact on the Group's asset-backed financing structure.

Any disruption to the Group's ability to continue to finance new vehicle acquisitions through asset-backed financing, or any negative development in the terms of the asset-backed financing available to the Group could cause the Group's cost of financing to increase significantly and have a material adverse effect on the Group's financial position and results of operations. The Group may seek in the future to finance or refinance new vehicle acquisitions through such other means. No assurances can be given, however, as to whether such financing will be available, or as to whether the terms of such financing will be comparable to the existing asset-backed financing.

2.4.7 Risks related to covenants included in the Group's debt instruments

The Group and the Group's subsidiaries are subject to restrictive covenants contained in the Group's debt instruments. In certain circumstances, these covenants restrict the ability of certain of the Group's subsidiaries to make payments to the Group, which in turn could affect the Group's ability to make payments under the Group's debt instruments. These covenants, however, do not include requirements to maintain a certain rating, or any repayment or interest step-up clauses based on a downgrade in the Group's credit rating.

The RCF contract, the indentures governing the outstanding 2024 Subordinated Notes, the 2026 Subordinated Notes and the EC Finance Notes contain the usual clauses stipulating that any payment default or early redemption concerning overall indebtedness of 50 million euros or more (in the case of the RCF, the outstanding 2024 Subordinated Notes, the 2026 Subordinated Notes and the EC Finance Notes) of the Company or its subsidiaries also constitutes a case of default under the terms of these contracts. The RCF – the facilities for fleet financing in the United Kingdom – and some of its other facilities, namely in Australia/New Zealand, Denmark and the United States, also require the Group, or some of its subsidiaries, to maintain specific financial ratios and satisfy certain financial tests. The Group's ability or the ability of the Group's subsidiaries to satisfy these financial tests can be affected by events beyond the Group's control, and there can be no assurances that the Group or its subsidiaries will satisfy them.

A breach of one of these undertakings, ratios, tests or restrictions may lead to a default under the terms of the RCF contract or the outstanding 2024 Subordinated Notes, the 2026 Subordinated Notes and the EC Finance Notes, or adversely affect the Group's ability to borrow under the terms of the RCF contract or other forms of indebtedness, which could have a materially adverse effect on the Group's ability to conduct its business and pay its debts. Upon the occurrence of any default event under the RCF contract, the lenders thereunder can cancel the availability of the facilities and elect to declare all amounts outstanding thereunder, together with accrued interest, immediately due and payable. If the Group were unable to repay these amounts, the lenders could, subject to the terms of the "Intercreditor Agreement", proceed against the collateral granted to them to secure repayment of these amounts. If the lenders under the terms of the RCF should demand the repayment of these amounts, there is no guarantee that the assets of the Group's subsidiaries would suffice to repay the entirety of these sums, or to satisfy all of the Group's other liabilities that would become due and payable (for further information, see Section 3.2 "The Group's Liquidity and Capital Resources" of this Universal Registration Document).

The SARF also includes restrictive clauses applicable to certain *ad hoc* entities incorporated as part of the asset-backed financing agreement, in particular Securitifleet Holding S.A. (Securitifleet Holding), the *ad hoc* entity through which financing is provided for the purchasing and rental of fleet vehicles from Securitifleet companies in France, Italy, Spain and Germany, and from GoldFleet companies in France, Spain and Italy. Failure to fulfill these covenants and conditions could lead to a decrease in the advance rate and an increase in the margin under the SARF, or a default thereunder. In addition to customary default provisions, the SARF provides that any acceleration with respect to the Senior Revolving Credit Facility, the 2024 Subordinated Notes, 2026 Subordinated Notes, or the EC Finance Notes will constitute a "level 2" default event under the SARF (see Section 3.2 "The Group's Liquidity and Capital Resources" of this Universal Registration Document). A breach of any of these covenants, ratios, tests or restrictions could result in an event of default under the SARF or hinder the ability of Group companies to borrow under such facilities. Upon the occurrence of any event of default under the SARF (including as a result of acceleration of the Senior Revolving Credit Facility or the notes of the Group), the lenders thereunder could cancel the availability of the facilities and elect to declare all amounts outstanding under the SARF, together with accrued interest, immediately due and payable.

The Group's debt instruments include covenants whose aim is to, inter alia; limit the ability of the Company and certain of its subsidiaries to:

- incur additional indebtedness;
- pay dividends or make any other distributions;
- make certain payments or investments;
- issue security interests or guarantees;
- sell or transfer assets or shares;
- engage in transactions with affiliates;
- merge or consolidate with other entities.

These limitations are subject to various conditions and exceptions, including the ability to distribute dividends and make investments under certain circumstances. However, these covenants could limit the Group's ability to finance its future operations and capital requirements, and its ability to pursue business opportunities and activities that may be in its interest. In addition, the Group's ability to comply with the covenants in its debt instruments may be affected by events beyond its control.

The obligations of Securitifleet Holding under the SARF, together with its obligations to repay the proceeds borrowed under a proceeds loan between EC Finance plc and Securitifleet Holding (the "Securitifleet Proceeds Loan") (which would allow EC Finance plc to repay the proceeds of the EC Finance Notes) are secured directly or indirectly by shared collateral as described in Section 3.2.3.2 "Debt Related to Fleet Financing" of this Universal Registration Document.

2.5 REGULATORY AND LEGAL RISKS

2.5.1 Risks related to changes in prevailing legislation and regulations, applicable to the Group's business activities **(high risk)**

Operating in over 140 countries and territories throughout the world (directly or through franchises, agents or partnerships), the Group is subject to a vast array of international, national and local laws and regulations.

The Group's international presence exposes it to various risks, including in particular: (i) compliance with legal and regulatory requirements in each country where it operates, particularly with regard to regulations in the following fields: taxation, automobile liability insurance, consumption, marketing, insurance rates, insurance products, consumers' personal data, data protection, combating money laundering and corruption, labor laws, cost and fee recovery, price control and the protection of the Group's brands and other intellectual property rights, (ii) foreign currency translations and limitations in terms of income transfers, (iii) the various tax systems, including the consequences of changes in applicable tax laws, (iv) local ownership or investment requirements, as well as the difficulty in obtaining financing for local operations in some countries, and (v) potential political and economic instability, employee strikes, natural disasters, armed conflicts and terrorism. The occurrence of these risks may, individually or in the aggregate, materially adversely affect the Group's business, results of operations or financial position.

Changes to laws, regulations, case law or to any other rules applicable to the Group's business as well as, more generally, any change in the decision-making process of the competent authorities could affect the Group's liability, or the way the Group tracks and monitors regulations to which it is subject, and the Group's business in France or outside France could be non-compliant with applicable laws and regulations for which the Group would be liable. Non-compliance by the Group with the laws and regulations to which it is subject, both in France and abroad, could potentially also lead to different types of sanctions, including the restriction, suspension or banning of certain activities and the imposition of fines, payment of compensation or other penalties. Any of these incidents could have a material adverse effect on the Group, its financial position, operating income, reputation or prospects. Even if the changes to laws, rules or regulations do not apply directly to the Group, their effects on its customers or partners may have an indirect and material impact on how the Group carries out its business or the associated costs, as well as on the demand for the services the Group supplies.

2.5.1.1 Risks related to compliance with Consumer Protection regulations

The Group's B2C activity is regulated by current consumer protection rules. As such, any change to these laws, their implementing texts or prevailing legal precedents on issues such as, in particular pricing transparency, non-tariff barriers to trade, unfair terms, presale disclosure requirements or obtaining informed consent, will have to be implemented, which may, as applicable, imply costs (information systems development costs, logistics costs, etc.) and/or changes in commercial practices. For example, the adoption of regulations affecting or limiting the sale of supplementary insurance, or a new interpretation of regulations by the competent authorities, could entail a reduction or loss of these revenue sources and have a material adverse effect on the Group's profitability.

Non-compliance with the rules of consumer law may also affect, on one hand, the Group's reputation and image – especially in the event of information publicized by consumer associations, or litigation or sanctions imposed by authorities and given media coverage – and on the other hand, the Group's operating income and financial position due to the penalties and sanctions that may be imposed. The Group's activities may indeed be subject to investigations by authorities in charge of ensuring consumer protection, which may lead to significant financial sanctions and media coverage prejudicial to the Group's image and reputation. Consumer associations may bring class action suits, which also could create a new risk for the Group, owing to the media coverage associated with of legal action and the consolidated amount of potential fines. Certain Group entities, which are subject to regular scrutiny or more in-depth investigations by consumer authorities, maintain dialogue with these authorities and consumer associations.

Moreover, in the context of the cooperative process between European Union Member States' national authorities that are responsible for applying legislation for the protection of consumers, pursuant to regulation (EU) No. 2006-2004, a dialog was opened by the European Commission aimed at improving consumer experiences (in particular the transparency and suitability of contractual terms) within the European Union. In this respect, the Group made undertakings to the European commission during the 2015 fiscal year, including the adoption of new general rental conditions and the clarification of the insurance and contractual guarantee policy in the event of damage caused to the vehicle. In January 2017, the European Commission praised the Group's commitments. The Group continued its discussions with the European Commission and the relevant national authorities to continue improving its practices. If they conclude that the Group has made insufficient changes to its sales policy to address expectations, it could have a material adverse effect on the Company's revenue and results of operations.

Finally, in most jurisdictions in which the Group operates, the Group passes various costs on to its customers, including airport concession fees, as separate fees in connection with vehicle rentals. Nevertheless, the industry may in the future be subject to potential legislative or administrative changes that may limit, constrain and/or prohibit the possibility to indicate, bill and collect these separate fees, which would result in such costs being reallocated back to the Group. If such measures were adopted at the national or European level, they could have a material adverse effect on the Group's revenue, results of operations or prospects.

2.5.1.2 Risks related to compliance with personal data protection regulations

Changes in the regulations for protection of personal data could also have a material adverse effect on the Group's business. European directives and regulations as well as national rules in the various countries where the Group operates restrict the types of data it can collect on people it deals with or wishes to deal with, as well as the way it collects, stores and uses the data that it is allowed to collect. In particular, European General Data Protection Regulation No. 2016/679 of April 27, 2016 (the GDPR), which came into force on May 25, 2018, reinforces the requirement to inform and the rights of those concerned, and provides for stricter methods for obtaining consent. Certain breaches of the GDPR could lead to fines of up to 20 million euros, or 4% of global annual revenue, whichever is the higher amount.

In addition, because the Group's IT systems are centralized, they require regular cross-border flows of customers' and prospects' data outside the country where they were collected. If this data flow becomes illegal or starts to generate additional infrastructure costs the Group's capacity to serve its customers may be materially affected for an indefinite period. More generally, the GDPR requires the Group to keep detailed documentation of all its personal data flows and processing in order to facilitate any audits by the relevant data protection authorities.

Other legislative changes or bilateral agreements on customer data processing, customer data confidentiality and data security could also have a material adverse effect on the Group's business. The recent invalidation of Privacy Shield, which was established to protect data transferred to providers subject to United States legislation, is one of these changes. Insofar that it limits the Group's ability to make such transfers, or requires the reinforcement of data security measures, the Group made need to change providers or incur extra costs.

Also, although the Group has in place procedures and IT resources to keep personal and banking data secure, data theft, piracy of security systems, identity fraud or theft of customers' banking data could have a material adverse effect on the Group's reputation, revenues, results of operations or prospects. In this respect, for the GDPR, the Group is required, under certain conditions, to notify the relevant authorities of its personal data breaches, and the people concerned.

The imposition of fines or damages which could potentially be payable by the Group, as a result of personal data protection proceedings, could have a material adverse effect on the Group's liquidity and financial position, leading it to seek additional financing or resources.

2.5.1.3 Risks related to environmental and health and safety rules

The Group has its own petroleum product storage facilities, and car wash and maintenance centers. As such, the Group's operations are subject to environmental laws and regulations, particularly as regards (i) the ownership and operation of petroleum product storage facilities – e.g. For gasoline and diesel – and (ii) the production, storage, transportation and disposal of waste, including sludge from car washes, waste water and other hazardous substances.

Environmental legislation has progressed significantly in recent years and continues to develop. Public authorities and courts can impose fines or civil or criminal penalties, and order repairs or clean-ups of pollution in the event of non-compliance with environmental regulations. Also, in some cases, the authorities can amend or revoke the Group's operating licenses, which could force it to close down temporarily or permanently the installations in question and pay the resulting costs of closure, maintenance and repair. Bringing the Group into compliance with environmental law and regulations could have an effect on its results of operation and financial position.

Each Group subsidiary is responsible for ensuring that its storage facilities comply with local regulations in the country in which it operates, to ensure that they (i) are properly reported to the competent authorities of the countries in which they are located; and (ii) have been replaced or upgraded to comply with applicable requirements regarding the detection of leaks and protection against spills, overflows and corrosion. However, there can be no assurance that daily use of these tank systems may not result in leaks which, while insignificant on a daily basis, could have a cumulative material effect over time.

Furthermore, international law and regulations have historically and will likely continue to contemplate numerous measures related to greenhouse gas emissions and climate change. If rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group's services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position.

2.5.1.4 Risks related to compliance with regulations on franchisees

The Group has national and international franchisee networks that help the Group achieve wide territorial coverage and contribute to its revenue. Legislative, regulatory, administrative and jurisprudential changes as well as changes in the conditions, application or interpretation of old and recent texts governing such contractual relationships, particularly changes in precedents impacting the content of contracts (through, for example, a legal review of terms and conditions previously negotiated), or limiting the franchiser's ability to cancel franchise contracts (for example, by requiring an indemnity payment in the event of termination), or refusing the renewal or transfer of these agreements, could have a material adverse effect on the Group's business, financial position and results of operations.

Although they are independent of the Group, franchisees must comply with the knowledge requirements and standards defined by the Group, and with the laws and regulations applicable to their business. Franchisees' failure to comply with these rules could have a material adverse effect on the Group's reputation and business in the countries in question.

2.5.2 Risks related to liability and insurance

The Group's business generates significant risk with respect to automobile civil liability. Vehicles from the Group's fleet entrusted to its customers or employees may be involved in cases of physical injury and death or property damage caused to third parties. The Group has purchased automobile insurance packages covering civil liability for bodily injury (including death) and property damage to third parties resulting from the use of its rented vehicles. If the Group were not able to renew its automobile insurance under acceptable commercial terms, or to find alternative and equivalent coverage, it would be unable to rent its vehicles. Historically, automobile insurance premiums, calculated per rental day or per vehicle, have trended both upward and downward, reflecting trends in the insurance market and the Group's own loss ratio. The availability and cost of coverage should remain the controlling factors in the future. Furthermore, there are only a limited number of insurers that are prepared to offer multinational automobile insurance programs. For example, the Group has implemented an insurance program in Belgium, France, Germany, Italy, Portugal, Ireland and the United Kingdom (the "Europrogramme") with AIG Europe SA. (AIG). There can be no assurance that the Group's insurance premiums will not increase in the future.

Historically, a significant share of the Group's exposure to civil liability, in particular automobile civil liability, has remained the Group's responsibility under its insurance policies. As part of the Europrogramme, claims – or the share of claims related to automobile civil liability – of up to 500,000 euros are "self-insured" by the Group. In this case, AIG covers third parties, under local insurance policies subscribed to by the Group's subsidiaries, and is reimbursed by the Group. There can be no assurance that the remaining amount payable by the Group will not significantly increase in the future. Furthermore, with respect to insured risks, there can be no assurance that current or future liability claims will not exceed the Group insurance policy levels. The occurrence of such an event could have a material adverse effect on the Group financial position. See Section 2.6 "Risk Management Procedures" of this Universal Registration Document.

Moreover, the Group bears the risk of damages to vehicles it owns and to its business beyond its automobile fleet. The Group has decided not to purchase an insurance policy against these risks. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. Nevertheless, there can be no assurance that the Group will not be exposed to non-insured damages from asset-related risks, whose levels may be greater than historical levels, and which could have a material adverse effect on the Group's financial position and results of operations. See Section 2.6 "Risk Management Procedures" of this Universal Registration Document.

2.5.3 Risks related to the protection of intellectual property rights

The Group's business and its future growth depend on its ability to obtain, maintain and protect its trademarks, domain names, "GreenWay®" technology and its other intellectual property rights. The Group grants its franchises, agents and service providers licenses to use its trademarks and other intellectual property rights (including those it uses under licenses) (see Section 1.8.2 "Intellectual Property, Licenses, Usage Rights, and Other Intangible Assets" of this Universal Registration Document). The Group, its franchisees, agents, affiliates or service providers may not be able to adequately protect these trademarks and other intellectual property rights against challenges to their validity, violations and abusive use by third parties, in particular in markets in which the Group has not been active in the past.

Furthermore, some of the intellectual property rights used by the Group were granted to it by partners pursuant to cross-license agreements under which they are granted to the Group's companies. An exclusive license on certain brands in countries where the Group is established or has a franchise, excluding countries where the partner operates directly (see Section 1.8.2 "Intellectual Property, Licenses, User Rights and Other Intangible Assets" in this Universal Registration Document). An inability to continue using these intellectual property rights could have a material adverse effect on the Group's business. Moreover, the Group relies on this third party to take adequate measures in order to protect and enforce its intellectual property rights, which it has granted to the Group under a license. It is also possible that disputes arise as part of the Group's use of trademarks subject to licenses, particularly when the interests of the licensor and those of the Group diverge as market conditions change. The Group may be ordered to pay significant damages and interest, discontinue the sale of services violating the intellectual property rights in question and incur additional expenses to sign, where applicable, licenses allowing it to use the disputed intellectual property rights.

Similarly, any material violation of the Group's intellectual property rights could entail disputes, which may also result in costs and commercial uncertainty for the Group. Any of these incidents could have a material adverse effect on the Group, its financial position, results of operations or prospects.

2.5.4 Risks related to regulatory, legal and arbitration proceedings

In the ordinary course of its business, the Group is involved or likely to be involved in a certain number of regulatory, legal or arbitration proceedings, the most significant of which are described in Section 2.9 "Regulatory, legal and arbitration proceedings" of this Universal Registration Document. In certain of these proceedings, claims of a significant amount have been made against companies of the Group or are likely to be made individually or jointly and sanctions, in particular administrative ones, could be imposed on companies of the Group. If any, the imposition of sanctions on companies of the Group could have a material adverse effect on the Group's business, its financial position, results of operations and prospects. In addition, any provisions for regulatory, legal and arbitration proceedings, recorded by Group companies in their financial statements (for a description of these disputes, see Section 2.9 "Regulatory, legal and arbitration proceedings" of this Universal Registration Document), could be insufficient and could have a material adverse effect on the Group's business, results, financial position, liquidity or prospects, independently of the basis for the claim.

2.5.5 Risks related to competition law

The Group's business activities may be subject to proceedings or investigations related to competition law that could adversely affect the Group's business, operating income and financial position. The Group could be held liable for any failure to comply with competition rules, either directly or indirectly (including because of a failure by one of the Group's agents, franchisees or partners) by both the competition authorities and the injured parties, which could result in significant negative consequences for the Group, particularly with respect to its reputation, financial position or prospects. Certain Group entities are subject to investigations and/or proceedings by different administrative authorities relating to competition law and/or marketing practices and price setting.

The imposition of fines and/or damages that could potentially be payable by the Group as a result of competition law proceedings could have a material adverse impact on its liquidity and financial position.

2.6 RISK MANAGEMENT PROCEDURES

2.6.1 Risk management structure

Risk management represents the measures implemented by the Group to identify and analyze the risks to which it is exposed during the ordinary course of business. Risk management is considered a priority by the Group's management and is closely monitored by the Group's Internal Audit, Internal Control and Risks Department. The Group's internal control and risk management procedures are based on a set of measures, policies, procedures, and customized actions aiming to ensure that the necessary measures are taken to:

- ensure the efficiency of operations and the efficient use of resources;
- identify, analyze and control risks that could have a material effect on the Group's assets, results, operations or achievement of its objectives, whether operational, commercial, legal or financial, or related to legal or regulatory compliance.

The Group's risk management process is also monitored by the Supervisory Board through the Audit Committee. The Audit Committee ensures the relevance, reliability and implementation of internal control procedures and identification, hedging and management of the Group's risks in relation to its activities as well as accounting and financial information.

Controlling risk exposure in each country in which the Group's companies operate depends on local management teams, who are as close as possible to the risks related to the activities they exercise or supervise.

2.6.2 Main risk management procedures

Group's risk map

The Group's Internal Audit, Internal Control and Risks Department regularly prepares and updates a risk map for the Group. The risk map is presented to the Audit Committee and Group Executive Committee, which study and examine it and decide upon the actions and the specific monitoring of certain risks.

The risk identification process relies on a three-step methodology:

- identifying the main risks through interviews with high-ranking Group executives, and with other key staff within the Group, in order to identify the risks to which their scope or responsibility is exposed. These interviews are conducted by the Group's Internal Audit Department;
- qualifying and quantifying risks: once these risks are identified, a ranking is established based on the estimated impact of each risk and the likelihood of its occurrence. Risks identified as having severe impacts and highly likely to occur are mapped as "highly critical". Conversely, risks identified as having little impact and unlikely to occur are mapped as "moderately critical". The mapping thus completed for a given year serves as a comparison to the one prepared the previous year and facilitates an assessment of change in the risks confronting the Group. The resulting map obtained for a given year (i) can be compared with the previous year's map, and helps in understanding the development of risks to which the Group is exposed, and (ii) allows the Group to establish a dashboard with the estimated degree of control of each of the identified risks, to identify those that must be dealt with as a matter of priority, and to ensure that internal controls are adequate to prevent and detect them;
- review and approval of the risk map by the Group Executive Committee and presentation to the Audit Committee.

Pursuant to this methodology, the Group updated both the content and execution of its risk map in the second half of 2020, by identifying 22 key risks for the Group.

Risk monitoring and action plans

Depending on the principal risks identified, the concerned departments draw up action plans to be carried out by the local managers of the departments in question. The Group's Internal Audit, Internal Control and Risks Department is currently working on implementing tools and processes for better and more formal monitoring of the action plans.

Monitoring the financial risks related to the effects of climate change

Article L. 225-37, paragraph 6, of the French Commercial Code, as amended by law No. 2015-992 of August 17, 2015 relating to energy transition for green growth, provides that, starting in fiscal years ending December 31, 2016, the Group must report "the financial risks related to the effects of climate change and the measures taken by the Company to reduce these risks by implementing a low-carbon strategy in all areas of its business."

Chapters 2 and 4 of this Universal Registration Document, on risk factors and the Statement of Non-Financial Performance, include all legally required information. They can be summarized as follows:

- the Group has implemented a comprehensive CSR governance and organization structure, under the authority of the CSR manager, which covers all of the Group's operations (see Section 4.1.3 "CSR Organization and Governance" of this Universal Registration Document);
- the Group's business is highly sensitive to the seasons and climate conditions. This risk, as well as the control mechanisms implemented by the Group, is described in Section 2.1.3 "Risks related to the seasonal nature of the vehicle rental industry and its sensitivity to weather conditions" of this Universal Registration Document;
- the sensitivity of the vehicle rental business to the financial risks related to the effects of climate change is limited. Currently, this risk is only partially controlled, through the implementation, in 2016, of a low-carbon strategy, described in Section 4.5 "Act for the environment" of this Universal Registration Document. The strategy seeks to minimize the carbon footprint of all emissions produced directly as a result of the Group's operations, and to promote the smallest carbon footprint possible among the Group's customers. This is made possible through a series of concrete measures, such as providing new, "CO_2 light" vehicles equipped with the latest motor technologies, and working towards having a "green" fleet, with the proportion of "green" vehicles (hybrids, plug-in hybrids and electric) exceeding 30% by 2023. Customers are also provided with support in the form of advice and a range of flexible allowing them to take on board this new mobility solution;
- even though the Group complies with all the laws and regulations to which it is subject, Section 2.5.1.3 "Risks related to environmental and health and safety rules" of this Universal Registration Document notes that international law-making and regulatory bodies have historically contemplated – and are likely to continue contemplating – numerous measures related to greenhouse gas emissions and climate change. If rules designed to cap emissions or tax the companies seen as responsible should come into force, it could affect demand for the Group's services and the vehicle fleet and/or other costs could rise with adverse implications for its results of operation and financial position.

2.6.3 Insurance

In the course of its business activities, the Group is exposed to three main categories of risk requiring insurance coverage: (i) automobile-related civil liability, (ii) damage to property (vehicles owned by the Group) and (iii) the risks related to its business activities (excluding the automobile fleet).

A dedicated Insurance Department oversees in a centralized manner the insurance strategy of the Group's fleet as well as the other business-related risks management processes. This centralized management is carried out in connection with dedicated personnel located in each Corporate Country. The Group does not manage insurance covering its franchises, which remains their own responsibility in accordance with the terms of the standard franchise contracts implemented by the Group.

In the context of external growth, the Group is required to analyze the insurance coverage in the companies it acquires, ensure that the risk management and insurance strategy is adequate and that all the necessary insurance policies required for the business are in place. When insufficient guarantees are identified in a newly acquired entity, it may take several months before adequate insurance policies, compliant with the Group's risk management strategy, become effective for the recently acquired entity.

Once this analysis has been completed and the deficiencies rectified, the Group will study the option of replacing the acquired company's insurance coverage by its own policies.

In countries in which the Group operates, it is generally required by liability laws to purchase insurance covering its risks related to motor liability against bodily injury and accidental death or property damage caused by its customers to third parties and resulting from the use of its vehicles, whether they are owned, rented or loaned. If these vehicles are not insured by the Group, they cannot be put into circulation. As a result, coverage of the Group's motor vehicle liability is critical for the running of its business.

2.6.3.1 Motor vehicle liability

Europrogramme (Belgium, France, Germany, Italy, Portugal, Ireland, United Kingdom, GoldCar France, Buchbinder and GoCar)

To address the risk of its motor vehicle liability, the Group has implemented an insurance program in Belgium, France, (Europcar and GoldCar), Germany (Europcar and a part of the Buchbinder fleet), Italy, Portugal, Ireland and the United Kingdom, known as the "Europrogramme". Europrogramme is a corporate insurance program whereby each subsidiary operating in the countries participating in the program can benefit from motor vehicle liability insurance coverage through the local AIG Europe Ltd branch ("AIG") in the country in which the subsidiary operates.

Under the Europrogramme, third party claims – or the share of third party claims related to motor liability – up to 500,000 euros per claim, are "self-financed" through various schemes (Deductible fund, Loss Retention agreement and a reinsurance captive within Euroguard Protected Cell, PCC). In this case, AIG covers third parties, under local insurance policies purchased by the Group's subsidiaries, and then recovers sums up to the amount of 500,000 euros, from Europcar or Euroguard.

The share of claims triggering the Group's motor vehicle liability that exceeds the threshold of 500,000 euros per claim is transferred to AIG. The maximum coverage provided for by the insurance policy, including the amount of 500,000 euros per claim that is borne by the Group, as described above, is at least 100 million euros per Europrogramme member country – £85 million in the United Kingdom – and, in certain countries, may exceed this amount when required by local legislation.

Spain

Europcar Spain's motor vehicle liability is not covered within the Europrogramme. It is insured through a standard risk transfer policy from Allianz Spain since January 1, 2009. This insurance policy was renewed for three years on April 1, 2018. The overall limits of this policy are 70 million euros for bodily injury and 15 million euros for property damage, which may be increased under certain conditions with additional coverage of 50 million euros ("Coverage").

Australia and New Zealand

The motor vehicle liability risks to which the Group is exposed as a result of its operations in Australia and New Zealand are covered by the mandatory "Third Party Bodily Injury" regime administered by the State and automatically purchased when a vehicle is registered. It is combined with an "Own Damages" policy covering the market price for vehicles worth over AUD 50,000 and a "Third Party Property Damages" policy. A surplus must be paid for all claims amounting to AUD 20,000 and a ceiling of approximately AUD 30 million (approximately 20.5 million euros). Effective May 1, 2015, the insurance policy became QBE and was renewed in 2019, as it will be again in 2021.

Denmark

Europcar's automobile-related civil liability risks that fall outside Europrogramme are covered by a local insurance policy taken out with the company TRYG. This policy is renewed at an annual frequency.

Under this policy, TRYG indemnifies third parties for personal injury and damage to property.

Goldcar

With the exception of GoldCar France, Goldcar's liability for vehicles is not covered by Europrogramme. Goldcar is insured via standard risks transfer policies in the various countries. In some countries, Goldcar has several policies in place, which enable it to not depend on a single insurance company and to take advantage of market opportunities.

Policies are renewed annually and stipulate the premiums and expenses to be paid by Goldcar to receive this coverage.

Under this policy, Goldcar indemnifies third parties for bodily injury and property damages.

Buchbinder

Europrogramme covers a part of Buchbinder's liability for vehicles. The other part is covered through stand risk transfer policies in the various countries. In some countries, Buchbinder has several policies in place so that it does not have to depend on a single insurance company and can take advantage of market opportunities.

Policies are renewed annually and stipulate the premiums and expenses to be paid by Buchbinder to receive this coverage.

Finland/Norway

Europrogramme does not cover the liability of Finland and Norway for vehicles. They are insured via standard risks transfer policies in the various countries. It must be noted that Norway has a vehicle damage insurance program (casco).

Policies are renewed annually and stipulate the premiums and expenses to be paid by these countries to receive this coverage.

Ubeeqo

Europrogramme does not cover Ubeeqo's liability for vehicles, except for Ireland (GoCar), which has been covered by Europrogramme since June 2019. Ubeeqo is insured via standard risks transfer policies in the various countries.

Policies are renewed annually and stipulate the premiums and expenses to be paid by Ubeeqo to receive this coverage.

Under this policy, Ubeeqo indemnifies third parties for bodily injury and property damage.

Fox Rent A Car

Europrogramme does not cover the liability of Fox Rent A Car for vehicles.

Fox Rent A Car's third-party motor liability is covered by an insurance captive (KEOKA Insurance) owned by Fox Rent A Car. This captive is managed and reinsured by a subsidiary of Zurich American Insurance Company, Empire Fire and Marine Insurance Company. This third-party motor liability covers the compulsory insurance part in each State and offers additional coverage (up to 1 million euros).

Under this policy, Fox Rent A Car indemnifies third parties for bodily injury and property damage.

Factors affecting the increase in motor third party liability costs

For the fiscal year ended December 31, 2020, the total cost (including the share of "self-financed" risks and premiums) of the Group to cover its risks and mainly its motor liability risk (Europrogramme, Spain, Australia and New Zealand, Goldcar and Buchbinder, Finland/Norway, Ubeeqo and Fox Rent A Car combined) was 115 million euros, of which 78 million euros for the countries belonging to Europrogramme, which corresponds to the coverage of "self-financed" claims by the Group, the insurance premium of the AIG excess layer, claims management fees, administrative and brokerage fees as well as related taxes. The average claims maturing time during which the costs of claims are borne by the Group is approximately three years. Liability insurance is by nature long-tail insurance and the most severe claims may remain active for several years, or even tens of years or more in extreme cases. Motor liability insurance cost, stated on a comparable basis (per rental day) have historically trended both upward and downward, reflecting (i) the cost of the market capacity in terms of motor liability insurance and (ii) the Group's own motor liability claims record, these two factors being significantly influenced by the availability of insurance capacity on the market and increases in property damage claims and especially severe bodily injury claims (cases of death and disability). The Group believes that these two factors will continue to influence insurance costs in the future.

The aim of the Group is to incorporate its non-Europrogramme countries and acquisitions into Europrogramme. Comparative studies are performed during policy renewals, as was the case in 2020 for Buchbinder and certain Goldcar countries.

During lockdowns, premiums were adjusted in line with operations. For Europrogramme countries, the adjustment was made by reducing the rental day volume (the premium is proportional to the number of rental days). For the other insurance policies, with premiums calculated on a per-vehicle basis, lower premiums were negotiated.

2.6.3.2 Property damage – vehicles owned by the Group

In most countries in which the Group operates, the Group does not insure the property damage to its vehicles and is taking the charge related to the risk of damage to its fleet. Over the long run, the Group considers that insuring property damage to its fleet and theft of vehicles would be greater than or equal to actual costs of damages and theft. The Group's rental agreements generally stipulate that the customer is, subject to certain exceptions, responsible for any deterioration or damage (including damage as a result of theft) to the rented vehicles.

The cost of damages to the Group's vehicles for collisions in which third parties are not involved, the cost of damages to the Group's vehicles for which the Europcar driver is responsible and the cost of stolen or missing vehicles, as well as damages caused to the Group's property, are expensed as they are incurred. For the fiscal year ended December 31, 2020, expenses related to damages caused to the fleet (including repair work) and to the loss or theft of vehicles, net of recoveries, amounted to 93.6 million euros.

The cost of damage to property or of theft not insured by the Group is partly offset by (i) proceeds from the sale of damage or theft waivers and (ii) the recovery of deductibles that remain applicable (see Section 2.6.3.4 "Optional coverage offered to customers" below).

2.6.3.3 Risks related to the Group's business (excluding its fleet)

In order to manage other risks related to the Group's business, or to comply with applicable laws, the Group has purchased and implemented other insurance programs, including a general liability insurance program, an environmental liability insurance program, an employer's practice liability insurance program related to employment practices, an insurance program covering fraud and misconduct, a directors and officers liability insurance program, a terrorist event insurance program covering direct damage to one of its facilities, a cyber risk insurance program, and a property damage and loss of earnings program.

These insurance programs have been purchased from non-affiliated insurance companies for amounts deemed by the Group as reasonable given its risk profile, and secured terms and conditions considered by the Group as reasonable.

The Company has purchased a specific directors and officers insurance program for the Company's executives and major shareholder in order to cover certain risks related to the Initial Public Offering. It covers, in particular, defense and investigation fees, damages and interest, as well as insurable fines and penalties related to claims filed by the Company's new shareholders and proceedings initiated by the relevant stock market authorities following non-compliance with applicable regulations. This insurance policy took effect as of the date of the admission to trading of the Company's shares on Euronext Paris for a six-year term.

Any increase in claims or the potential failure by the Group or its subsidiaries to renew its insurance contracts under terms and conditions at least as favorable, could have a material adverse effect on the Group's business, results from operations and financial position.

2.6.3.4 Optional coverage offered to customers

Damage waivers in the event of damage without third-party implication or theft

The Group generally proposes ancillary products to its customers, such as partial waivers, damage and theft protection, deductible buy-back products by virtue of which the Group waives or limits its right to hold its customers financially liable for damage to the vehicle or losses to the Group. The purchasing this type of product transfers, for an additional fee or premium, the customer's total or partial cost liability to the Group.

Protection against costs related to flat tires, broken windshields and headlights

The Group proposes a product that covers the customer's financial liability in case of a flat tire, a broken windshield or a broken headlight during the ordinary use of the rented vehicle.

Personal insurance (Personal Accident Insurance ("PAI") and Super Personal Accident Insurance ("SPAI"))

The Group proposes insurance products that allow occupants of its vehicles or their beneficiaries to receive lump sum indemnities in the event of accidental death or permanent disability following an accident occurring during the rental period. These products also contain a "medical expenses" clause.

Such indemnities will be granted in addition to the compensation received by passengers considered third parties by the mandatory motor liability insurance regime and by a not-at-fault driver of the vehicle rented from the Group.

In the event where the driver of the vehicle rented from the Group is at fault, and as a result not covered under the mandatory motor liability insurance regime, insurance offered by the Group represents the driver's sole source of compensation (excluding a social security regime or insurance purchased elsewhere by the individual for personal use).

These three broad categories of products are available in sales agencies and from Europcar's website. The Group has taken out PAI and SPAI coverage with a leading market insurance company. The program has been standardized for the majority of Corporate Countries for greater clarity for customers.

Any Group change in the legal or contractual conditions enabling the proposal and sale of these services, or the potential failure by the Group or its subsidiaries to propose them for sale to its customers or under less favorable terms and conditions could have a material adverse effect on the Group's business, results from operations and financial position.

2.7 ETHICS AND COMPLIANCE PROGRAM

The Group has developed a comprehensive Ethics program (Compliance program) comprising a range of ethical principles, a structure covering the entire Group, and a multi-annual action plan.

Ethics Code

Europcar has developed a concrete and detailed set of ethical principles defining the professional behavior expected of the Group's representatives and employees. These principles are now included in the Code of Ethics and Commitments available on the Group's website (https://investors.europcar-group.com/static-files/5807e1dc-5768-4496-82e7-d7912da248a6). After review by the Management Board, the Code of Ethics and Commitments became effective on January 25, 2016.

This Code is based on several international guidelines to which Europcar adheres in particular the United Nations Universal Declaration of Human Rights, the European Convention on Human Rights, various conventions of the International Labour Organization, and the OECD Guidelines for Multinational Enterprises.

Through its Code of Ethics and Commitments, the Group commits to adhering to 12 major commitments to its various stakeholders :

a) to its customers and consumers :
  - communicate clearly and openly on the terms of access to the services (legal terms, rates),
  - ensure the security and confidentiality of data;

b) to its employees :
  - safeguard the health and safety of employees,
  - promote equal opportunities within the Group,
  - enable its employees to feel a sense accomplishment at work,
  - encourage positive work relations and freedom of expression;

c) to its industrial and commercial partners :
  - select industrial and commercial partners that can guarantee compliance with basic labor rights in their respective countries, in particular those defined by the International Labor Organization,
  - ensure mutual respect of the principles of loyalty in all industrial and commercial relations,
  - prevent all forms of active or passive corruption;

d) to the stock market :
  - promote its success and act in ways that respect its shareholders, to gain their confidence. As a result, Europcar attaches great importance to the quality of information and ensures reliable and transparent communication with all its stakeholders,
  - prevent insider trading and unjustified use of confidential or privileged information;

e) To the environment :
  - minimize the environmental footprint of its activities while ensuring compliance with environmental regulations by reducing the pollution caused by its services and infrastructures, and by limiting its consumption of energy and raw materials.

Overall, through these 12 commitments, the Group has defined 48 concrete commitments.

The Ethics Code is communicated to all Group employees and has been shared with the various Europcar stakeholders. In 2017, the Code of Ethics and Commitments was supplemented by an anti-corruption guide (Code of Conduct) to respond to the anti-corruption provisions of law No. 2016-1691 of December 9, 2016, also known as the Sapin II law.

Compliance structure

Europcar compliance is based on a three-tier pyramid structure :

- the Chief Executive Officer, who is responsible for overseeing the Group's Compliance Program;
- the Compliance Committee, which is responsible for monitoring the Compliance Program and its control at Group level;
- the Group Compliance Officer and local Compliance Officers.

The Compliance Committee must meet once a year, and comprises the following managers :

- Company Secretary (Chairperson);
- General Counsel;
- Economic Law Director;
- Group Internal Audit Director;
- Group Human Resources Director;
- Compliance Officer, Northern Europe and USA;
- Compliance Officer, Southern Europe;
- Compliance Officer of the New Mobility BU;
- Group Compliance Officer, acting as Secretary of the Committee.

The Compliance Committee is tasked with monitoring and controlling the Compliance Program at Group level, and in particular :

- issuing advisory opinions to the Chief Executive Officer on Compliance-related topics, to enable it to make decisions;
- proposing the rules of conduct and the Compliance Program for the Group to the Chief Executive Officer, on which the Management Board decides and votes, unless these duties are delegated;

- regularly reviewing Compliance Program in light of the latest developments in published government guidelines and the organization's needs, as well as laws, regulations and procedures enacted by the government;
- defining the actions to implement the multi-annual plans at all levels;
- reviewing the annual compliance reports submitted to the Chief Executive Officer ;
- examining and managing alerts.

The Group Compliance officer and the local Compliance officers

The Group Compliance Officer, with the assistance of the local Compliance Officers, ensures the proper execution and implementation of all decisions taken by the Group in terms of ethics and prevention of corruption.

The Group Compliance Officer is designated by the Chairman of the Group Compliance Committee with the approval of the Management Board. The Group Compliance Officer reports directly to the Group Compliance Committee and is responsible for issuing an activity report at least once a year. The Group Compliance Officer examines cases of alleged non-compliance.

A regional Compliance officer is appointed in each Corporate Country. The incumbent will be mainly in charge of implementing the compliance program locally. The local legal Department will, over time, play the role of the local Compliance officer.

Multi-annual Compliance Program

The 2018-2020 multi-annual Compliance Plan establishes the procedures for :

- disseminating the Code of Ethics and Commitments and defining procedures to supplement it;
- coordinating the network of local Compliance Officers;
- implementing a whistle-blowing procedure: the Group set up an Internet platform that can be used by anyone in the company or outside the company to report behaviors that are in violation of the Group's rules of ethics. These alerts are treated with the strictest confidence by the Group Compliance Office, who guarantees the anonymity of the whistle blower. Whenever an investigation proves necessary, the Compliance Committee will make a recommendation based on a detailed report. The Management Board will make the final decision on ensuing actions;
- preparing a map of all the Group's corruption risks, assessing and prioritizing net or residual risks;
- developing and/or proposing training programs for the management of each department concerned by the components of the Compliance Program;
- assessing the performance of officers, heads and managers on the dissemination and observance of the Europcar Compliance Program;
- establishing a Purchasing Code and updating the Group's General Terms and Conditions of Purchase.

The multi-annual Compliance Plan is to be updated in 2021 for the period 2021-2023.

Control and corrective measures

Any significant deviation from the Group's compliance rules will trigger an investigation to determine its cause. If it is found that the deviation was caused by irregular procedures or poor understanding of the rules, Europcar will take swift action to rectify the problem.

In case of reported or suspected non- compliance, the Group Compliance Officer will rapidly take measures to investigate the behavior in question to determine whether or not a breach of the applicable law or the requirements of the Compliance Program has occurred.

In such a case, the Group Compliance Officer will determine the measures to be taken to rectify the problem and will present their report to the Group Compliance Committee and the Management Board for approval.

2.8 INTERNAL CONTROL PROCEDURES

The principles and working methods of the internal control systems are for the Group and the operational entities that fall under the Group scope of consolidation.

Furthermore, the internal control system applies to the entire Group (parent company and subsidiaries) irrespective of whether management has decided to carry out operating activities directly or via external service providers.

The Group has based its internal control system on the COSO Standard, developed and disseminated by the Committee of Sponsoring Organizations of the Treadway commission.

2.8.1 General organization of internal control

The primary actors in the internal control process are as follows:

a) **the Audit Committee**, in accordance with its duties defined in the French Commercial Code, ensures the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and the production of accounting and financial information. In particular, the Committee interviews the Group Director of Internal Audit, Internal Control and Risks, and examines the risk map. It is regularly informed of the results of the internal control self-evaluation process. In addition, the Committee gives its opinion on the organization and resources of the Group Internal Audit Department and is informed of its audit program. It receives a periodic summary of the Internal Audit reports;

b) **the Management Board** is ultimately responsible for risk management and internal control and relies in particular on:

- the financial departments of the operating entities,
- the operating and functional departments;

c) **the Group Internal Control Department**, whose purpose is to facilitate the assessment, monitoring and improvement of all Group internal control systems at the Headquarters, Country and Station levels. It uses a Group internal control manual and an annual self-evaluation process which covers all of the Group's operations and entities.

The Group Internal Control Department also relies on documents and rules that structure critical processes and are mandatory for all members of staff:

- the Group's values, setting out its commitments towards customers, staff and shareholders, and outlining the principles on which the actions of senior management are based,
- the rules common to all Group entities are enacted by the Supervisory Board and the Management Board. These rules stipulate the measures applicable in the following instances:
  - delegations of authority applicable to Group executives and corporate officers,
  - investments and commitments given (such as bonds, endorsements and guarantees),
- harmonization of financial processes currently underway through the setting up of a shared services center and a unified IT system used by most entities,
- an internal control manual (titled "Emergence") – fully updated in fiscal year 2016, and updated annually since then – covering all functions and processes and adapted to the operational risks in stations.

A network of appropriately trained local correspondents (Internal Control Coordinators) coordinates the control systems defined by the Group in the various countries and subsidiaries;

d) **the Group Internal Audit Department** reports to the Chairwoman of the Management Board and has direct access to the Audit Committee. This link between Internal Audit and senior management is supplemented by continuous access to and cooperation with the other members of the Company's Management Board.

The Group Internal Audit Department is composed of a Director of Group Internal Audit, a manager, and two internal auditors, and is supported by a network of local correspondents. They:

- design, execute and monitor the annual Internal Audit plan,
- assess risks by undertaking an annual Group risk mapping exercise, and monitoring the ensuing action plans,
- contribute to compliance with the Group's rules, in particular in the stations, and recommend improvements to internal control,
- manage the processes for the identification and prevention of fraud across the Group,
- monitor the implementation of audit recommendations and high priority action plans.

The organization and the duties of the Group Internal Audit Department are set out in the Internal Audit charter.

The Group Internal Audit Department defines and executes, either on its own initiative or on the initiative of senior management, an annual audit plan that includes the international franchise network, internal control audits and any other advice or assurance assignment. It reviews the recurring internal control self-evaluation campaigns. In addition, the Group Internal Audit Department reviews the audits performed in the various stations making up the Group's network.

This annual plan is approved by the Chairwoman of the Management Board; the Audit Committee expresses an opinion on this annual audit program.

Lastly, the Group Internal Audit Director reports to the Chairwoman of the Management Board and to the Audit Committee on the realization of the annual audit plan and on the state of progress of the recommendations issued by the Internal Audit.

2.8.2 Fundamental components of the internal control system

The architecture of the internal control process is based on a three-level structure:

a) the first control level applies to each staff member and their superiors according to their explicit responsibilities, the procedures applicable to their functions, and their communicated instructions;

b) the second control level applies to managers, independently of the actions controlled. It may also apply to staff employed in an operating, support or control capacity;

c) the third control level applies to the Group Internal Audit Department, which constantly monitors the effective application of the first two control levels defined above.

It depends on the following key elements:

Internal control procedures relating to information systems

The Group's Information Systems Security Department defines, implements and improves the IS security policy roadmap. It initiates and coordinates risk reduction projects in its domain.

The Group Information Systems Security Manager (ISSM) reports to the IT Infrastructure and Operations Director, who reports to the Products and Technologies Director. The ISSM coordinates the security-related operations with the support of a central team composed of five persons.

The IS security systems roadmap is updated in February each year and presented to the Audit Committee. It takes account of the assignments that the Group's Internal Audit Department is tasked with, the results of the self-assessment of IT controls, feedback on incidents, the Group risk map and any external studies. The IS security roadmap present a consolidated overview of action plans drawn up according to standards, following the five-point recommendation: identify, protect, detect, respond and restore. The development of threats is thus taken into account when updating security and risk-mitigation measures.

The Group's business continuity plan has been defined and relies on a fully operational IT backup site for the Europcar brand. The entire business continuity plan was tested in March 2020 under real world conditions without any drop in performance for customers and employees. The next comprehensive test is scheduled for March 2021.

Fraud prevention, and fight against corruption and money-laundering

The Group Internal Audit Department oversees fraud identification and prevention processes for all Group activities, in liaison with the Compliance Officer.

Risks related to operations of the Group's international franchisee network are subcontracted to an external audit firm, overseen by Group Internal Audit. At times, external auditors are called upon to cover certain business sectors with respect to technical issues that cannot be covered internally.

Internal control evaluation process

The internal control evaluation process is based on two complementary tools:

- the "Emergence" internal control manual;
- the internal control self-assessment tool.

The "Emergence" internal control manual

Entirely reworked in 2016 and updated each year since, the manual has adopted an instructive and pragmatic approach. This manual covers financial reporting procedures, operational monitoring (e.g. the administration of contracts, franchisees), functional monitoring (e.g. Legal, Purchasing, Human Resources) and Group governance. It includes a set of new topics, directly related to the new risks and opportunities addressed by the Group, such as compliance. Each subject concentrates on the ten key controls to be applied across the Group, in relation to the risks and existing main procedures.

The internal control self-assessment tool

The internal control self-assessment tool covers all topics addressed in the "Emergence" manual. Examples of best practice have been defined for each control and a maturity scale (from 1 to 4) enables very precise and objective results to be achieved during the self-evaluation process.

The 2020 annual self-evaluation campaign was carried out using a specific IT tool (grc) whose functional scope encompasses internal control and Internal Audit activities. It covered the countries, the Shared Services Center, the holding company, the Group functions and new acquisitions. The players involved in the self-evaluation campaign are both at headquarters and in the countries. They are supervised by the Internal Control Department. The results from the self-evaluation are reviewed by Internal and External Audit. Plans for improvement are initiated by the operations managers, validated at the Country level and monitored by the Group Internal Control Department. The Audit Committee is informed of the results of the self-evaluation campaign and the improvement plans.

2.8.3 Internal control procedures regarding the preparation and processing of financial and accounting information

Organization and responsibilities in the production of accounting and financial information

The chief generators or auditors of accounting and financial information fall under the Group Finance department and are as:

- the Group Accounting Department;
- the Group Management Control Department;
- the Group Tax Department;
- the Group Cash Unit;
- the Shared Services Center, covering many of the accounting processes and the Group's various Corporate Countries;
- the Group Financial Communications Department.

Control environment related to the reliability of accounting and financial information

The reliability of accounting and financial information relies on the following steering elements:

- a three-year strategic plan, coordinated by the Finance department, with the support of the operating departments; every year, this plan is used to set the Group's main areas of strategic focus and the annual budget objectives that reflect that focus. It is validated annually by the Supervisory Board;
- the annual budgeting process: this process, spearheaded by the Finance department and implemented by Group senior management control teams with the support of all operating departments, focuses on operational financial aggregates. The financial elements of the budget are consolidated month by month using the same tool as that used for consolidating actual results with a comparable degree of detail. This enables immediate comparisons of monthly operating financial aggregate performance with budgeted targets;
- three latest forecasts per year: these forecasts focus on the same financial aggregates as the annual budget and thus employ the same consolidation methods in the same system with the same level of granularity. These forecasts are normally produced in March, June and September and rely on the actual results for months already closed. The provide estimates for the months remaining until the end of the year in question so that comparisons could be made between the re-estimated year and annual budgetary targets. These forecasts are reviewed by the Management Board; on account of the Covid-19 pandemic, in addition to 2+10, 5+7 and 8+4 forecasts, a weekly forecast review process was implemented during the first wave and, since July, a two-week forecast process, implemented across all countries, to monitor the income statement and cash flows;
- complete monthly closings (full balance sheet, consolidated income statement, net profit and cash flow) are recorded and consolidated in the same manner as annual and half-yearly closings in the consolidation tool;
- monthly performance review meetings: led by the Chairwoman of the Management Board, these are carried out with all countries and are attended by the members of the Management Board, the Chief Financial Officer, the Group Financial Controller, and the Group Fleet Director. The functional departments are themselves subject to review by the Management Board. Performance and margin analyses are conducted with a view to understanding the month's main performance drivers, and to defining action plans for the months to come; Owing to the Covid 19 pandemic, once the forecasts are produced, meetings are held with each country every two weeks to establish action plans.

Procedures for the drawing up of accounting and financial information

Accounting and financial information is obtained through a rigorous process based on:

- **a common standard and documentation of the main Group accounting rules:** the financial statements are prepared in compliance with the IFRS; these standards are disseminated throughout all the Corporate Countries through the Group Accounting Manual and supplemented by specific instructions. Moreover, the above-mentioned internal control manual includes the different processes affecting the production of financial information (e.g. closing, cash, payroll, purchasing, sales, fixed assets, IT and consolidation);
- **a unified information system:** for the most part, the Group uses the ORACLE accounting tool and the GREENWAY project management tool for all operations, with the exception of Australia, New Zealand, and the recently acquired companies and trademarks (Ireland, Denmark, Buchbinder and Goldcar, Finland, Norway and Fox). In most subsidiaries in the Corporate Countries, operational and financial flows are managed using ORACLE;
- **a reporting and consolidation software package and an ORACLE chart of accounts aligned with the reporting tool:** financial information is collected and consolidated in the ORACLE/SAP FC system for all financial reporting (budget, forecasts, monthly, quarterly, half-yearly and annual actuals). The use of a single tool ensures consistency between internal steering and external communication;
- **consistency checks and analyses carried out on financial information:** automatic checks in the reporting tool, detailed activity reviews by the Group's Management Control teams, and specific analyses (e.g. scope of consolidation changes, exchange rate effects and non-recurring transactions) by the Accounting Department ensure the proper control of financial information produced;
- **a formalized process for the collection, analysis and control of other information published in the Group's annual documents** (e.g. Universal Registration Document).

2.9 LEGAL AND ARBITRATION PROCEEDINGS

The Group is involved in a number of legal, regulatory and arbitration proceedings in the ordinary course of its business. Under accounting standards applicable to the Group, a provision is recorded in the balance sheet when the Group is liable for an obligation resulting from a past event, when it is possible that economic resources will be needed to satisfy the obligation and the amount of said obligation can be reliably estimated.

At the date of this Universal Registration Document, the Group is not aware of any legal, regulatory or arbitrage proceedings other than those mentioned below, that might have or have had in the last twelve months a material adverse effect on the Company's or Group's financial position or results.

Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U. – Italian Competition Authority (AGCM)

- In November 2016, the ICA (the Italy Competition Authority) imposed a fine on Goldcar Italy S.r.L for "unfair commercial practices" (specifically relating to allegations of high pressure sales techniques, opaque policies relating to fuel and damage repairs) following legal proceedings begun in February 2016. The two-million euro fine was paid. In February 2017, an appeal was filed in the Administrative Court of Lazio (TAR).
- In October 2017, the ICA initiated several investigations and proceedings to verify the compliance of the practices in effect at that time with regard to security deposit procedures. Goldcar Italy contacted the authorities to describe the improvements put in place to comply with regulations. Goldcar made several commitments which have already been implemented. Although the ICA recognized the procedural and material improvements made, it nevertheless decided to initiate non-compliance proceedings for presumed breach of the Italian Consumer Code. Notice of a 680,000 euros fine was sent in February 2018 and it was paid. In April 2018, another appeal was filed in the Lazio Administrative Court (TAR). At the end of March 2019, the TAR ruled on the above-mentioned appeal and the supplementary appeal and confirmed the ICA's decision and the arguments supporting these decisions. In June 2019, Goldcar submitted an appeal to the Consiglio di Stato (CDS). The first hearing is expected to be scheduled in 2021. The first hearing is planned on October 14th, 2021.
- On May 30, 2019, the ICA carried out an on-site inspection as part of an investigation into various consumer complaints denouncing illegal practices. A hearing took place on August 1, 2019 and on November 4, 2019, the Italian Competition Authority ruled against Goldcar and ordered it to pay a fine of 3,400,000 euros for non-compliance with the previous decision. Goldcar appealed that decision on December 27, 2019 in the Lazio Administrative Court. The first hearing is expected to be scheduled in 2021. At the date of this document, Goldcar Italy S.r.L is waiting to be informed of the date of the first hearing.

Litigation with a former franchisee and its sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax Locação e Comércio de Veículos Ltda. ("Rentax") and Horizon Distribuidora Veículos Ltda. ("Horizon"), initiated judiciary proceedings against Europcar International and its former franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("EC-BR"), claiming abusive termination of the franchise agreement between Europcar International S.A.S.U. and EC-BR. The combined amount claimed by Rentax and Horizon is BRL 19,525,151 (approximately 6 million euros). Europcar International S.A.S.U. is seeking to have the case dismissed on statute of limitations grounds and, in particular, arguing that (i) there is no contractual relationship with these two sub-franchisees, and (ii) there was nothing improper by Europcar International S.A.S.U. in the termination of the EC-BR contract.

In the court of first instance, the 25th Chamber of the Civil Court of São Paulo found in 2010 that the suit filed by Rentax and Horizon was not time-barred and that if Europcar International S.A.S.U. were found liable it would have no recourse against EC-BR. A recourse action is an action through which a person against whom proceedings are initiated involves a third party to respond to the allegations that may be made against him or her. On appeal, this ruling was partly overturned by the Court of Appeal, which found that Europcar International S.A.S.U. could seek recourse against EC-BR, claiming back from EC-BR any payment Europcar International S.A.S.U. would make in compliance with a court ruling against it. Europcar International S.A.S.U., considering that the Appeal Court had failed to consider all its arguments about the statute of limitations, appealed to the São Paulo Court of Justice on September 8, 2014. In a ruling handed down on March 17, 2015, the São Paulo court upheld the ruling that the plaintiffs' suit was not time-barred. Its decision on the statute of limitations was appealed to the Superior Court of Justice. On September 29, 2017 the judge-rapporteur rejected the appeal. Europcar International S.A.S.U. filed an interlocutory appeal against this ruling, which was subsequently due to be judged by the Superior Court of Justice on February 6, 2018. This appeal nonetheless does not suspend the main proceedings during which the judge in the court of first instance ordered EC-BR to continue to answer the case. After several unanswered notices served on EC-BR, the judge ordered the gathering of evidence phase to continue. This phase allows the Parties to gather the evidence they wish to introduce, including expert reports, witnesses etc. In answer to the ruling by the Court according to which it was not necessary to introduce further evidence as to whether the contract was legally terminated insofar as the Court of Appeal had already ruled on the question in the first judgment mentioned above, Europcar filed a request for the case to either be judged immediately or at least be postponed pending the result of the first case. The judge presiding over the case rejected this request and ordered the expert analyses to begin as requested by the plaintiffs.

On August 3, 2020 the Sao Paulo Court handed down a final ruling rejecting Rentax's and Horizon's claims against EUROPCAR. The judge acknowledged that Europcar International S.A.S.U could not be held liable for damages caused by EC-BR (a former ECI franchisee) to the plaintiff, as that matter had already been settled in the suit filed by Europcar against the master franchisee and sub-franchisee. In that suit, the court considered that Europcar International S.A.S.U. Had not violated the terms of the agreement, and that the sub-franchisee agreements automatically terminated with the termination of the master franchise agreement due to the breach of the EC-BR agreement. The firs suit was definitively closed and could not be appealed.

Fire in a parking lot in Paris: criminal proceedings and civil liability claims (insurance)

On November 12, 2014 a fire broke out in a Europcar garage located at 88, Rue de la Roquette, Paris. The fire destroyed all the 77 vehicles parked in the garage (1.1 million euros net damages cost already accounted) and damaged the structural integrity of the building. The Public Prosecutor opened a criminal investigation (the criminal proceedings). At the same time, Europcar France and its insurer, AIG EUROPE Limited, sued the garage's owner, its insurer, the association of the building's co-owners and the French Association of Diabetics before the President of the PARIS Court to request the appointment of an expert to determine the cause of the fire and assess the prejudice suffered by each party (the civil proceedings).

The criminal proceedings were closed by the investigating magistrate on November 24, 2016. The decision to close these proceedings was based on the fact that the judicial inquiry failed to determine the cause of the fire and the expert assessment ordered by the investigating magistrate indicated that it is likely that the fire was caused by an electrical fault in a vehicle. The expert report commissioned in the civil proceedings is still in progress. Europcar France has brought an action for professional civil liability against the experts referred to in these proceedings.

ALLIANZ I.A.R.D. brought a suit against Europcar France and AIG before the Nanterre Commercial Court on the basis of the Law of February 5, 1985. Allianz is seeking a conviction and the payment of a 3,902,743.37 euro fine. Europcar and AIG have requested a stay of ruling pending the decision from the Court of Cassation in the dispute regarding the liability of experts. In 2020, Europcar's civil liability claim against the experts was dismissed by the Paris Judicial Court,. Europcar appealed the decision.

Excessive interchange commission applied by MasterCard and Visa

Following the opening of an investigation by the European Commission into interchange commissions – a commission that is charged by banking organizations for a commercial transaction and justified by the mechanisms implemented by the banking institutions of the cardholder and trader for which the transaction is conducted –, the European Union determined that the interchange commissions applied by MasterCard and Visa were too high, and established limits. Following this decision, a number of companies sued MasterCard in the English courts and in the (Competition Appeal Tribunal) and obtained damages for losses related to this practice going back to 1992. An additional claim was then filled by Sainsburys (an English Retailer) against Visa, this time in the High Court. The decisions in those cases were then referred to the Court of Appeal.

On September 16, 2016, Europcar Group UK filed a claim against Visa in the High Court seeking damages for losses incurred due to anti-competitive practices totaling £3 million for the periods 2010 to 2015.

On September 16, 2016, based on the ruling against MasterCard, Europcar Group UK Limited took legal action MasterCard in both the High Court (for the period 2010-2015) and in the Competition Appeal Tribunal ("CAT") (for the period 1992-2008) with a view to obtaining redress for the losses suffered as a result of anti-competitive practices during those periods, estimated at £7,000,000 (interest included).

All three cases were stayed pending the decision of the Court of Appeal on the Mastercard and Visa cases. The only exception was a request by Mastercard before the Competition Appeal Tribunal to exclude the claims made for the period 1992-1997 from the assessment of the damages on the grounds that they are time-barred.

In July 2018, the Court of Appeal ruled that both the Visa and Mastercard MIFs were restrictive of competition and therefore unlawful. The Court of Appeal remitted all 3 cases to the CAT to consider whether any exemptions were applicable and to assess quantum. Mastercard sought leave to appeal the decision to the Supreme Court which was granted at the end of 2018.

Europcar Group UK and Mastercard have entered end of 2019 in a settlement agreement which ends the above action from Europcar group UK against Mastercard. The settlement agreement was concluded in June 2020, bringing to an end the above-mentioned suit by Europcar Group UK against Mastercard.

The dispute between Europcar Group UK and Visa was settled out of court in 2020.

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the Leicester City Council Trade Services Investigation Department opened an inquiry into Europcar UK for a breach of Regulation 9 of the Consumer Protection from Unfair Trading Regulations 2008, based on allegations according to which: Europcar UK (i) had billed its customers, without their consent, repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Together with the commercial practices inspection services, Europcar UK has drawn up the list of documents that the Company is required to submit and has appointed Deloitte to handle the matter. The results of the work carried out by Deloitte were presented to the Trade Services Investigation Department in November 2018.

The Leicester Trade Services Department's investigations are in progress and the Group continues to fully cooperate with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (43 million euros) in non-recurring expenses (see Note 10 "Provisions, Risks and Litigation" on liquidity risk to the 2017 financial statements in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2020" of this Universal Registration Document).

This amount corresponded to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices are misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

A new review of the last risk estimate carried out on December 31, 2018, was conducted at the end of 2019. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous year. At the date hereof, no changes have occurred in the latest risk estimations and analyses, conducted in 2018 and reviewed in 2019. At December 31, 2020 the provision of £38 million still appeared in the Groups accounts.

Dispute regarding the commissions associated with the brokerage of the sale of the Robben & Wientjes assets

The German company Carpartner Nord GmbH was named as a defendant in a case brought before the District Court of Berlin by M.B. Mueller as the owner of the German company M & W Real Estate. The case concerns the alleged claim for a commission brought by the plaintiff for brokering the asset purchase transaction of August 8, 2017 for an amount of 4% of the purchase price of 3 million euros paid by the defendants to Robben & Wientjes oHG. Furthermore, the plaintiff wishes to obtain a brokerage commission of 150,000 euros for arranging the leasing of several commercial buildings. Charterline Fuhrpark Service GmbH, which purchased the vehicles of Robben & Wientjes OHG for 6.5 million euros as part of the asset sale has not yet been sued. It is, however, possible that the plaintiff will also sue Charterer Fuhrpark Service GmbH when the details of the asset sale become known. Initially, the plaintiff was acting solely on behalf of the vendor, Robben & Wientjes. Carpartner Nord GmbH's defense against this lawsuit is that it did not enter into a brokerage agreement with the defendant. The defendant alleges that a 530,000 euro brokerage agreement was signed (4% of 9.5 million euros plus 150,000 euros). The Berlin Court on February 6, 2019 stated that a brokerage agreement has not been concluded and therefore the plaintiff have no claim to commissions out of the purchase of the Company. The court declared that it has no local jurisdiction and will refer the dispute to the competent court which is the Regensburg Regional court. The first hearing by the competent jurisdiction in Regensburg took place on October 29, 2019. At the date hereof, the proceedings are still ongoing.

Litigation against Gefion relating to Charterline's vehicle insurance coverage

In 2018, Charterline Fuhrpark Service GmbH entered into a fleet insurance agreement with GEFION (liability and damages) for more than 16,000 vehicles. Gefion has ceased to honor damage reimbursements. To date, more than 13,000 refund claims have yet to be honored. Charterline filed 321 claims for 620,000 euros in June 2019 before the Bad Kreuznach District Court.

In counterclaims, Gefion requested that the agreement be declared null and void and that all compensation received by Charterline be reimbursed.

On April 3, 2020, the Court dismissed all of Charterline's arguments, ruled that the framework agreement was null and void, and asked for the refund of all insurance claims paid. Charterline appealed the decision. The hearing before the regional high court of Koblenz initially scheduled for January 20, 2021 was delayed until March 31, 2021. At the date hereof, the proceedings are still ongoing.

Notification by the Bavarian DPA of a security breach on a Buchbinder server

On January 20, 2020, the Bavarian DPA notified Buchbinder of a security breach on one of the backup servers hosted and maintained by its service provide. The breach was identified and closed immediately. A new security test campaign was immediately launched, and customers were fully informed in the press on January 24, 2020.

At the date hereof, the company received a closing letter from the competent authority and is awaiting the decision of the European authorities as part of the consistency check mechanism.

Labor disputes

The Group faces individual disputes related to dismissals on personal grounds as well as individual disputes in the ordinary course of business. The Group also faces individual disputes for dismissals on economic grounds in the context of internal reorganizations carried out in prior years, as well as individual or collective disputes relating to reorganizations.

Litigation with ten former employees

The Group is defending proceedings for interim relief brought before the Rambouillet Labor Tribunal (Conseil de prud'hommes) in which ten employees and their union are challenging the automatic transfer of their employment contracts following the transfer of APS GreenWay's business from the Group to an IT services provider.

The Group was summoned before the Rambouillet Labor Tribunal (*Conseil de prud'hommes*) by 24 of the 33 former Greenway employees (IT Department) and their trade union on two grounds: (i) for the lack of information provided during the information and consultation procedure concerning the transfer of Greenway's business to a service provider, and (ii) for questioning the assessment of this business as an economic and social entity.

On June 24, 2015, the Tribunal dismissed the employees' demands. The latter appealed before the Court of Versailles. The appeal was heard on February 9, 2016. On April 12, 2016, the Court confirmed compliance with the information and consultation procedures and invited the parties to file a suit based on the merits, by reversing the decision on the recognition of economic entity.

Eight of the twenty-four employees filed a suit with the Rambouillet Labor Tribunal (*Conseil de prud'hommes de Rambouillet*), which, in a ruling handed down on September 10, 2018, dismissed all of the employees' demands; the latter filed an appeal on October 8, 2018. At the same time, an action by two protected employees was underway at the Administrative Court on the same grounds.

The initial hearings of the eight employees, scheduled for May 2020, were postponed to June 14, 2021 on account of the Covid-19 pandemic. The date of the hearing at the CAA Court in Versailles, which was also postponed, has not yet been set.

Labor dispute for unfair dismissal

In February 2020, a case was brought against the Group for unfair dismissal by a former director in the Landgericht Regensburg and the Landgericht Hamburg Courts. The initial hearing took place on December 1, 2020 before the Landgericht Regensburg Court, and another one is scheduled for January 21, 2021 in the Landgericht Hamburg Court. Subsequent hearings in both courts will probably take place in 2021.

3

FINANCIAL AND ACCOUNTING INFORMATION

In this Universal Registration Document and unless otherwise indicated, the calculated figures on Corporate Countries include:

(i) the data on the Group of Finnish and Norwegian companies, a former Group franchisee, acquired by Europcar on May 31, 2019, for the period from June 1 2019 to December 31, 2019 and the full year in 2020. It is specified that the statement of financial position of this former franchisee was consolidated in the financial statements of Europcar Mobility Group at December 31, 2019, but that the income statement of this former franchisee was consolidated in these financial statements only for the aforementioned period;

(ii) and the data on Fox, a group of American companies acquired by Europcar on October 31, 2019, for the period from November 1, 2019 to December 31, 2019 and for the full year in 2020. It is specified that the Fox statement of financial position was consolidated in the accounts of Europcar Mobility Group at December 31, 2019, but that the income statement of Fox was consolidated in the financial statements only for the aforementioned period.

In this Chapter, as in this Universal Registration Document, and unless otherwise indicated, the comparisons of figures between fiscal years 2019 and 2020 are made on the basis of reported data, and therefore do not include restatements for acquisitions or disposals for the years in question.

3.1 ANALYSIS OF THE GROUP'S RESULTS

Readers are invited to read the following information on the Group's financial earnings and position together with the consolidated financial statements for the fiscal years ended December 31, 2020 and 2019, as reported in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the fiscal year ended December 31, 2020" of this Universal Registration Document.

In this Chapter, the Group presents certain financial information and other data to make it easier for readers to understand the Group's business. In particular, the Group presents the adjusted corporate EBITDA indicator, which refers to recurring operating income before amortization and depreciation not related to the rental fleet and after deducting interest expenses on the debt used to finance the fleet.

Adjusted corporate EBITDA is not a recognized metric under IFRS and has no single generally accepted definition. The Group believes, however, that adjusted corporate EBITDA, which covers all costs relating to the rental fleet including depreciation expenses and interest expenses on the fleet, offers investors additional material information to measure the Group's performance, without distinction on the method of financing the rental fleet. This aggregate is one of the Group's key aggregates used to track its performance (see the paragraph on "Adjusted Corporate EBITDA" in Section 3.1.2.2 "Analysis of the Group's results").

In this Chapter, the Group has identified certain impacts linked to foreign exchange fluctuations (primarily the pound sterling, the Australian dollar, the New Zealand dollar, the Danish kroner and the US dollar) and has restated certain data for the fiscal year ended December 31, 2019 at constant exchange rates for the fiscal year ended December 31, 2020 in order to provide a more accurate picture of its performance.

Unless otherwise explicitly indicated, the figures for fiscal years 2019 and 2020 are presented in the notes and tables after the application of IFRS 16.

3.1.1 General overview

3.1.1.1 Overview

Since January 2017, the Group has chosen an organizational structure based on Business Units in order to better address the different markets in which it operates and offer a better response to the various mobility needs of its customers. This organization by Business Unit, described more fully in Section 1.6.1, is structured around five Business Units: Cars, Vans & Trucks, Low Cost, Urban Mobility and International Coverage. These five Business Units are distinguished primarily by the nature of the services offered, the category of their customers, their competitive environments, the day-to-day operational management of customers and the rental fleet.

The Cars, Vans & Trucks and Low Cost Business Units only operate a branch network in Corporate Countries. This network is shared for the most part between the Cars and Vans & Trucks Business Units, with a dedicated network for the Low Cost Business Unit, while the International Coverage Business Unit manages the country franchise networks and the Group's partnerships in these countries.

In order to anticipate the post-Covid 19 crisis and within the framework of its "Connect" project, the Group decided to rethink its approach to its markets through three Services Lines, to serve the mobility needs of its customers better (see Section 1.4.2): the Leisure Service Line, the Professional Service Line and the Proximity Service Line. In fiscal 2021, the Group will continue to monitor the performance of two Business Units, Cars and International Coverage and Vans & Trucks. Within these two Business Units, revenue will be analyzed through three Service Lines to obtain the best measurement of the adequacy of the offers for the mobility usages of customers.

3.1.1.2 Impact of the Covid-19 crisis and the macro-economic situation

The vehicle rental sector, like all mobility-related sectors, was severely impacted by the Covid-19 crisis in a way that was unprecedented in the history of this industry.

Most of the States imposed travel restrictions during the first crisis, and then shut down a section or the entire country in order to reduce the effects of the pandemic.

These measures caused a rapid collapse of air and rail traffic in early March, which impacted leisure activity, primarily in southern Europe. Corporate activity followed the same trend, with the cancelation of more events and the closing of many borders in Europe and North America.

During the second wave of the pandemic, the total or partial lockdown measures implemented primarily in Europe had the same effects on the Leisure and Corporate activities.

The impact of this crisis was a change in consumer behaviors, some of which may last well after the pandemic (see Section 1.4.2).

The demand for vehicle rentals and, more particularly, the demand from the "Business" segment, is influenced by the macroeconomic situation of the countries in which the Group operates. Changes in gross domestic product, especially in Europe, may have an impact on the Group's business.

Demand is also influenced by changes in air and railway traffic and the factors underlying these changes, such as currency fluctuations or geopolitical events that can affect passenger flows and, as a result, demand from the "Leisure" customer segment (see Section 1.3.2 "Growth drivers and general market trends"). During the fiscal year ended December 31, 2020, agencies in airports directly operated by the Group and by agents represented 18% of the revenue generated by the Group's rental activities (versus 47% in 2019) versus 82% for agencies outside airports, thanks to the Group's dense network. The Group also entered into important alliances and partnership agreements with several major airlines. Thus, a significant portion of the Group's revenue is correlated to the level of air traffic, which was hit hard by the Covid-19 crisis.

3.1.1.3 Main factors that can impact the Group's results

Certain key factors as well as certain past events and operations have influenced, and could continue to influence the Group's results. These factors include momentum in the vehicle rental sector and the attractiveness of the Group's services, macroeconomic conditions (particularly the vitality of tourism and the business sectors in general), the seasonal nature of the vehicle rental business, the effects of strategic programs and the evolution towards new mobility services, the Group's cost structure and operational efficiency, financial expenses, changes to the Group's scope of consolidation, and exceptional, exogenous factors, such as pandemics or terrorist attacks. A more detailed description of each of these factors is presented below.

New mobility solutions are increasingly sought by consumers

The mobility market is undergoing structural changes tied to technological advances and the resulting changes in consumer preferences and behaviors (see Section 1.3.2 "Growth drivers and general market trends"). This momentum in the sector is a source of growth opportunities for vehicle rental companies capable of focusing their investments on the products, services and technologies that they believe will have strong added value or will be widely accepted by consumers and for which they have or can acquire or develop the technical expertise needed to operate them. The Group draws on its extensive experience and its know-how in the vehicle rental sector to innovate and seize opportunities arising from new mobility trends. In 2020, in the face of the Covid-19 crisis, this sector had a certain resilience in meeting the needs for mobility alternatives to public transportation, which combined flexibility, safety and no contact.

Technological changes and changes to offers

Confronting technological changes that are modernizing the entire sector and the rapid changes in customer uses and expectations, Europcar Mobility Group designed its "Connect" program to rework the Group around the new needs and expectations of its customers: increased digital usages, new safety and contactless standards, the need for flexible services and an aspiration for new, more responsible travel modes that are more respectful of the environment.

- **The Vans & Trucks market** demonstrated resilience in 2020 despite the downturn, driven very specifically by the rapid expansion of e-commerce and last-mile delivery during the lockdown and social distancing periods. It remains relatively fragmented throughout Europe, although it shows the first signs of concentration. The operational specificities in this market differ significantly from those for the rental of passenger cars and low-cost services and require specialized expertise. The establishment of a dedicated structure for the Vans & Trucks Business Unit has allowed it to provide a more effective response to the market in terms of products and services. In this area, the Group decided into 2019 to focus its offering of light commercial vehicles and trucks at super-sites better suited to the BtoB sector, which is traditionally strong in this market.

Changes in demand in the premium and low cost segments was heavily impacted by the Covid-19 crisis in 2020

The Group believes that there is a growing trend among transport sector consumers to focus on either the premium or low-cost offerings. The Group believes it can leverage the established recognition of its leading brand Europcar® to develop new premium services (see "Europcar® Service Offering" in Section 1.6.2 "Europcar Mobility Group's brands and their services offer"). In addition, demand is also evolving towards the low-cost segment and small budget vehicles, which drives sector players to adapt the make-up of their rental fleets and develop new low-cost offers. With the acquisition of Goldcar® at the end of 2017, the Group positioned itself in the growing low-cost market. This low-cost market, primarily centered on leisure and tourism customers served through agencies located in airports was hit hard by the lockdown measures, the border closings, and the quarantine measures.

- **Pricing dynamics.** The vehicle rental sector is a competitive market and price is a key competitive factor. The Group seeks to capitalize on the density of its network, its sector expertise, its operational excellence and the recognition of its brands in order to enhance its ability to offer attractive rates in terms of the quality to price ratio of the services offered while improving its profitability. Supply and demand in the market impact both the Group's fleet utilization rate and its pricing position. During periods of high demand or when demand exceeds supply, the fleet utilization rate increases and the competitive pressure on prices falls. Conversely, a fall in demand or excess supply of vehicles over demand can exert downward pressure on prices in the context of available fleet management, as was the case during the early months of the Covid-19 pandemic. The ability of the different players in the vehicle rental sector to manage their available fleets (size, mix and geographic distribution) also has an impact on the Group's fleet utilization rate and its pricing position. The management of the utilization rate, location of the rental fleet and the prices of the services offered is centralized with the Revenue and Capacity Management teams. This follows the model in the hotel and airline industries, with the major difference being that it is possible to adapt the capacity of the rental fleet, as it is variable during the year. It was this capacity that was severely stressed during the Covid-19 crisis.
- **The development of e-commerce.** In recent years, e-commerce has changed the booking habits of customers. E-commerce allows the Group to respond to the continually changing needs of its customers and to be attentive to their expectations. This trend increased again in the context of the Covid-19 pandemic as the Group's customers searched for greater safety and distancing. The percentage of vehicle rental bookings made online (including through rental brokers) has risen sharply in recent years and accounted for 53% of bookings in 2020 (compared with 59% in 2019 and 57% in 2018), excluding the Global Distribution System. Online bookings also allow greater price transparency and can lead to stronger competitive pressure (see Section 1.6.4 "Distribution Channels").
- **Regulatory changes.** The Group operates in numerous countries that have multiple regulations, and prone to changes, especially regulations governing the environment, personal data, consumer rights and the operation of franchises. Regulatory changes may affect the activities and revenue of the Group, especially if such changes were to introduce additional mandatory constraints.
- **Exceptional events with an impact on the tourism and economic environment.** Natural disasters or pandemics can have an adverse impact on vehicle rental. Terrorist attacks can also have a short or medium-term impact on the business.

Revenue growth indicators

Revenue covers (i) income from vehicle rentals net of discounts and rebates, (ii) commissions on services related to the vehicle rental business, and (iii) royalties received from the Group's franchise network.

The following indicators are generally used to analyze changes in the Group's consolidated revenue: (i) business volume measured by the Rental Day Volume, and (ii) revenue per rental day.

RENTAL DAY VOLUME

The rental day volume corresponds to the number of rental days completed by customers, including each day or period shorter than one day for which a vehicle rental is billed to a customer (the "Rental Day Volume").

The Rental Day Volume is affected by a certain number of factors, including the factors described in Section 3.1.1.2 "Main factors that can impact the Group's results" in the sections "Sector momentum and attractiveness of the Group's services" and "Macroeconomic conditions" above, the seasonal nature of the business, changes in the Group's service offering and customer portfolio and the Group's efforts to ensure profitable growth in line with its strategy (see Section 1.4 "Strategy").

REVENUE PER RENTAL DAY BY BUSINESS UNIT

Revenue per rental day (RPD) corresponds to vehicle rental income divided by the Rental Day Volume for the period (the "RPD"). The variation of the RPD is calculated compared to the previous year and can be presented at constant exchange rates to correct for exchange rate fluctuations (primarily the impacts linked to the pound sterling, the Australian dollar, the New Zealand dollar, the Danish kroner and the US dollar).

The RPD depends on the following main factors:

- **the Group's pricing position.** The Group's price structure generally reflects (i) the positioning of the services offered by the Group and the related price policy, (ii) the sale of additional chargeable services and equipment (such as insurance products and optional protection, equipment, etc.), (iii) the specific market conditions and customer structure of the geographical areas where the Group offers its services, (iv), the Revenue and Capacity Management used to manage customer demand, pricing and adequacy of the fleet (category/price and optimized distribution within the network), as well as (v) competitive intensity and (vi) the average duration of the rental;

- **the composition and diversity of the Group's fleet.** The Group's fleet includes eleven main categories of vehicles in line with the sector's standards – mini, budget, compact, medium, standard, sedan, premium, luxury, vans, trucks and convertible cars. The fleet offered varies by brand: the Europcar® brand covers a full line of vehicles, the InterRent® and Goldcar® brands offer a narrower selection of vehicles, while Buchbinder® also has a fleet of vehicles fairly close to the one offered by the brand Europcar®. The diversity of the Group's fleet allows it to respond to the rental demands of a broad range of customers. Generally, rentals of higher category vehicles have a higher RPD than rentals of lower category vehicles, but the lower category vehicles represent lower costs for the Group, which generally maintains similar profitability. Since the Covid-19 crisis, the Group has moved toward integration of the Europcar rental fleet with the Goldcar fleet in the relevant countries in order to optimize the utilization of the vehicles even more
- typology of the Group's customer base: Business or Leisure (see Section 1.6.3 "Customers (Business/ Leisure)"). Leisure rentals are often for longer periods and present a higher RPD compared with business rentals. Furthermore, longer-term rentals in principle generate a lower RPD than short-term rentals but present a lower cost structure that generally allows the Group to maintain similar profitability (see the paragraph "Cost structure and operational efficiency" in Section 3.1.1.2 "Main factors that can impact the Group's results"); during the Covid-19 crisis, the business sector suffered less than the leisure sector;
- **the growth momentum of the different Business Units.** Each Business Unit targets a customer type and markets that have their own dynamics in terms of demand, product and service offering, and price; as a result, the different Business Units have different RPDs and revenue growth (See Section 1.6.1 "Overview of businesses"). The Low Cost Business Unit has a lower average RPD than the Cars and Vans & Trucks Business Units, mainly due to the more entry-level vehicle categories. The Vans & Trucks Business Unit had a certain resiliency during the Covid crisis, primarily related to the sharp increase in e-commerce in the main countries in which the Group operates.
- geographic diversity. The corporate countries cater to different types of customers and therefore present different strategies in terms of price and composition of the vehicle fleet. Some of the Corporate Countries (Germany, Austria, Luxembourg and Belgium) generate a higher portion of their revenue in the "Business" segment, while others (Spain, Italy, Ireland, Portugal, Australia and New Zealand) generate more revenue in the "Leisure" segment, and others are present in both customer segments in a fairly balanced manner (France, Denmark and the United Kingdom). For this reason, during the Covid-19 crisis, business in the countries of northern Europe decreased less than in the countries in the South, which are more exposed to the Leisure segment. In the US, a country hit later by the pandemic with less stringent lockdowns and travel restrictions than in Europe, the decline in activity due to Covid-19 had less of an impact.
- **the fluctuation in certain foreign exchange rates.** As RPD is measured in euros, fluctuations in exchange rates, particularly between the euro and the pound sterling, the Australian, New Zealand and US dollars, and the Danish kroner can impact the RPD. As a result, the Group monitors the RPD at constant exchange rates.

Seasonal nature of the business

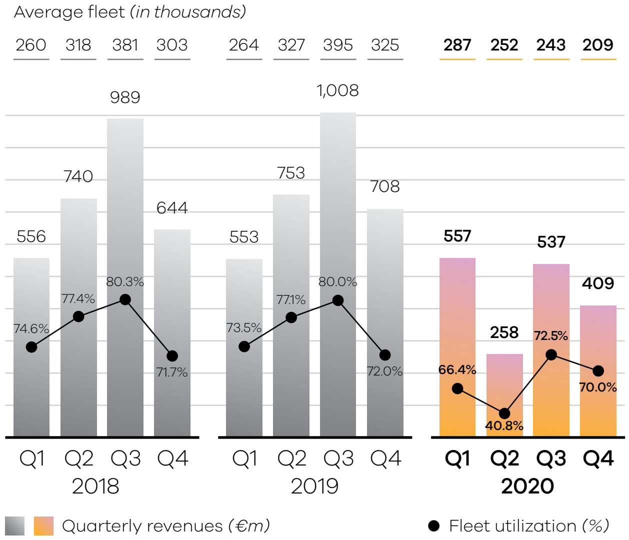
The vehicle rental business sector is seasonal and sensitive to weather conditions. There is generally a peak in activity from June to September. The "Leisure" segment is historically characterized by higher demand during the summer and school holidays, which results in higher activity in the transport sector. Thus, the Group's revenue and adjusted corporate EBITDA are higher during these periods compared with the rest of the year. Historically, the "Leisure" customer segment is also characterized by an increase in demand for weekend rentals over mid-week rentals. In contrast, demand from the "Business" customer segment is relatively stable throughout the year, with a slight drop during summer vacation and a greater focus on the mid-week (Tuesday to Thursday) compared with the weekend. In 2020, these historical trends were heavily disrupted by the total or partial lockdown measures.

For the fiscal year ended December 31, 2020, "Leisure" rentals represented 49% (61% in 2019) of the revenue generated by the Group's rental activities versus 51% (39% in 2019) for "Business" rentals, reflecting the impact of the Covid pandemic on the leisure segment.

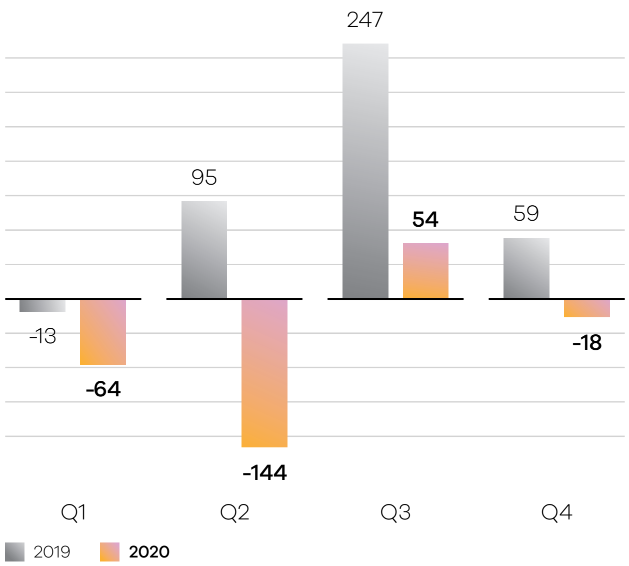
Managing the seasonal nature of the business efficiently is an important aspect of the Group's financial model. The Group strives to capture business during peak periods (weekly or annually) while remaining attentive to fleet holding costs during the periods preceding and following these peak periods (low or normal by classifying the annual peaks as high or elevated), with the objective of maintaining its fleet utilization rate between 72% and 80% for each quarter, for example. The Group addresses these fluctuations in demand through flexible contracts with the vehicle suppliers. These contracts allow the Group to increase its vehicle orders when it expects a surge in activity and to use short-term buy-back arrangements (which generally vary between five and eight months) to reduce the number of vehicles once high demand falls (see Section 1.6.6 "the Group's fleet").

The seasonal criterion also varies from one Business Unit to another. The Cars Business Unit has a strong seasonality, mainly in relation to the Leisure/Business activity as described above. Since the Low Cost Business Unit is almost exclusively dedicated to "Leisure" segment customers, seasonality is very strong and follows the tourist demand of school vacation periods. The Vans & Trucks Business Unit, with its offering targeted to small and medium-sized businesses and on medium-term basis, is now more oriented toward "Business" customers and, as a result, has less seasonality during the year and was much more resilient in the Covid-19 crisis.

The charts below show the change in consolidated revenue (in thousands of euros), fleet utilization rate (%) and the average rental fleet by quarter in thousands of units during the years ended December 31, 2020, 2019 and 2018, and show the rapid reduction of the Group's fleet in the face of the drop in activity in the second quarter of 2020 (252 thousand in Q2 2020 versus 327 thousand in Q2 2019), which positively impacted the utilization rate in the third quarter of 2020:



The following chart shows the change in the Group's adjusted corporate EBITDA, in thousands of euros, by quarter during the years ended December 31, 2020 and 2019 and highlights the historically beneficial nature of the third quarter which was tied to maximum utilization of the fleet.



Cost structure and operational efficiency

A) MARGIN AFTER VARIABLE COSTS

The Margin After Variable Costs, as used in the Group's management indicators to manage the performance of the Business Units, includes all revenue minus the Group's variable operating costs. The variable operating costs as presented in the management income statement are primarily composed of fleet holding costs, excluding estimated interest included in operating lease payments, and fleet operating, rental and revenue related costs.

The estimated interest included in operating lease payments are included in the financial expenses for the fleet and are recognized above the adjusted corporate EBITDA. The Group's variable operating costs therefore exclude (i) personnel costs, (ii) network and headquarters overhead costs, (iii) other operating expenses and income, (iv) non-recurring income and expenses, (v) all financial expenses related to fleet financing. All of these items are recognized in a dedicated item of the income statement.

The costs included in the Margin after Variable Costs are:

- fleet holding costs (which represented 48% of the variable cost base and 34% of revenue), cover:
  - the costs in connection with vehicle rental agreements, which represented 39% of the variable cost base for fiscal year 2020 (34% in 2019) and correspond to (i) "depreciation expenses" for both the vehicles purchased under contracts with manufacturer or dealer buy-back commitments and "at risk" vehicles (based on monthly depreciation rates negotiated in the buy-back agreements for vehicles purchased with a buy-back clause, net of volume rebates, or on the difference between the purchase price and estimated residual value of the at risk vehicles, adjusted monthly on the basis of the market values of the vehicles) and (ii) the "depreciation expenses" on the utilization rights tied to the fleet,
  - the costs related to the purchase and sale of vehicles, which represented 7% of the variable cost base for fiscal year 2020 (4% in 2019), which primarily include (i) the cost of vehicle accessories, (ii) the costs for the integration of new vehicles into the Group's rental fleet, and (iii) costs related to the sale of used vehicles and vehicles acquired through buy-back arrangements, and
  - the taxes on the vehicles, which represented 2% of the variable cost base for the fiscal year 2020 (4% in 2019).

These costs are variable year-on-year insofar as the Group is able to adapt and adjust the size of its fleet, thanks to the flexibility offered by the buy-back agreements signed with the car manufacturers. Europcar is able to increase its vehicle orders in the lead up to the high season, and use the flexibility offered by the holding periods, generally lasting from five to eight months, to sell vehicles off when the demand slackens. This flexibility was particularly beneficial during the first months that followed the Covid-19 pandemic. Europcar is also able to respond to short-term peaks in demand through the optimized distribution of new vehicles added to the fleet (see Section 1.6.6.1 "Fleet management"). The key indicators monitored for this type of expense are: (i) the average rental fleet, (ii) the average monthly cost per unit of the fleet, and (iii) the fleet utilization rate (as described below);

- **fleet operating, rental and revenue-related costs** (which represented 52% of the variable cost base and 37% of revenue in 2020, versus 57% of the variable cost base and 33% of revenue in 2019) include:
  - fleet operating costs, which represented 22% of the variable cost base for the fiscal year ended December 31, 2020 (20% in 2019) and include insurance costs (the costs of third party liability and vehicle damage insurance policies, and the costs of self-insurance), repair and maintenance costs and the costs incurred for damaged and stolen cars, as well as the costs to recondition vehicles before they are sold to the car manufacturers or dealers; These costs vary as a function of the average rental fleet and, to a lesser extent, the Rental Day Volume,
  - the fees and commissions paid to travel agencies, partnerships (EasyJet, etc.), online booking sites and call centers represented 9% of the operating cost base for fiscal 2020 (10% in 2019) and vary as a function of sales channels and volumes,
  - rental-related costs, which represented 22% of the operating cost base for the 2020 fiscal year (27% in 2019), and which cover the costs of transferring vehicles from one site to another, vehicle washing costs, and fuel costs. Rental costs are, in principle, incurred once per rental. Consequently, a shorter rental will incur approximately the same costs as a rental over a longer period.

B) MARGIN AFTER DIRECT COSTS [1]

The Group decided to track a new performance indicator – the Margin after Direct Costs, which is the Margin after Variable Costs less Marketing costs and fleet financing costs.

- **fleet financing expenses**, including estimated interest included in operating leases (which represented 25% of the network cost base and 6.3% of revenue in 2020) include interest charges on loans used to finance the fleet;
- **marketing costs** (which represented 3% of the network cost base and 0.8% of revenue in 2020) include all advertising/communications/marketing expenses intended to develop brand recognition and thus increase the Group's revenue in the short and medium term.

C) MARGIN AFTER NETWORK COSTS [2]

The Margin after Network Costs, as used in the Group's management indicators to manage the Group's performance, includes revenue and costs related to the Margin after Direct Costs (discussed above) minus network operating costs. These include the personnel costs of the Group's branch network as well as the overhead on the branch network.

The costs included in the Margin after Network Costs (in addition to the Margin after Variable Costs) are:

- **personnel costs**, which represented 48% of the network cost base and 12% of revenue in 2020, include all payroll-related costs; These costs were reduced in 2020 by the part-time work schedules implemented in the large majority of the countries in which the Group is present;
- **network overhead costs**, which represented 24% of the network cost base and 6% of revenue in 2020, include the costs of rent, parking, rental charges inherent to the operation of a branch, uniform costs, etc.

D) HEADQUARTERS STRUCTURAL COSTS [3]

Headquarters structural costs include expenses related to the multiple headquarters of the Company and of Group Corporate Countries (including lease expense before the impact of IFRS 16, travel expenses and auditing and consulting fees incurred at the local and holding-company level), as well as related commercial and marketing fees, IT system-related expenses and telecommunication expenses.

Personnel costs include salaries and wages (including bonuses and incentives), social security contributions and post-employment benefits. Personnel costs are monitored separately depending on whether they relate to personnel working in the rental offices, network staff working at the headquarters of each of the Group's Corporate Countries or the Group's headquarters, or in the Shared Services Center created in Portugal in 2014. These costs were reduced in 2020 by the part-time work measures implemented in the large majority of the countries in which the Group is present. The Group's headquarters and the Corporate Country headquarters conduct a number of commercial and operational activities defined by the Group in line with local characteristics, such as the management of "Major Accounts" customers and sales administration, "Revenue and Capacity Management" activities, reservations and customer service, e-commerce and marketing activities, vehicle purchasing, logistics and maintenance, as well as support functions such as Finance, Human Resources and General Management.

(1) Figures provided excluding 2019 acquisitions (Finland, Norway and Fox).
(2) Figures provided excluding 2019 acquisitions (Finland, Norway and Fox).
(3) Figures provided excluding 2019 acquisitions (Finland, Norway and Fox).

E) COST STRUCTURE AND OPERATIONAL EFFICIENCY INDICATORS [1]

The unit costs of the fleet expressed in rental day volume rose sharply in 2020 compared with 2019, because of the impact of the Covid-19 pandemic and the time needed to adapt the volume of the fleet to the decline in rental day volume.

Fleet management and the improvement in the fleet utilization rate are based on the Group's internal procedures and on the Revenue and Capacity Management teams. The Group uses the following indicators to control and optimize its fleet-related costs:

- **average rental fleet for the period**. The average fleet for the period is calculated using the number of days in the period during which the fleet is in operation, divided by the total number of days in the same period, multiplied by the number of vehicles in the fleet during the period. The average fleet size during the period, and therefore the size of fleet holding costs, vary according to demand forecasts, Rental Day Volume, and particularly the effects of seasonal fluctuations;
- **average monthly cost per fleet unit**. Average monthly costs per fleet unit corresponds to the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees, divided by the average fleet of the period, itself divided by the number of months in the period. The Groups also analyzes the fleet holding cost per unit per month (excluding estimated interest included in operating leases for vehicles in the fleet) and the monthly operating cost per fleet unit (excluding insurance costs) separately. The average monthly costs per fleet unit can fluctuate on the basis of macro-economic conditions that impact auto makers and the Group's negotiation power for its vehicle supply agreements with these companies. The average cost per unit for small, economy vehicles tends to be lower than the average cost per unit for larger vehicles;
- **fleet utilization rate**. The fleet utilization rate represents the ratio of the Rental day volume to the number of days in the fleet financial availability period. The fleet financial availability period represents the period in which the Group holds the vehicles. The higher the fleet utilization rate, the more the fleet is optimized and gives a high return (see Section 1.6.6 "the Group's fleet"). Optimized management of the fleet size through the purchase and sale of vehicles, as well as the higher number of longer-term rentals, contribute to the increase in the fleet utilization rate.

Other financing expenses

The financial expenses include the following:

- **financial expenses in connection with fleet financing**, which vary depending on the financing option selected or available: financing through operating leases, based primarily on the capacity of the manufacturers' captive finance companies, banks and other companies specialized in leasing vehicles, or financing through debt or securitization for the fleet of vehicles recorded in the balance sheet. IFRS treats the accounting of financial expenses differently, depending on the type of financing used. Fleet operating leases now fall within the scope of IFRS 16. Leases are therefore recognized in the statement of financial position in the form of a right of use for the leased asset and a financial liability for lease and other payments to be made during the leasing term used to measure the lease liability;
- until 2018, rents for fleet operating leases, including the estimated portion corresponding to interest, were recorded as operating income in fleet holding costs in the IFRS income statement. They are now recorded in the statement of financial position in accordance with the new IFRS 16 standard, and the related financial expenses are recorded as financial expenses under gross financing costs;
- financial expenses relating to the other types of financing backed by the vehicle fleet on the statement of financial position are recorded as financial income or loss in cost of gross financial costs. In order to facilitate the monitoring of the Group's performance, these two types of financial expenses are grouped together on one line in the calculation of the adjusted corporate EBITDA (see "Adjusted corporate EBITDA" in Section 3.1.2.2 "Analysis of the Group's results") in the management income statement;
- **the financial expenses on the High Yield bonds** intended for corporate financing. Given the restructuring of the Group's debt, the fourth quarter coupons were not paid;
- **other financial income and expenses** including, in particular, expenses in connection with other borrowings, the amortization of transaction costs, any redemption premiums, and foreign exchange differences.

3.1.1.4 Significant accounting policies

For a detailed description of the Group's significant accounting policies, see Note 2 "Significant accounting policies" to the Group consolidated financial statements for the fiscal year ended December 31, 2020 included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2020" of this Universal Registration Document.

(1) Figures provided excluding 2019 acquisitions (Finland, Norway and Fox).

3.1.2 Comparison of results for the fiscal years ended December 31, 2020 and 2019

3.1.2.1 Key indicators

	Year ended December 31			
	2020	2019	Change	Change at constant currency
Revenue *(in millions of euros)*	**1,761**	**3,022**	**-41.7%**	**-41.4%**
Vehicle rental revenue *(in millions of euros)*	**1,646**	**2,839**	**-42.0%**	**-41.7%**
Billed rental day volume *(in thousands)*	56	91	-38.0%	-38.0%
Average rental duration *(in days)*	8.3	6.7	23.2%	23.2%
Average rental Fleet (in thousands of cars) (1)	248	328	-24.5%	-24.5%
Average revenue per unit per month *(€)* (2)	554	721	-23.2%	-22.8%
Average fleet costs per unit per month *(€)* (3)	(245)	(230)	6.6%	7.3%
Fleet utilization rate *(%)* (4)	62%	76%	-18.1%	-18.1%
Margin after Variable Costs	**513**	**1,260**	**-59.2%**	**-59.0%**
As % of revenue	29.2%	41.7%	-12.5 pts	-12.5 pts
Margin after Direct Costs (5)	**387**	**1,107**	**-65.0%**	
As % of revenue	22.0%	36.6%	-14.6 pts	

(1) The average rental fleet corresponds to the number of fleet vehicles in operation during the period, multiplied by the number of days the fleet is in operation during the same period divided by the total number of days in the period. At December 31, 2020, the fleet (excluding Urban Mobility) had 199,583 vehicles (-35% from December 31, 2019).
(2) The average revenue per fleet unit/month corresponds to vehicle rental income divided by the average rental fleet for the period, after dividing the rental fleet by the number of months in the period.
(3) Average monthly costs per fleet unit correspond to the total fleet costs (fleet holding and operating costs), excluding interest expense included in the expense for fleet operating leases and insurance, divided by the average fleet size during the period, after dividing the average fleet size by number of months in the period (i.e., €746 million for 253,386 vehicles, including Urban Mobility, in 2020 and €921 million for 334,433 vehicles in 2019).
(4) The fleet utilization rate corresponds to the ratio of the Rental Day Volume to the number of days the fleet is considered financially available. The fleet's financial availability period represents the period during which the vehicles are in operation.
(5) The Margin after Direct Costs is defined as the Margin after Variable Costs less Marketing costs and fleet financing costs.

3.1.2.2 Analysis of the Group's results

The comments in this Section refer to the IFRS presentation of the income statement and the management aggregates monitored for strategic management of the Group. Management data are prepared in order to reflect and clarify the presentation of Group economic performance.

Management income statement

	Year ended December 31		
(in millions of euros)	**2020**	2019	Change
Revenue	**1,760.9**	**3,022.4**	**-41.7%**
Fleet holding costs, excluding estimated interest included in operating leases	(594.1)	(755.8)	-21.4%
Fleet operating, rental and revenue related costs	(653.4)	(1,006.5)	-35.1%
Margin after Variable Costs	**513.5**	**1,260.1**	**-59.2%**
As % of revenue	*29.2%*	*41.7%*	*-12.5 pts*
Marketing costs	(14.7)	(32.6)	54.8%
Net fleet financing expenses	*(73.1)*	*(67.9)*	*7.6%*
Estimated interest included in operating leases	*(38.7)*	*(52.4)*	*-26.0%*
Total fleet financing, including interest included in operating lease payments (estimated)	(111.8)	(120.2)	-7.0%
Margin after Direct Costs	386,9	1,107.3	65.1%
As % of revenue	*22.0%*	*36.6%*	*-14.6 pts*
Personnel Costs	*(379.9)*	*(522.3)*	*-27.3%*
Network and headquarters overhead costs	*(179.4)*	*(208.3)*	*-13.6%*
Other income	*0.4*	*12.0*	*-96.6%*
Adjusted Corporate EBITDA	**(172.0)**	**388.7**	**-144.2%**
As % of revenue	*-9.8%*	*12.9%*	*-22.6 pts*
Other non-recurring income and expenses	(115.5)	(58.2)	98.4%
Non-fleet depreciation, amortization and impairment expense	(153.4)	(151.5)	-1.6%
Impairment of non-current assets	(132.6)	(0.6)	
Other financial income and expense not related to the fleet	(112.2)	(116.4)	-3.6%
Profit (loss) before tax	**(690.2)**	**62,5**	**-**
Income tax benefit (expense)	40.9	(32.9)	-224.2%
Share of net profit or loss in companies accounted for under the equity method	-	-	-
NET PROFIT (LOSS)	**(644.8)**	**29.6**	**-2,276.1%**

IFRS Income Statement

(in millions of euros)	Year ended December 31		
	2020	2019	Change
Revenue	**1,760.9**	**3,022.4**	**-41.7%**
Fleet holding costs	(632.8)	(805.5)	-21.4%
Fleet operating, rental and revenue related costs	(653.4)	(1,006.5)	-35.1%
Personnel Costs	(379.9)	(522.3)	-27.3%
Network and headquarters overhead costs	(194.6)	(240.9)	-19.2%
Other income	0.4	12.0	-96.6%
Depreciation, amortization and impairment expense	(152.9)	(151.5)	0.9%
Current operating income	**(252.3)**	**307.6**	**-182.0%**
Other non-recurring income and expenses	(115.5)	(58.2)	98.4%
Impairment of non-current assets	(132.6)		
Operating income	**(500.4)**	**249.4**	**-300.6%**
Net financing costs	(185.2)	(187.0)	0.9%
Profit (loss) before tax	**(685.6)**	**62.4**	**-1,198.2%**
Income tax benefit (expense)	40.9	(32.9)	-224.2%
Share of profit (loss) of associates	-	-	
NET PROFIT (LOSS)	**(644.8)**	**29.6**	**-2,281.5%**

The table below presents the reconciliation of recurring operating profit (loss) with adjusted recurring operating profit (loss), with adjusted corporate EBITDA and with adjusted consolidated EBITDA. The Group presents the adjusted recurring operating profit (loss), the adjusted consolidated EBITDA and the adjusted corporate EBITDA because it believes that these measurements give investors additional, important information for assessing the Group's performance. The Group also believes that these indicators are frequently used by securities analysts, investors and other interested parties in the evaluation of companies in the Group's industry. In addition, the Group believes that investors, securities analysts and rating agencies will consider adjusted recurring operating income, adjusted consolidated EBITDA, and adjusted corporate EBITDA to be useful indicators for measuring the Group's capacity to meet its debt repayment obligations. IFRS does not recognize recurring operating income, adjusted consolidated EBITDA or adjusted corporate EBITDA. Therefore, these indicators should not be viewed as alternatives to operating income or net profit as a measurement of operating income (loss) nor should they be considered indicators of operating results or cash flows as an indicator of liquidity.

(in millions of euros)	Year ended December 31 **2020**	2019
Adjusted Consolidated EBITDA	**419.8**	**1,128.5**
Fleet depreciation (IFRS)	(471.9)	(613.1)
Fleet depreciation included in operating leases [(1)]	(8.2)	(6.5)
Total fleet depreciation	**(480.1)**	**(619.6)**
Interest expense related to fleet operating lease payments (estimated) [(1)]	(38.7)	(52.4)
Net fleet financing expenses	(73.0)	(67.9)
Total fleet financing, including interest included in operating lease payments (estimated)	**(111.8)**	**(120.2)**
Adjusted Corporate EBITDA	**(172.0)**	**388.7**
Amortization, depreciation and impairment expense (excluding fleet)	(153.4)	(151.5)
Reversal of net fleet financing expenses	73.0	67.9
Reversal of interest expense related to fleet operating leases (estimated)	38.7	52.4
Adjusted recurring operating income	**(213.6)**	**357.4**
Interest expense related to fleet operating lease payments (estimated)	(38.7)	(52.4)
CURRENT OPERATING INCOME [(2)]	**(252.3)**	**305.1**

(1) The expenses related to fleet vehicle operating leases include a depreciation expense, an interest expense and, in some cases, a small management fee. For leases that do not stipulate a precise distribution of payments among these components, the Group makes estimates of this breakdown on the basis of the information provided by the lessors. In addition, since the interest expense included in operating leases is essentially a fleet financing cost, the management of Europcar examines the fleet holding costs and the Group adjusted operating income by excluding this expense.
(2) As presented in the consolidated income statement.

A) REVENUE

The following table shows the change in Group consolidated revenue for fiscal years 2020 and 2019, total and by type of income:

(in millions of euros)	Year ended December 31 **2020**	2019	Change	Change at constant currency
Vehicle rental income	1,645.6	2,838.7	-42.0%	-41.7%
Other revenue associated with vehicle rental	81.9	128.5	-36.3%	-35.8%
Franchising business income	33.5	55.2	-39.3%	-39.2%
TOTAL REVENUE	**1,760.9**	**3022.4**	**-41.7%**	**-41.4%**

Income from recurring operations is designated by the term "revenue" or "consolidated revenue" in this document.

Revenue includes vehicle rental income (net of discounts and rebates and excluding intra-group sales and value added taxes on sales), fees on the services related to vehicle rental (including fuel), and the franchise fees received from the Europcar franchise network:

- **revenue from vehicle rentals** covers the rental income generated by the agencies operated directly by the Group and the income generated by the rental agencies operated by agents;
- **income related to services that complement the vehicle rental activity** include the revenue from fuel sales and the fees received for managing "Major Accounts" fleets, as well as the income generated by car sharing and car services with driver; and
- **the revenue drawn from the rental activity of the franchises** consists of the annual franchise fees, entry and territorial fees and other costs, such as the reservation fees invoiced by Europcar, collection costs and the costs of the IT services provided to the franchises. The franchise fees paid to the Group by its franchisees are determined on the basis of the rental revenue generated by the franchisees in their regions.

Revenue for fiscal year 2020 totaled €1,761 million, down 41.7% from 2019, a consequence of the Covid-19 crisis. When restated for the foreign exchange effects of non-euro currencies, this decrease is 41.4%.

In comparison with 2019, the Group was able to offset the loss of its total revenue with a reduction of €700 million in its costs, including €162 million from fleet holding costs, €353 million in fleet operating costs, €177 million on Personnel costs, network and headquarters overhead, IT and other costs, and €8 million on fleet financing costs, including estimated interest included in operating lease payments.

B) FLEET HOLDING COSTS

Fleet holding costs represent the "depreciation costs" on vehicles acquired under contracts with buy-back clauses or on at-risk vehicles, the amortization of the right to use vehicles under lease agreements pursuant to IFRS 16, the costs related to the purchase and sale of vehicles, and taxes on the vehicles (see the "Cost structure and operational efficiency" paragraph in Section 3.1.1.2 "Main factors that can impact the Group's results").

In March 2020, the Group therefore reacted quickly by massively adjusting its fleet to take into account the reduction in demand thanks to its flexible "Buy-Back" model and the longstanding relations it maintained with the auto makers: the fleet was reduced in this way by 25% on average over 2020 compared with the same period in the previous year.

The utilization rate that was heavily affected by the crisis in March 2020 increased significantly and sequentially over 2020 (from 30% in April 2020 to 69% in December 2020), which was close to the rate of December 2019 (70%). This lower utilization rate on average over 2020 (62%) compared with the previous year (76%) explains the smaller reduction in fleet holding costs (-21%, restated for estimated interest on operating leases) compared with the -42% decline in revenue.

Restated for the estimated financial expenses on operating leases (totaling €39 million in 2020 and €52 million in 2019), the change in fleet holding costs is attributable to the reduction in the fleet as a result of the Covid-19 crisis:

- **the fleet holding costs restated for the estimated financial expenses on the operating leases** were down 21% at reported exchange rates, an additional 3% from the 24% decrease in the fleet level;
- **fleet holding costs per vehicle** rose by around €245 per vehicle (compared to €229 in 2019). This increase in fleet holding costs per vehicle is a result of the Covid crisis that modified the mix with a larger proportion of light commercial vehicles and trucks and vehicles related to urban mobility (electric vehicles) because rental of this type of vehicles proved to be resilient. Moreover, the fleet of leisure vehicles (with a lower holding cost) was returned or sold as soon as this was possible;
- **the fleet utilization rate** at 62% lost 14 points because the adaptation of the fleet to the decline in the business could only be done progressively following the arrival of the Covid-19 crisis. However, during the months after the onset of the crisis, this rate improved month after month.

C) FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

Fleet operating, rental and revenue related costs consist of the operating costs of the fleet (including insurance costs), commissions and franchise fees related to ordinary revenue.

Fleet operating, rental and revenue-related costs declined by 35% at reported exchange rates, to €653 million in 2020, within a context of substantial reduction in the fleet tied to the Covid-19 crisis:

- fleet operating costs decreased by 34.6% at reported exchange rates. This decrease is higher than the decrease in the average fleet (-24%) and therefore demonstrates the flexibility of the business model, despite the sharp decline in revenue related to the Covid-19 crisis;
- vehicle rental-related costs, such as fees and commissions paid to travel agents and partnerships (EasyJet, etc.), were down 39% at reported exchange rates. This decline results both from the decrease in activity but also from the renegotiations of certain partnership agreements.

D) MARKETING COSTS

Marketing costs were down significantly by 55% between 2019 (€32.6 million) and 2020 (€14.7 million), as the Group invested primarily in distribution channels related to e-commerce.

E) NETWORK COSTS (OVERHEAD AND PERSONNEL COSTS)

Network overhead and personnel costs totaled €216 million in 2020, a decrease of 31.5% at reported exchange rates. This decrease of €100 million at reported exchange rates is primarily related to:

(i) the measures on part-time schedules of employees in all the countries in which the Group is present and can benefit from the measures;

(ii) a process of controlled openings and closings of agencies during 2020, according to periods of total or partial lockdown measures. For example, after the closing of 88% of the stations in the 2nd quarter of 2020, 67% of the stations remained closed or open for limited periods at the end of the fourth quarter of 2020.

F) HEADQUARTERS COSTS (OVERHEAD AND PERSONNEL COSTS)

Headquarters overhead is the cost of the headquarters of the Company and its subsidiaries: personnel costs, travel expenses and consulting fees. IT costs are also included in these costs.

Structural costs fell sharply between 2019 and 2020 by 26% over the entire scope of consolidation, excluding 2019 acquisitions, because of the cost restriction measures taken due to the Covid-19 crisis:

(i) permanent adaptation measures in some countries and integration of the Business Units in progress, in accordance with the "Connect" transformation plan. Part-time work still in place in several countries;

(ii) drastic reduction or postponement of all non-essential expenses, including support functions and outside consulting.

G) OTHER INCOME

Other income and expenses reflect net income resulting from certain commercial agreements, reversals of unused provisions, gains or losses on the sale of property, plant and equipment and other items (such as retrocessions pursuant to lease agreements or tax penalties).

Other income and expenses declined from €12 million to €0.4 million for the fiscal year ended December 31, 2020.

H) ADJUSTED CORPORATE EBITDA

Adjusted Corporate EBITDA declined by €561 million, from €388 million in 2019 to €(172) million in 2020.

I) NON-FLEET AMORTIZATION, DEPRECIATION AND IMPAIRMENT

Non-fleet amortization, depreciation and impairment primarily reflects the amortization of intangible assets (software and operating systems owned by the Group), and depreciation of property, plant and equipment (computer equipment) and impairment. Under IFRS 16, non-fleet depreciation, amortization and impairment also includes the amortization related to rights of use under real estate and equipment leases.

Excluding the vehicle fleet, depreciation, amortization and impairment charges were up €1 million to €152 million in 2020.

J) IMPAIRMENT OF NON-CURRENT ASSETS

The Group reexamined the recoverable value of its cash generating units that were heavily impacted by the Group's performance tied to the health crisis. The impairment test performed at December 31, 2020 led the Group to recognize impairment in particular in France, the United Kingdom and the Goldcar operations in Spain. As a result, the Group recognized an expense for impairment of goodwill for €131 million at December 31, 2020. (for further details, see Note 6 in the consolidated financial statements).

K) OTHER NON-RECURRING INCOME AND EXPENSES

Other non-recurring income and expenses represent the costs related to acquisitions of companies, reorganization costs, and other operating costs.

Acquisition-related expenses include expenses incurred in connection with the integration of acquisitions, such as legal and accounting fees, lay-off expenses and related consulting fees resulting mainly from:

- the streamlining of the rental agency network and support functions;
- asset depreciation and transfer costs; and
- costs related to the termination of leases and returning properties to original condition;
- costs related to the Group's financial restructuring.

Reorganization expenses represent the costs incurred to restructure operations during economic slowdowns, or in order to adapt the local organization or the Group structure to changing economic conditions. These expenses include staff reduction costs, consultancy fees, asset depreciation and transfer costs, and early lease termination costs incurred as part of restructuring programs.

Unusual, abnormal and infrequent items are presented separately in other non-recurring income and expenses in order to provide a clearer picture of the Group's performance.

In 2020, other non-recurring income and expenses represent an expense of €115 million and primarily include:

- expenses for reorganization, streamlining and the costs related to the various transformation projects in the amount of €44 million;
- charges related to the restructuring of the Group's debt, with the exception of the "success fees", for €24 million;
- the costs relating to acquisitions and integration for €3 million;
- the costs tied to the settlement of disputes in the amount of €10 million; and
- other costs for €33 million which, because of their exceptional nature, cannot be considered inherent in the Group's current activities.

L) NET FINANCING COSTS

Net financing costs represent the cost of the gross financial debt, including:

- net financing expenses on loans intended to finance the fleet;
- net financial expenses on other borrowings (excluding estimated interest included in the operating lease payments, which are recorded in operating income);
- financial expenses related to rental liabilities;
- other financial expenses and income. Other financial income and expenses primarily represent the amortization of transaction costs, foreign exchange differences, the financial components of personnel benefits (discounting effect, expected return on plan assets), dividend income, profit or loss from financial instruments that are recorded in the income statement, and the ineffective portions of the gain or loss on cash flow hedging instruments, as well as other charges related to refinancing or prepaying certain borrowings.

Net financing costs (including financial charges related to the fleet, including estimated interest included in operating lease payments) is a net expense of €185 million in 2020, versus €187 million in 2019.

In 2020, this item primarily includes:

- €73 million in interest on the borrowings intended to finance the fleet carried on the balance sheet, compared to €68 million last year. The change is in line with the reduction in financing allocated to the fleet in 2020, which was adapted to the downturn in business in 2020 as a result of the shutdown measures and health crisis, which heavily affected activity in most of the countries where the Group operates. This decrease in fleet financing interest is offset by the impact of the inclusion of Fox in the Group's consolidated profit (loss) as of November 1, 2019;
- €76 million in interest on other borrowings (subordinated bonds in the corporate debt), compared to €77 million in 2019. The change from the previous year is due to the decrease in the interest on the Subordinated Bonds after they were renegotiated in 2019, offset by the interest on the RCF due to a larger draw and the interest on the State-guaranteed loans obtained in 2020;
- €10 million related to the current amortization of the bond transaction fees; and
- €26 million for other financial expenses primarily related to foreign exchange differences, the cost of discounting corporate commitments to employees, management expenses and the cost of establishing lines of credit, and the ineffective portion of hedging instruments.

M) INCOME TAX BENEFIT (EXPENSE)

Income tax for the year represents current and deferred taxes, as well as the French business contribution on added value (*cotisation sur la valeur ajoutée*, or CVAE). Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable for previous years.

The deferred tax expense is based on the pattern of realization or early payment of the carrying value of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future; and
- forecasts of taxable profits.

Income tax represented net income of €40.9 million in 2020 versus a net expense of €32.9 million in 2019.

N) SHARE OF NET PROFIT OR LOSS IN COMPANIES ACCOUNTED FOR UNDER THE EQUITY METHOD

At December 31, 2020 and 2019, none of the companies held by the Group were consolidated under the equity method.

O) NET PROFIT (LOSS)

The Group recorded a net loss of €644.8 million in 2020, compared with a net profit of €29.6 million in 2019. The deterioration in net profit or loss in 2020 reflects the effects of the health crisis on the performance of the Group's operational activities and the financial and accounting impacts related to the revision of its outlook, which lead it to restructure its activities and its cost base and to recognize impairment on its non-current assets.

3.1.2.3 Analysis by operating segment

The table below presents (i) the distribution of revenue generated by the various Business Units, (ii) the Margin after Variable Costs and (iii) the Margin after Direct Costs for the years ended December 31, 2020 and 2019:

By Business Unit *(in millions of euros)*	Year ended December 31 **2020**	2019	Change	Change at constant currency
Cars BU	1,087.9	2,157.4	-49.6%	-49.3%
Vans & Trucks BU	323.1	365.7	-11.7%	-11.4%
Low Cost BU	284.4	410.6	-30.7%	-30.3%
Urban Mobility BU	41.7	49.0	-14.8%	-13.9%
International Coverage BU	23.9	39.7	-40.0%	-40.0%
Revenue	**1,760.9**	**3,022.4**	**-41.7%**	**-41.4%**
Cars, Vans & Trucks, ICov BUs	436.6	1,093.3	-60.1%	-59.9%
Low Cost BU	78.4	167.9	-53.3%	-52.8%
Urban Mobility BU	(1.5)	(2.1)	-28.2%	-27.9%
Margin after Variable Costs	**513.5**	**1,259.1**	**-59.2%**	**-59.0%**
As % of revenue	29.2%	41.7%	-12.5 pts	-12.5 pts
Cars, Vans & Trucks, ICov BUs	334,6	959,1	-65,1%	-64,9%
Low Cost BU	55,6	151,0	-63,2%	-62,9%
Urban Mobility BU	(3,2)	(3,9)	-16,7%	-16,3%
Margin after Direct Costs	**387,0**	**1 107,3**	**-65,1%**	**-64,8%**
As % of revenue	*22,0%*	*36,6%*	*-40,0%*	*-40,0%*

In 2020, the Leisure segment was the most affected, in the Cars and Low Cost Business Units (BUs) because of the travel restrictions.

In the particular case of the Low Cost BU, the quarantine imposed by the United Kingdom and Germany against certain countries such as Spain and Portugal had the effect of exacerbating its dependence on the airport activity and international tourism: as a result, revenue fell -31% to €284 million. However, the revenue generating strategy of the Low Cost BU for the summer of 2020 reaped results with a larger contribution to direct revenue in Spain, as well as a positive change in Revenue per Day in France and in Italy, which was possible thanks to a very large reduction of the fleet in general. Moreover, Fox Rent A Car, whose activity is focused on domestic customers looking for a good quality-price ratio and only in US airports, benefited from a much quickly recovery than in the Group's other entities, recording a relatively limited decline of 25% in its revenue in 2020 compared with the same period in 2019 (pro forma). Finally, the restrictions imposed at the end of 2020 reduced the activity related to winter sports in Europe.

The Vans & Trucks BU posted a stronger performance with revenue down 11.7% to €323 million – due to medium-term contracts with SMEs and the demand for home delivery/ e-commerce. Three major countries maintained positive growth over 2020 from the previous year.

Urban mobility, a complementary solution to public transport, recorded a good performance against the backdrop of the health crisis with a decrease of 14.8% in its revenue, which totaled €42 million over 2020. This reduction, however, masks disparities, since the Urban Mobility BU recorded growth of 17% in its revenue in the car sharing segment, thanks to longer rental periods and adapted pricing, confirm the change in the consumption methods of customers who gave priority to flexible solutions in an urban environment.

Margin After Variable Costs

In 2020, the Group's margin after variable costs was €513 million. It dropped by nearly €746 million (-59.2% at reported rates).

The performance of the operating segment of the Cars, Vans & Trucks, and International Coverage Business Units fell 60.1% because of the loss of activity related to Covid-19 and despite a certain resilience of the Vans & Trucks Business Unit.

The Margin after Variable Costs of the Low Cost Business Unit was hard hit by the closing of airports in Europe and fell by €89 million, including the positive impact of the acquisition of Fox Rent A Car.

The Margin after Variable Costs rate of the Low Cost Business Unit increased 1.6 points to 38.0%.

The Margin after Variable Costs of the Urban Mobility Business Unit was stable.

3.2 THE GROUP'S LIQUIDITY AND CAPITAL RESOURCES

Unless otherwise explicitly indicated, the figures for fiscal year 2020 are presented in the notes and tables after the application of IFRS 16.

3.2.1 General overview

The Group's debt is composed of financing for its general needs, including a portion for its rental fleet acquisition needs and financing exclusively intended for the acquisition of rental fleets:

- the Group's general needs are financed by two bonds of €600 million and €450 million that mature in 2024 and 2026 respectively, and a Senior Revolving Credit Facility (RCF) of €670 million that matures in 2023. In 2019 the Group set up a program of Negotiable European Commercial Paper (NEU CP) as an alternative to the utilization of the RCF.

  In order to take the pandemic situation into consideration and allow the Group to deal with the significant impacts that it encountered in its activity, Europcar Mobility Group negotiated and structured new financing lines in addition to the existing financing. This improvement in liquidity was intended to support the Group in meeting the financial impacts related to the pandemic and, if applicable, support the progressive recovery of the Group's activities after the Covid-19 crisis:

  - a €220 million loan, arranged on May 2, 2020 with the Group's main French and international banks, backed by a French government guarantee for 90% of the loan ("State-guaranteed loan", "SGL"); the total amount of this loan was allocated to Corporate needs,
  - new lines of financing for "corporate" needs and the remainder for the fleet financing signed in April 2020 for a total of €101 million, guaranteed at 70% by the Spanish government, and
  - an additional RCF tranche of €20 million, guaranteed by Eurazeo through underwriting of the risk, raising the RCF financing line cited above from €650 million to €670 million;
- rental fleet acquisition needs are financed by multiple facilities secured by the vehicles financed and by the receivable from auto makers under the buy-back agreements. Two types of financing are available to the Group:
  - first, a pan-European securitization financing a portion of the rental fleet acquisition needs of four countries: France, Germany, Italy and Spain. The resources of this securitization are in three ranks: a first-tier portion through the "Senior Asset Revolving Facility" (SARF) for €1.7 billion; a second-tier portion in the form of bonds issued by EC Finance PLC for the amount of €500 million; and, finally, a junior portion subscribed by the Group,
  - second, the available lines in all the countries in which the Group operates. These lines are local and bilateral, made available by essentially financial institutions (banks or financial entities of the auto makers).

3.2.1.1 Financial resources

In 2020, the Group's primary sources of financing were as follows:

- **the cash generated from operating activities**, amounting to €956 million in 2020 compared with €33 million in 2019. It includes cash from operations before working capital requirement of €(235) million offset by a very strong improvement in the rental fleet working capital, in line with the decrease in the average fleet of the Group and therefore demonstrates the flexibility of the business model, despite the sharp decline in revenue related to the Covid-19 crisis.

Net cash from operations before working capital requirement comes from:

- **available cash**. Cash and cash equivalents totaled €365 million as of December 31, 2020 (compared with €527 million at December 31, 2019). The Group also has restricted cash (defined as cash used to cover the future settlement of insurance claims or cash that is not immediately available to finance the activity of subsidiaries), which totaled €82 million as of December 31, 2020 (compared with €117 million at December 31, 2019);
- **debt**. As of December 31, 2020, the total amount of the Group's consolidated gross indebtedness was €3,960 million (compared with €4,807 million at December 31, 2019). The Group believes that €2,157 million relates to fleet financing (versus €3,459 million at the end of 2019). In this respect, this debt is essentially secured or backed by assets, primarily vehicles and receivables from manufacturers.

Furthermore, to finance its fleet, the Group also uses operating leases other than the agreements previously classified as finance leases. These lease agreements are recognized on the statement of financial position in the form of a right-of-use to the vehicles contra a rental debt recognized in the statement of financial position in the amount of €354 million at December 31, 2020 (versus €485 million at the end of 2019).

The Group believes that its financing needs for its daily operations in 2020 will consist primarily of its fleet financing, working capital requirements, interest expense, expenses related to IT development, and repayment of its borrowings.

3.2.1.2 Debt

As of December 31, 2020, the total amount of the Group's consolidated corporate net debt was €1,426 million versus €880 million at December 31, 2019.

On the same date, the total Net Fleet Debt, which is backed by assets, amounted to €2,235 million compared with €3,359 million at December 31, 2019. Of this amount, a portion of €75 million corresponds to the debt relating to rental commitments on operating leases versus €132 million in 2019.

The table below presents details of the net corporate debt and the total net debt (including the estimated outstanding value of the fleet financed through operating leases).

		Year ended December 31	
		2020	2019
2024 Unsecured Senior Subordinated 4.125% Notes		600	600
2026 Unsecured Senior Subordinated 4% Notes		450	450
Credit facility – Crédit Suisse		50	50
State-guaranteed loans		281	-
Senior Revolving Credit Facility		624	518
FCT Junior Notes (1), accrued interest not due, capitalized costs of financing agreements and other costs (2) (3)		(204)	(277)
Corporate gross debt recognized on statement of financial position	**(A)**	**1,801**	**1341**
Short-term investments (4)		**-**	**-**
Cash held by operating entities and short-term investments (4)		(375)	(461)
Net corporate debt recognized on statement of financial position	**(B)**	**1,426**	**880**
2022 Secured Senior 2.375% Notes		500	500
Senior Asset Revolving Facility		445	1134
FCT Junior Notes (1), capitalized costs of financing agreements and other		243	253
Fleet financing in the United Kingdom and Australia and other fleet financing facilities (including Buchbinder and Goldcar)		969	1575
Gross financial fleet debt recognized on statement of financial position	**(C)**	**2,157**	**3462**
Short-term fleet investments Cash held by fleet-owning entities and short-term fleet investments		(118)	(235)
Fleet net debt recognized on statement of financial position	**(D)**	**2,039**	**3227**
Gross debt recognized on statement of financial position (5)	*(A) + (C)*	*3,958*	*4803*
Net debt recognized on statement of financial position	*(B) + (D)*	*3,465*	*4107*
Fleet-related rental debt	**(E)**	**75**	**132**
TOTAL NET FLEET DEBT (INCLUDING RENTAL FLEET)	**(D) + (E)**	**2,114**	**3359**
TOTAL NET DEBT (INCLUDING RENTAL FLEET)	**(B) + (D) + (E)**	**3,540**	**4239**

(1) The proceeds from the FCT Junior Notes subscribed by Europcar International S.A.S. ("ECI") permit the overall credit enhancement and, where applicable, additional liquidity. FCT Junior Notes are used only to finance the fleet debt requirement. FCT Junior Notes are subscribed by ECI using available cash or draws on the Senior Revolving Credit Facility.
(2) For countries where fleet costs are not financed through special-purpose entities (e.g. Securitifleet entities), the cash used to finance the fleet, which could have been financed by fleet debt, is restated from the net fleet debt with a de-risk ratio.
(3) Including accrued interest for financial assets (Euroguard).
(4) Includes the Group's insurance program (see Section 2.6 "Risk management procedures").
(5) In this presentation, bank overdrafts are included in the Cash line held by the operating entities and short-term investments and, therefore, exclude the amount of the gross debt.

3.2.2 Analysis of cash flows

3.2.2.1 Analysis of management cash flows

The Group believes that corporate free cash flow is a useful indicator because it permits an analysis of the Group's cash generation based on its operating activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) disbursements in connection with debt refinancing, (ii) the financial costs which, due to their exceptional nature, are not representative of the trends in the Group's results, (iii) financial investments, and (iv) cash flows related to the fleet, analyzed separately, because the Group makes its vehicle acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the grouping of certain items deemed significant in analyzing the Group's cash flow, such as cash flows relating to changes in the rental fleet, in fleet-related trade receivables and trade payables, and in fleet-related financing and other facilities financing working capital requirements that are principally used for fleet-related needs. This presentation differs from the IFRS statement of cash flows primarily due to the analytic grouping carried out and the items that do not affect cash flow, which vary based on the financial indicator used as the starting point (in this case, Adjusted Corporate EBITDA, as presented below, compared with pretax profit in the IFRS statement of cash flows).

Management cash flows

(in millions of euros)	**December 2020**	December 2019
Adjusted Corporate EBITDA	**(172)**	**389**
Other non-recurring income and expenses [(1)]	(70)	(55)
Acquisitions of intangible assets and property, plant and equipment, net of the net value of disposals	(33)	(75)
Changes in provisions and in non-rental fleet working capital requirement [(1)]	(22)	1
Income taxes received (paid)	(17)	(30)
Repayment of the IFRS 16 rental debt	(104)	(112)
Corporate free cash flow	**(419)**	**118**
Net interest paid on high-yield borrowings	(30)	(51)
Cash flow after payment of high-yield interest	**(449)**	**67**
Change in rental fleet, working capital requirements, fleet financing and working capital facility	282	497
Disposals, acquisitions of subsidiaries, net of cash acquired and other investment transactions	3	(104)
Increase in share capital and buybacks	1	(30)
Special distribution	-	(39)
High-yield Note	-	(150)
Derivatives	-	-
Payment of transaction and other costs	(17)	(38)
Increase/(decrease) in cash and cash equivalents before effect of foreign exchange differences	**(180)**	**202**
Cash and cash equivalents at beginning of period	*628*	*425*
Effect of foreign exchange differences	(3)	2
Change in scope	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**445**	**628**

(1) To facilitate the reading of the operating management cash flow, the main non-recurring income and expenses not paid at the closing date have been restated from the "Other non-recurring income and expenses" with a counterpart in "Changes in provisions and in non-rental fleet working capital requirement".

Corporate free cash flow

Corporate free cash flow is defined as free cash flow before the impacts of the rental fleet and acquisitions of subsidiaries. Free cash flow results in a cash disbursement of €419 million in 2020 (versus cash inflow of €118 million in 2019) also affected by non-recurring elements:

- adjusted Corporate EBITDA decrease from €561 million, from €389 million in 2019 to €(172) million in 2020;
- other non-recurring income and expenses in 2020 primarily represent reorganization expenses in Great Britain and Germany, and the costs related to the Group's financial restructuring. These expenses were controlled to preserve liquidity during the Covid-19 crisis and were limited to those with a significant and rapid return on investment;
- investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €33 million, principally reflect the Group's digital transformation. The €42 million decrease in 2020 versus 2019 reflects the policy to preserve liquidities with investments limited to the essential digital projects;
- changes in provisions and non-fleet working capital requirement represent a cash outflow of €22 million in 2020, compared with a cash inflow of €1 million in 2019;
- income tax paid in 2020 represented a cash outflow of €17 million compared with €30 million in 2019, i.e., a decrease of €13 million given the decline in taxable earnings related to the Covid-19 crisis.

Other components of cash flow

The change in the fleet recorded on the statement of financial position, fleet receivables and payables, fleet financing and working capital facility covers the following items:

- first, fleet-related impacts. Given the asset-backed financing, the net impact of the various components (change in the fleet, in working capital requirement and in fleet financing) is primarily the result of timing differences between (i) the delivery of a vehicle and payment for this delivery, and (ii) the possibility of securitizing these vehicles and, therefore, their financing. Changes from one year to the next may thus be significant; and
- second, changes in credit facilities.

In 2020, the net impact represented a cash inflow of €282 million, compared with a cash inflow of €468 million in 2019.

Disposals and acquisitions of subsidiaries, net of cash acquired and other investment transactions represented a cash inflow of €3 million in 2020 compared with a cash outflow of €104 million in 2019.

In 2019, disbursements primarily reflected the acquisition of the Finnish and Norwegian franchisees (€38 million) and of Fox Rent A Car (€49 million).

Finally, disbursements relating to transaction costs totaled €3 million in 2020, compared with €10 million in 2019, as a result of the refinancing operations carried out over these two years, particularly the transaction costs related to the issuance of the French state-guaranteed loan in 2020.

3.2.2.2 Analysis of IFRS cash flows

The Group's principal cash flow drivers are its operating performance, as reflected in its operating profit before changes in the working capital requirement, cash flow from financing activities, the interest on its corporate debt, cash flows on acquisitions and disposals of the fleet, and cash flows from investing activities.

	IFRS	
(in millions of euros)	**December 2020**	December 2019
Net cash from (used by) operations	822	(132)
Net cash flows from (used by) investing activities	(30)	(181)
Net cash flows generated from (used by) financing activities	(972)	515
NET INCREASE (DECREASE) IN CASH	**(180)**	**202**

A) NET CASH FROM (USED BY) OPERATIONS

The table below summarizes the net cash flows generated by the Group's operations for the fiscal years ended December 31, 2020 and 2019.

	IFRS	
(in millions of euros)	**December 2020**	December 2019
Operating income (loss) before changes in working capital requirement	**(229)**	**382**
Change in the rental fleet recorded on the statement of financial position and fleet working capital requirement	1,160	359
Changes in non-fleet working capital requirement	25	10
Cash generated from operations	**956**	**33**
Income tax received/(paid)	(17)	(30)
Net interest paid	(116)	(135)
NET CASH FROM (USED BY) OPERATIONS	**822**	**(132)**

CASH GENERATED FROM OPERATIONS

Cash generated from operations represented a cash inflow of €956 million in 2020, compared with a cash inflow of €33 million in 2019. The deterioration in operating income (loss) before the change in the working capital requirement of €(229) million in the health crisis was offset by the positive change in the fleet recognized on the statement of financial position and in the associated working capital requirement for €1,160 million within a context of significant reduction in the rental fleet and, to a lesser extent, by the position change in the non-fleet working capital requirement. As a result, cash generated from operations remains significantly positive.

INCOME TAX RECEIVED/(PAID)

Income tax paid in 2020 represented a cash outflow of €17 million compared with €30 million in 2019, i.e., a decrease of €13 million given the decrease in taxable earnings related to the Covid-19 context.

NET INTEREST PAID

The decrease in net interest disbursement, which dropped from €135 million in 2019 €116 million in 2020 is related to the improvement in the financing cost following the refinancing of the corporate note in 2019 and the interest capitalized, but not disbursed, on the Group's corporate debt at year-end in the context of the financial restructuring of the Group.

B) NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES

The Group's net cash flows used by investing activities for fiscal years ended December 31, 2020 and 2019 are analyzed below:

	IFRS	
(in millions of euros)	**December 2020**	December 2019
Acquisition of intangible assets and property, plant and equipment	(49)	(84)
Proceeds from disposal of intangible assets and property, plant and equipment	16	9
Proceeds from the sale of subsidiaries	-	2
Acquisition of subsidiaries net of cash acquired and other financial investments	3	(107)
NET CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES	**(30)**	**(181)**

Net cash flows used by investing activities represented a cash outflow of €30 million in 2020 compared with €181 million in 2019.

Investments in property, plant and equipment and intangible assets, net of the net value of disposals, which totaled €33 million, principally reflect the priority given to the Group's digital transformation. The €42 million decrease in 2020 from 2019 reflects the policy to preserve liquidities with investments limited to the essential digital projects.

In 2019, disbursements related to *acquisitions of subsidiaries, net of cash acquired, and other financial investments* amounted to €105 million and were mainly related to the acquisition of the Finnish and Norwegian franchisees (€38 million) and Fox Rent A Car (€49 million).

C) NET CASH FLOWS GENERATED FROM (USED BY) FINANCING ACTIVITIES

The table below summarizes the Group's net cash flows generated from (used by) financing activities for the fiscal years ended December 31, 2020 and 2019.

	IFRS	
(in millions of euros)	**December 2020**	December 2019
Capital increase (net of related expenses)	-	12
(Purchases)/Sales of treasury shares net	1	(42)
Special distribution	-	(39)
Issuance of notes	-	(150)
State-guaranteed loans	350	
Change in lease liabilities	(158)	(162)
Derivatives	-	-
Change in other borrowings	(1,162)	905
Payment of financing costs	(3)	(9)
NET CASH FLOWS GENERATED FROM (USED BY) FINANCING ACTIVITIES	**(972)**	**515**

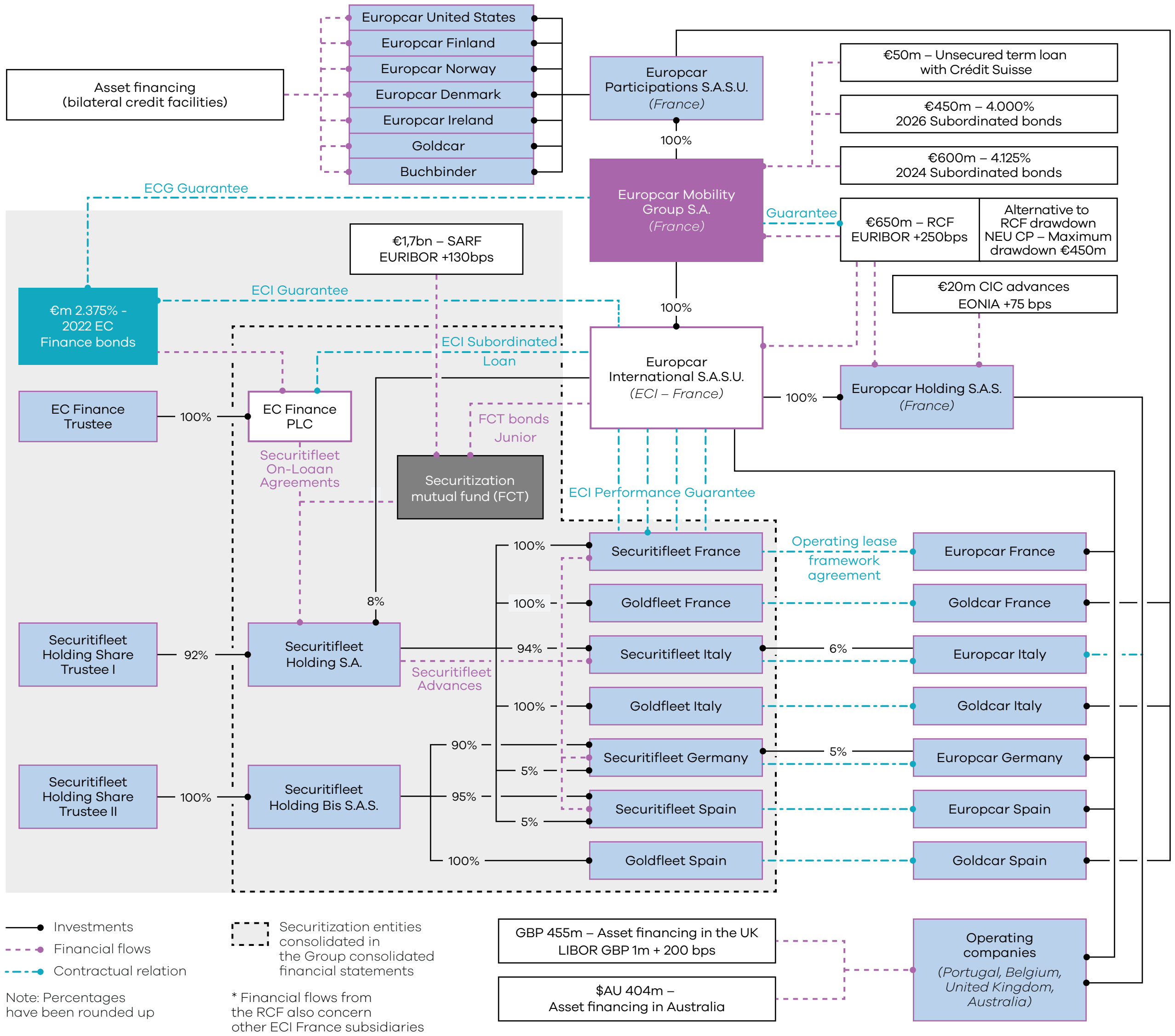
Net cash flows generated from financing activities represented a cash outflow of €972 million in 2020, compared with a cash inflow of €515 million in 2019.

The 2020 disbursements are primarily related to the significant drop in rental fleet financing needs (primarily the draws on the SARF as well as the local main lines of credit). The repayments were partially offset by the increase in the corporate draws and the issuance of new financing intended to secure the Group's liquidity in light of the health crisis with, in particular the borrowing of €220 million benefiting from a guarantee by the French government and the new lines of financing for the Group's Spanish subsidiaries.

Inflows in 2019 were mainly related to the refinancing of Senior Notes (€450 million issued at a rate of 4% maturing in 2026 and the early redemption of all existing notes for €600 million bearing interest at 5.750% and maturing in 2022) and the amendment of the €500 million Senior Revolving Credit Facility (RCF) to increase the maximum amount available by €150 million to €650 million.

3.2.3 Description of financing at December 31, 2020

The following chart shows the Group's financial debt as of December 31, 2020:



Rating

Standard & Poor's

"CORPORATE" RATING

On July 8, 2015, following the initial public offering, the rating agency Standard & Poor's raised its long-term corporate credit rating on Europcar Mobility Group and its wholly owned financing subsidiary Europcar International from B to B+ with stable outlook. The agency reaffirmed its B+ rating and stable outlook in its October 16, 2017 publication along with the publication of the ratings of the Group's newly issued notes.

On October 16, 2017, Standard & Poor's also upgraded by two notches, from B+ to BB, the rating on EC Finance's issue of November 2, 2017 for €350 million in Senior Secured Notes maturing in 2022, intended to finance the fleet.

At the same time, the agency reaffirmed its B- rating for the issue of €600 million in senior notes due 2022, the same rating as it gave to the new 2024 senior notes for €600 million issued by the Group on November 2, 2017 to finance and refinance the acquisitions of Goldcar and Buchbinder.

On October 16, 2017, the agency also reaffirmed its BB rating for the €500 million RCF arranged by Europcar Mobility Group in July 2017.

On June 13, 2018, the rating agency Standard & Poor's confirmed the B+ rating for Europcar Mobility Group and raised its outlook from stable to positive. In conjunction with this revision, the Agency downgraded EC Finance's senior notes due 2022 one notch to BB-. The ratings of the Group's other notes (senior notes due 2022 for €600 million, as well as senior notes due for 2024 for €600 million) remain unchanged at B-. The agency also reaffirmed its BB rating for the €500 million RCF due for 2022.

On April 15, 2019 the agency upgraded the Group's rating by one notch from B+ to BB-, thus recognizing the improvement in the Group's operational performance and its ability to integrate the major acquisitions carried out in 2017 (Buchbinder and Goldcar). At the same time, the agency upgraded the Group's debt rating by one notch.

On October 30, 2019, the agency maintained its BB- rating but downgraded its outlook from stable to negative following a weaker-than-expected performance during the third quarter of 2019.

In 2020, in a continually changing pandemic context, S&P progressively adjusted its issuer rating on the Group. Initially downgraded from BB- to B- with negative CreditWatch on April 3, 2020 – primarily related to the pandemic and its impact on liquidity – then to CCC+ on May 28, 2020, this rating has been CC since November 3, 2020, following the negotiations on restructuring the Group's debt, the outcome of which could be perceived as a case of selective default under the S&P criterion. On that date, Europcar's corporate RCF was rated CCC-, its note debt C, with the exception of the secured subordinated note backed by the fleet, which was rated CC.

On November 30, 2020, the agency again downgraded the Group's rating to "Selective Default" (SD) following the non-payment of the interest due for the 2024 and 2026 Senior Subordinated Notes; this interest was to be capitalized in the context of the debt restructuring.

RATING OF THE FLEET DEBT

Finally, in the context of the implementation of the new Standard & Poor's methodology for sovereign risk ratings, on February 24, 2017 the agency confirmed that the SARF, which is intended for fleet financing, had retained its "A" rating. Following the contractual changes made to the SARF in 2018, including the extension of its maturity to July 2024 and its increase from €1.3 billion to €1.7 billion, Standard & Poor's again confirmed its "A" rating for the program on May 17, 2018.

On April 16, 2020, the agency placed the A rating of the SARF under negative CreditWatch as a result of the downgrade of the Europcar Mobility Group rating on April 3, 2020, reflecting the uncertainties related to the potential impacts of the pandemic on fleet liquidation assumptions and the deterioration of the Group's credit profile. On June 8, 2020, the agency downgraded the SARF to BBB, maintaining the negative CreditWatch after the new downgrade of the Group on May 28, 2020, considering an increased operational risk.

Moody's

On July 7, 2015, following the Initial Public Offering, Moody's Investors Service upgraded Europcar Mobility Group's Corporate Family Rating (CFR) from B3 to B1. The agency reaffirmed this rating and the stable outlook in its October 16, 2017 publication along with publication of its ratings of the Group's newly issued notes.

On October 16, 2017, Moody's upgraded EC Finance's €350 million Senior Secured Notes due 2022, intended to finance the fleet, by one notch from B2 to B1. At the same time, the agency gave a B3 rating to the new €600 million issue of senior notes due 2024, the same rating that it confirmed for the €600 million senior notes due 2022.

On June 15, 2018, Moody's Investors Service confirmed the Corporate Family Rating (CFR) of Europcar Mobility Group at B1. The agency also reaffirmed the stable outlook associated with this rating.

EC Finance's €150 million contribution to the senior notes due for 2022 issued on June 15, 2018, did not result in any change in its B1 rating. The B3 rating of the two €600 million issue of senior notes due 2022 and 2024 was also confirmed.

On October 29, 2019, the agency placed the Corporate Family Rating (CFR) under review for downgrade following the profit warning on results and guidance issued by the Group when it published third quarter 2019 results.

In 2020, Moody's progressively revised the Corporate Family Rating (CFR) of the Group in the context of global pandemic. Initially, the CFR was downgraded to B2 in March, subject to revision for an additional downgrade which effectively materialized on June 10, 2020 with a downgrade to Caa1, stable outlook. On September 10, 2020, Moody's nevertheless downgraded this rating to Caa2 with a negative outlook, in view of the high probability of debt restructuring.

On December 2, 2020, the agency again downgraded the Group's rating to "Limited Default" (LD) following the non-payment of the interest due for the 2024 and 2026 Subordinated Notes; this interest was to be capitalized in the context of the debt restructuring.

3.2.3.1 Corporate Debt

A) 2024 SENIOR SUBORDINATED NOTES

On November 2, 2017, the Group issued, through Europcar Drive D.A.C., a *special-purpose vehicle* under Irish law ("Europcar Drive"), then as issuer as of December 19, 2017, Senior Notes in the amount of €600 million paying interest at an annual rate of 4.125% annual interest redeemable on November 15, 2024 (the "2024 Senior Subordinated Notes").

GUARANTEES AND SECURITY

The 2024 Senior Subordinated Notes are secured by a second-rank security interest on ECI shares held by the Company, subordinated to the senior security interest on ECI shares held by the Company from which lenders under the RCF benefit, but with the same priority with the pledge on the ECI shares held by the Company that are used as collateral for the 2022 Senior Subordinated Notes.

IN THE CASE OF OPTIONAL EARLY REDEMPTION

On or after November 15, 2020, and during each twelve-month period starting on November 15 in the years indicated below, the Company may redeem early all or some of the 2024 Senior Subordinated Notes, after prior notification not less than 10 or more than 60 days before the redemption date, at the following redemption prices (expressed as percentage of the par), plus interest accrued and unpaid interest at the redemption date:

Fiscal year	Redemption Price
2020	102.063%
2021	101.031%
As from 2022	100.000%

COMMITMENTS (COVENANTS)

The indenture pertaining to the 2024 Senior Subordinated Notes contains covenants that will limit the ability of the Company and its subsidiaries to:

- incur additional indebtedness;
- make certain restricted payments;
- sell assets and use the revenue therefrom;
- execute mergers, acquisitions or consolidations;
- engage in transactions with affiliates;
- grant security interests; and
- restrict the payment of dividends by subsidiaries.

These limitations are subject to important exceptions and qualifications. As of the date of this Universal Registration Document, all the Company's subsidiaries are restricted subsidiaries (as defined in the indenture pertaining to the 2024 Senior Subordinated Notes).

B) 2026 SENIOR SUBORDINATED NOTES

On November 24, 2019, the Company issued, through Europcar Mobility Drive D.A.C., a special-purpose vehicle under Irish law ("Europcar Mobility Drive"), then as issuer as of June 15, 2019, Senior Notes in the amount of €450 million paying interest at an annual rate of 4.000% redeemable on April 30, 2026 (the "2026 Senior Subordinated Notes").

GUARANTEES AND SECURITY

The 2026 Senior Subordinated Notes are secured by a second-priority security interest on ECI shares held by the Company, subordinated to the first-priority security interest on ECI shares held by the Company from which lenders under the RCF benefit, but have the same priority as the ECI shares held by the Company that are used as collateral for the 2026 Senior Subordinated Notes.

IN THE CASE OF OPTIONAL EARLY REDEMPTION

At any time on or after April 30, 2022, and during each twelve-month period beginning on April 30, 2022 of the years indicated below, the Company may redeem all or some of the 2026 Senior Subordinated Notes early, after prior notification within a period not less than 10 nor more than 60 days before the redemption date, at the following redemption prices (expressed as percentages of par), plus interest accrued and unpaid on the redemption date:

Fiscal year	Redemption Price
2022	102.000%
2023	101.000%
As from 2024	100.000%

COMMITMENTS (COVENANTS)

The indenture pertaining to the 2026 Senior Subordinated Notes contains covenants that will limit the ability of the Company and its subsidiaries to:

- incur additional indebtedness;
- make certain restricted payments;
- sell assets and use the revenue therefrom;
- execute mergers, acquisitions or consolidations;
- engage in transactions with affiliates;
- grant security interests; and
- restrict the payment of dividends by subsidiaries.

These limitations are subject to important exceptions and qualifications. As of the date of this Universal Registration Document, all the Company's subsidiaries are restricted subsidiaries (as defined in the indenture pertaining to the 2026 Senior Subordinated Notes).

C) SENIOR REVOLVING CREDIT FACILITY

The Senior Revolving Credit Facility (the "RCF" or the "RCF Agreement") was signed on July 13, 2017 with the primary purpose of the RCF is to fund the Group's working capital and general requirements (including authorized acquisitions).

The RCF borrowers are Europcar Mobility Group, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. & Co. OHG, and Europcar IB, S.A.U. (the "RCF Borrowers").

The RCF Agreement provides utilization for a maximum outstanding amount in principal of €670 million, including €20 million in additional credit obtained on May 1, 2020 from Eurazeo as sub-participant. The utilization of the RCF through credit advances ("Advances under the Senior Revolving Credit Facility" or "RCF Advances") or the issuance of letters of credit ("RCF Letters of Credit"), which may not exceed €150 million. The RCF also provides for the utilization through Bridge Loan Advances ("Bridging Loan Facilities in respect of the Senior Revolving Credit Facility" or "RCF Bridge Loan Facilities") for a maximum amount in principal of €150 million.

GUARANTEES

Sureties have been provided by the Company, ECI, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar France S.A.S., Europcar International S.A.S.U. & Co. OHG, Europcar IB, S.A.U., Europcar Italia S.p.A., and Europcar UK Limited; other Group subsidiaries may also, under certain conditions, guarantee the RCF in future.

INTEREST

The interest rates per annum applicable to RCF Advances are based on Euribor (or Libor or BBSW for drawings in currencies other than euros) plus an applicable borrowing margin, specifying that Euribor, Libor, or BBSW will be deemed equal to zero in the event of a negative interest rate.

The RCF Bridging Loan Facility bears interest at EONIA plus the applicable margin, it being specified that EURIBOR, LIBOR and the BBSW will be deemed to be equal to zero if it is in fact negative.

The initial margin is 2.25% for an RCF Advance or an RCF Bridging Advance. The margin may be increased to 2.50% if the leverage ratio (i.e., if the ratio of Total Net Debt (as defined in the RCF Agreement) to Corporate EBITDA (as defined in the RCF Agreement)) over the 12-month period preceding the end of the accounting quarter is equal to or greater than 2.0: 1.0, and if no default has occurred or is occurring under the RCF Agreement. The margin may be decreased to 2.25% if the leverage ratio over the 12-month period preceding the end of the accounting quarter is less than 2.0: 1.0, and if no default has occurred or is occurring under the RCF Agreement.

FINAL MATURITY DATE

The Senior Revolving Credit Facility matures on June 9, 2023 ("RCF Maturity Date").

SECURITY

The RCF is secured, subject to certain applicable limitations, by first-priority security interests on the shares of ECI and of certain direct or indirect subsidiaries of ECI (Europcar Holding S.A.S., Europcar France S.A.S., Europcar UK Limited, Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar IB S.A.U. and Europcar International S.A.S.U. & Co. OHG).

RANKING/PRIORITY

The RCF ranks senior to all other subordinated debt of each RCF Borrower.

The RCF ranks *pari passu* with hedging transactions in right of payment and the security interests guaranteeing the RCF (with the exception of the senior security interest on the aforementioned ECI shares which does not secure the hedging transactions).

RCF Lenders' receivables rank *pari passu* at least equal to all other receivables of unsecured creditors.

FINANCIAL COMMITMENTS (COVENANTS)

The RCF specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service shall be defined as the aggregate of the interest and associated fees paid during any given 12 months period plus repayment of financial liabilities, the latter being subject to certain limitations.

COMMITMENTS (COVENANTS)

Subject to certain exceptions related to materiality tests, grace periods and carve-outs, the Senior Revolving Credit Facility specifies certain covenants, namely: (i) a ban on granting security interests on the assets of the Group, (ii) a limitation on financial indebtedness, (iii) a restriction on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

D) NEU CP PROGRAM

On February 11, 2019, Europcar Mobility Group launched a NEU CP program ("Negotiable EUropean Commercial Paper").

This program has a ceiling of €450 million. The program's outstanding amount issued plus outstanding RCF drawdowns cannot exceed a total commitment of €650 million, in accordance with RCF documentation.

Each issue covers a period of less than one year, for an amount greater than or equal to €200,000.00. Their remuneration is not restricted and may therefore be based on a fixed rate, a variable or floating rate or on a structured remuneration.

Financial records for the program have been filed with the Banque de France and is available on their website.

E) LOAN GUARANTEED BY THE FRENCH GOVERNMENT

The State-guaranteed loan ("SGL") was signed on May 2, 2020 for the purpose of consolidating the Group's liquidity to allow it to address its vehicle financing needs and its corporate needs related to the impacts of the Covid-19 pandemic.

Borrowers for the SGL are Europcar International S.A.S.U. and Europcar Participations S.A.S. (the "SGL Borrowers").

The SGL also provides for the utilization through Advances ("Advances on the State-guaranteed Loan" or "SGL Advances") denominated in euros for an outstanding amount in principal of €220 million.

GUARANTEES

The SGL is 90% guaranteed by the French State via Bpifrance Financement, a subsidiary of Bpifrance S.A., pursuant to the Order of March 23, 2020 granting the State guarantee to credit institutions and financing companies pursuant to Article 6 of corrective finance law No. 2020-289 of March 23, 2020 for 2020.

INTEREST

The SGL Advance bears annual interest at a rate equal to the EURIBOR plus the applicable loan margin; it is specified that the EURIBOR rate will be assumed to be equal to zero in the event this rate is negative.

The margin is 2.25% for an SGL Advance.

MATURITY AND REPAYMENT OF SGL ADVANCES

The SGL will mature on May 2, 2021 (the "**Initial SGL Maturity Date**"). Each SGL Borrower may, however, request from the SGL Lenders, no earlier than 4 months and no later than 2 months before the Initial SGL Maturity Date, an extension of this date for an additional period of one to five years. This extension is at the discretion of each SGL Borrower, provided that the Borrower has paid, on the Initial SGL Maturity Date, a guarantee commission.

The SGL provides for a 12-month deferred payment period. Payments will then be made according to the maturity period chosen by each of the SGL borrowers with, in the event of an extension of more than one year, an initial repayment of 10% of the initial loan amount in May 2022, then according to an amortization schedule based on the duration chosen; it is understood that if a cash capital increase of €150 million has not been completed by December 31, 2022, a repayment of 50% of the outstanding loan amount must be made in May 2023.

SECURITY

The SGL does not benefit from any security, but is 90% guaranteed by the French State via Bpifrance Financement.

RANKING/PRIORITY

The SGL Lenders have a claim that ranks at least *pari passu* with all the other claims held by the unsecured creditors of the SGL Borrowers.

FINANCIAL COMMITMENTS (COVENANTS)

The SGL specifies that the Group must maintain a ratio of cash flow to total debt service of no less than 1.10: 1.

Total debt service shall be defined as the aggregate of the interest and associated fees paid during any given 12 months period plus repayment of financial liabilities, the latter being subject to certain limitations.

COMMITMENTS (COVENANTS)

Subject to certain exceptions related to materiality, grace periods and carve-outs, the State-guaranteed loan (SGL) specifies certain covenants, namely: (i) a ban on granting security interests on the assets of the Group, (ii) a limitation on financial indebtedness, including a ban on contracting financial debt guaranteed by the French State, (iii) a restriction on asset disposals, and (iv) limitations on mergers, acquisitions and investments.

F) LOAN GUARANTEED BY THE SPANISH GOVERNMENT

The Spanish operating entities Europcar IB S.A.U. and Goldcar Spain S.L.U. benefited from a Spanish State-guaranteed loan program for a total of €101.25 million.

These credit agreements were granted by several Spanish banking institutions with a 3-year maturity. The purpose of these agreements is to finance the working capital requirements of the borrower and/or finance the vehicle fleet in Spain.

The interest rates applied are fixed, between 2% and 3.13%, or variable with margins indexed between 1.75% and 2%.

These financing lines are not secured, but are 70% guaranteed by the Spanish government.

G) UNSECURED SUBORDINATED LOAN

On December 27, 2019 the Company contracted with Crédit Suisse International as lender, agent and calculation agent, a loan agreement under which Crédit Suisse International made available to the Company a term loan of €50 million. The term loan is backed by a CDS (credit default swap) carried out by Crédit Suisse International as the borrower.

MATURITY DATE AND REPAYMENT OF THE TERM LOAN

The term loan shall mature 10 working days before the CDS maturity date to take place in December 2020. It should be noted that this loan was not repaid at maturity since it was integrated within the debt restructuring process described in Chapter 1 (Subsequent Events) and that, in this respect, it is planned that it will be capitalized and therefore converted into shares.

RANKING/PRIORITY

Term loan lenders' receivables rank *pari passu* at least equal to all other receivables of unsecured creditors.

The term loan is not secured.

3.2.3.2 Debt related to fleet financing

A) SENIOR ASSET REVOLVING FACILITY (SARF)

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as "Lending Bank" and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011 and April 5, 2012. The SARF was further amended on March 4, 2014 primarily in order to (i) add two additional banks to the facility, (ii) reduce the margin of the Senior Notes issued by an FCT Issuer under the facility from 2.70% to 2.2% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) reduce the maximum amount of senior notes that may be issued by the FCT Issuer from €1.1 billion to €1.0 billion, (iv) provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly only, and (v) extend the maturity of the SARF from July 2014 to July 2017. The Senior Asset Revolving Facility provides a facility of €1.0 billion to Securitifleet Holding. Draws that may be made by Securitifleet Holding (the "SARF Borrower") are exclusively for financing rental fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies.

Additional amendments to the SARF were signed on May 12, 2015 and became effective on June 17, 2015 (the "2015 Amendments"). The 2015 Amendments (i) reduced the applicable margin with respect to the FCT Senior Notes from 2.2% to 1.7% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduced the rate of non-utilization from 1% to 0.75% in the event that the utilization rate would be less than or equal to 50%, and from 0.75% to 0.5% in the event the utilization rate would be greater than 50%, (iii) extended the maturity of the SARF to the settlement date following January 2019, (iv) increased the amount of the Senior Notes that could be issued by the FCT Issuer under the SARF from €1.0 billion to €1.1 billion, and (v) allowed the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored conduit supplying asset-backed commercial paper), which replaces Barclays Bank Plc. ECI and the banks also agreed to (i) allow the sub-leasing of vehicles by a local subsidiary (namely Europcar France S.A.S., Europcar Autovermietung GmbH, Europcar Italia S.p.A. or Europcar IB S.A.) to another local subsidiary, with the exception of Europcar Italia S.p.A., under intra-group master operating sub-leasing operating agreements, and (ii) treat such sub-leased vehicles as eligible vehicles for the amended SARF.

New amendments to the SARF were signed on September 14, 2016 and entered into force on September 17, 2016 (the "2016 Amendments"). The 2016 Amendments: (i) reduced the margin and the margin applicable to the FCT Senior Notes from 1.7% to 1.5% (before the amortization period) and from 2.25% to 2.05% (after the amortization period); (ii) extended the maturity of the SARF to the payment date following January 2020; and (iii) increased the amount of the senior notes that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion.

The following additional amendments to the SARF were also signed:

(i) on February 9, 2017 to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) and thus to maintain its single A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF;

(ii) on August 31, 2017, to adjust the manufacturer concentration limits to take into account the acquisition of Opel by PSA Group;

(iii) on May 14, 2018, to allow the financing of the Goldcar fleet. The amount of the line thus increased from €1.3 billion to €1.7 billion and new special purpose entities dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were formed. The Group took advantage of this opportunity to renegotiate the margin from 1.50% to 1.30%, extend the maturity of the line from January 2020 to January 2022 and relax the concentration limits on the rental fleet in Spain and Italy.

Under the terms of an FCT Subscription agreement, the Lending Bank assigned its claims arising under the SARF, together with all security interests and ancillary rights related thereto, to the FCT Issuer which, in consideration, issued (i) "FCT Senior Notes" to be subscribed by Crédit Agricole Corporate and Investment Bank (or, as applicable, LMA, its sponsored multi-seller asset-backed commercial paper conduit), Société Générale, Société Générale Capital Market Finance, Deutsche Bank AG, London Branch, Natixis, (or, as applicable, Magenta, its sponsored multi-seller asset-backed commercial paper conduit); BNP Paribas (or, as applicable, Matchpoint, its sponsored multi-seller asset-backed commercial paper conduit), HSBC France (or, if applicable, Regency Assets Limited, its sponsored asset-backed commercial paper conduit), Lloyds Bank plc, Bank of America Merrill Lynch International Limited, ING Bank N.V and any other entity that may subscribe for or acquire FCT Senior Notes as senior subscriber(s) in an aggregate amount of €1.7 billion (after the 2018 Amendments), and (ii) second priority FCT to be subscribed to from time to time by ECI ("FCT Junior Notes").

FINAL MATURITY DATE

The SARF will be terminated on the earlier of the following dates: (i) the settlement date in January 2022, (ii) the start of a Non-Enforcement Amortization Period (namely, the date on which a Level 1 Event of Default is declared (as defined below)), (iii) the start of an Enforcement Amortization Period (namely, the date on which a Level 2 Event of Default is declared (as defined below)), and (iv) the date on which the RCF is repaid (unless all or part of such facility is refinanced in amounts equal to or greater than the existing amount of said facility) (the first of such dates is the "SARF Termination Date"). The SARF's final maturity date shall correspond to the date falling six months after the SARF Termination Date (the "SARF Final Maturity Date").

SARF ADVANCE RATE

The rate of the SARF Advances (the "SARF Advance Rate") is determined as a function of the total "Borrower Asset Value" (as defined below in the Section "Borrower Asset Value") of all Securitifleet and Goldfleet companies, the credit enhancement mechanisms confirmed with Standard & Poor's, and the concentration limits applicable to carmakers and vehicles as defined in the SARF, the framework operating lease agreements and the terms and conditions of the FCT Junior Notes.

In particular, the SARF Advance Rate is calculated by reference to the "Senior Asset Funding Limit" which is sized principally on the basis of (A) the aggregate Borrower Asset Value of all Securitifleet and Goldfleet Companies (subject to certain limitations), reduced by (B) the applicable "Credit Enhancement Amount". The Credit Enhancement Amount is determined by aggregating: (i) the amount determined by the application of the rate determined using Standard & Poor's Credit Enhancement Matrix applicable to the corresponding Credit Enhancement Asset, and (ii) the amount exceeding the concentration limits applicable to carmakers and vehicles as defined in the SARF.

Borrower Asset Value

Drawing under the Senior Asset Revolving Facility by Securitifleet Holding will depend on the aggregate of Borrower Asset Values of all the Securitifleet and Goldfleet Companies.

For a Securitifleet or Goldfleet Company acting as borrower under the Securitifleet Loan Agreements or Goldfleet Loan Agreements (as defined below), the Borrower Asset Value is calculated monthly as the aggregate of the following items:

- the rental fleet residual value, which is composed of the aggregate residual values of the rental fleet plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged, stolen or converted vehicles of the rental fleet owned by the relevant Securitifleet or Goldfleet Company;
- the amount of the vehicle provider's receivables, consist of the receivables owed to the Securitifleet or Goldfleet Company by a car dealer or manufacturer for the sale of any vehicle by the relevant Securitifleet or Goldfleet Company under any buy-back agreement and payable to the relevant Securitifleet or Goldfleet Company;

- the amount of VAT receivables, which comprise any VAT repayment receivables owed or which may be owed by a tax authority to the relevant Securitifleet or Goldfleet Company and which are payable to such Securitifleet or Goldfleet Company;

minus:

- the aggregate amount of any debt owed by the relevant Securitifleet or Goldfleet Company to vehicle providers (excluding any VAT amount related thereto) to the extent that the due date of such payables falls after the second SARF settlement date (as defined below) which follows;
- the aggregate amount of the capitalized costs related to each rental fleet (excluding the rental fleet of Securitifleet GmbH) delivered and accounted for by a Securitifleet or Goldfleet Company (excluding Securitifleet GmbH) but for which the corresponding invoice has not yet been received or booked; and
- the aggregate amount of all VAT payments owed by the relevant Securitifleet or Goldfleet Company to a taxation authority in its relevant jurisdiction at such time (it is specified that such VAT payments owed by Europcar Autovermietung GmbH in relation on the resale by of its vehicles by Securitifleet GmbH are excluded).

MARGIN

The interest rate applicable to the FCT Senior Notes is equal to the sum of the Euribor rate applicable to the relevant interest period plus 1.30% (in each case before the SARF Amortization Period) or 1.90% (in each case during the SARF Amortization Period). In the case of breach of certain obligations (subject to reservations pertaining to their importance, the grace period and other exceptions) with respect to a rental fleet availability service agreement or a fee agreement concerning the provision of legal services in Germany (a "DSP Material Breach"), the margin applicable to the FCT Senior Notes (for the interest periods terminating before the SARF Amortization Period) will be automatically and immediately 2.05% from the date of the DSP Material Breach until the DSP Material Breach is remedied or waived.

The interest rate applicable to the FCT Junior Notes is equal to the sum of the Euribor rate applicable to the relevant interest period plus 2.25%.

FLEET SERVICING

Each operating company of the Group in France, Germany, Spain and Italy (each an "Operating Company"), pursuant to servicing agreements (each a "Servicing Agreement"), acts as a service provider (each, in this capacity, a "Service Provider") for the rental fleet (and other assets) owned by the relevant Securitifleet or Goldfleet Company.

Implementation pursuant to the terms of a rental fleet availability services agreement, and of an engagement letter and fee agreement regarding the provision of legal services in Germany, the service provider provides certain availability services related to the maintenance of the fleet under certain conditions.

ECI PERFORMANCE GUARANTEE

ECI granted to each Securitifleet and Goldfleet company certain performance guarantees (together the "ECI Performance Guarantee") pursuant to which ECI guarantees as joint guarantor the full payment when due of all amounts (including, without being limited to, rental payments under master operating leases, interest, expenses, fees, costs, indemnities and other amounts due as a result of the non-performance or incomplete performance by the relevant Operating Company of any of its obligations) owed to each Securitifleet and Goldfleet company by the relevant Operating Company with respect to certain of their respective payment obligations, in particular under the master operating lease agreements and management and services agreements, up to an amount equal to the available cash. The benefit of the ECI Performance Guarantee was assigned to the Senior Facility Lending Bank under the SARF (but not to the trustee for the 2022 Senior Subordinated Notes, 2024 Senior Subordinated Notes, or the holders of the EC Finance Notes, directly or indirectly).

In the event of default under the Senior Asset Revolving Facility, the borrower can be directed by the facility instructing party to call the ECI Performance Guarantee and exercise any right it is entitled to exercise in accordance with the terms of the ECI Performance Guarantee.

SECURITY

Securitifleet Holding's obligations under the SARF are secured by the Securitifleet and Goldfleet Securities described below under Section 3.2.3.2 "Debt Related to Fleet Financing" in section (B) "Securitifleet and Goldfleet Securities" which also indirectly benefit holders of EC Finance Notes. In addition, Securitifleet Holding's obligations under the SARF are guaranteed by the rental fleet and the claims on vehicle suppliers pursuant to buyback commitments by manufacturers in Italy and Catalonia, as well as bank account balances of Securitifleet Italy and Goldfleet Italy, the shares held by Europcar Italy in Securitifleet Italy and the shares held by Goldcar Italy in Goldfleet Italy. The 2022 Senior Subordinated Notes holders and 2024 Subordinated Notes holders do not benefit, either directly or indirectly, from these additional Securitifleet and Goldfleet securities.

RANKING/PRIORITY

The Senior asset Revolving Facility ranks senior to the Securitifleet Loan both in interest and principal and any other subordinated indebtedness of each SARF Borrower. See "SF Intercreditor Agreement".

COMMITMENTS (COVENANTS)

The commitments (covenants) applied to Securitifleet Holding are divided into Level 1 Undertakings and Level 2 Undertakings. Any breach of a Level 1 Undertaking, which is not resolved within its applicable grace period (if relevant), shall result in a Level 1 Event of Default, and correspondingly any breach of a Level 2 Undertaking, which is not resolved within its applicable grace period (if relevant), shall result in a Level 2 Event of Default.

Level 1 Undertakings relate to delivery of financial statements, compliance with accounting policies, notification of Level 1 defaults and maintaining bank accounts with suitably rated banks. The Level 2 Undertakings include in particular (i) information obligations (including notification of a Level 2 Event of Default), (ii) the maintenance of the necessary authorizations, licenses and consents, (iii) compliance with laws and regulations, in particular tax laws, (iv) a negative pledge regarding the assets or business of Securitifleet Holding, (v) restrictions on the granting of loans by Securitifleet Holding, (vi) a limitation on the financial indebtedness of Securitifleet Holding, (vii) a limitation on the granting of guarantees by Securitifleet Holding, (viii) restrictions on the rights of Securitifleet Holding as shareholder of certain Securitifleet and Goldfleet companies, and (ix) the maintenance of bankruptcy-remoteness criteria including restrictions on mergers.

The SARF also provides for two levels of representations and warranties. The Borrower Level 1 Representations and Warranties relate to the accuracy of historical financial statements, ranking, no conflicts, and no events of default or withholding. The Borrower Level 2 Representations and Warranties relate to other representations and warranties.

EVENTS OF DEFAULT

There are two levels of event of default under the Senior asset Revolving Facility Agreement:

(i) a "Level 1 Event of Default" which, subject to the agreed exceptions, materiality tests, grace periods and waivers, consists of: (i) misrepresentations made under the Level 1 Representations and Warranties, (ii) a breach of any Level 1 Commitment, and (iii) the replacement of the Lending Bank without the appointment of a replacement assignee bank; and

(ii) a "Level 2 Event of Default" which, subject to the agreed exceptions, materiality tests, grace periods and waivers, consists of: (i) non-payment of amounts due under the SARF, (ii) misrepresentations made under Borrower Level 2 Representations and Warranties, (iii) the violation of any Level 2 Commitments, (iv) the occurrence of an insolvency event of Securitifleet Holding, (v) the enforcement of security interests or the nullity, lapse, non-enforceability or non-execution of the security interests, or the loss of the benefit of a priority ranking, (vi) the occurrence of a material adverse change affecting Securitifleet Holding, (vii) any audit qualification by the Statutory Auditors concerning Securitifleet Holding's financial statements to the extent that it materially and adversely affects the current or future value of Securitifleet Holding's assets, (viii) breaches relating to Securitifleet Holding's obligations under Securitifleet shareholder arrangements and to compliance with the recommendations made by the Senior Facility Lending Bank or the FCT Issuer in the context of its consultation commitments, (ix) misrepresentations and/or breaches in relation to any security interest or encumbrance, (x) acceleration under the Senior Revolving Credit Facility of the outstanding EC Finance Notes, 2022 Senior Subordinated Notes or 2024 Senior Subordinated Notes, and (xi) termination or breach of any material operating license.

The occurrence of a Level 1 Event of Default will trigger a "Non-Enforcement Amortization Period" during which, in particular:

(i) any outstanding advance will become an advance repayable on a monthly basis during the amortization period via all cash collections received;

(ii) each Securitifleet and Goldfleet company will be prohibited from ordering new vehicles from vehicle providers and from granting new advances under the SARF; and

(iii) each Operating Company, acting as lessee under the relevant master operating lease agreement and intra-group sub-lease agreements, due to the prohibition that applies to Securitifleet and Goldfleet Companies, will be prohibited from:

- extending the duration of any simple operating lease or sub-lease in force on the amortization period commencement date; and
- entering into any new operating lease or sub-lease with the relevant Securitifleet Company, Goldfleet Company or Operating Company.

The occurrence of a Level 2 Event of Default will trigger an "Enforcement Amortization Period" during which (i) the relevant instructing party will be entitled to accelerate the payability of all advances granted to Securitifleet Holding in accordance with the provisions of the SF Intercreditor Agreement, and (ii) all securities granted to the FCT Issuer will be enforceable in accordance with the provisions of the SF Intercreditor Agreement.

B) SECURITIFLEET SECURITIES AND GOLDFLEET SECURITIES

The undertakings of Securitifleet Holding under the SARF together with its obligations to repay the revenue of the EC Finance Notes to EC Finance Plc (as defined below) under the borrowing agreement (the "Securitifleet Loan") are secured directly and indirectly by:

- a first priority security interest on the Securitifleet Holding shares held by ECI and Sanne Capital Market Capital Market Ireland Ltd;
- a first priority security interest on the shares held by each of the Securitifleet and Goldfleet Companies (other than shares held by Europcar Italy in Securitifleet Italy and other than the shares held by Goldcar Italy in Goldfleet Italy);

- a senior security interest on the receivables held by Securitifleet Holding against each of the Securitifleet and Goldfleet Companies (other than those in respect of Securitifleet Italy and Goldfleet Italy);
- a first priority pledge on the bank account balances of Securitifleet Holding and each of Securitifleet Company and Goldfleet Company;
- a first priority pledge on certain receivables (including buy-back agreements from carmakers) of each of the Securitifleet and Goldfleet Companies (other than those of Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain; and
- a senior security interest on certain assets (including bank account balances and the rental fleet) of each Securitifleet and Goldfleet Company time (other than Securitifleet Italy and Goldfleet Italy), with certain exceptions in Spain.

All above-mentioned assets subject to security interests are collectively referred to herein as the "Securitifleet Securities" and "Goldfleet Securities". The Securitifleet and Goldfleet Securities secure the Senior Asset Revolving Facility and the Securitifleet Loan on a *pari passu* basis and enforcement revenue from such collateral will be paid first to the senior lenders under the Senior Asset Revolving Facility pursuant to the amortization priority of payments in the SF Intercreditor Agreement. Such senior lenders, in addition, benefit from direct security over the assets of Securitifleet Italy and Goldfleet Italy. The holders of the EC Finance Notes indirectly benefit only from a negative pledge in respect of the assets of Securitifleet Italy and Goldfleet Italy.

The security agent for the EC Finance Notes acts as agent for the trustee for the EC Finance Notes and the holders of these EC Finance Notes in respect of the EC Finance Notes Securities (as defined below). A common security agent acts as the agent for the SARF creditors and the EC Finance Notes trustee and as the security agent for the EC Finance Notes and the holders of EC Finance Notes in respect of the shared Securitifleet Securities and Goldfleet Securities in accordance with, and under the conditions stipulated by, the provisions of the SF Intercreditor Agreement.

C) SECURITIFLEET ON-LOAN AGREEMENTS

Securitifleet Holding acts as the financing entity for the rental fleet purchasing and leasing activities of the Securitifleet Companies. Securitifleet Holding has used the revenue from funding under the Securitifleet Loan related to the EC Finance Notes, together with drawings under the SARF, to on-lend, directly or indirectly, as required by certain local and national jurisdictional limitations, said amounts to the Securitifleet Companies (each such transaction a "Securitifleet Advance") under the "Securitifleet On-Loan Agreements".

Securitifleet Holding has entered into revolving credit facilities with Securitifleet Spain, Securitifleet Italy, Securitifleet France and Securitifleet Germany pursuant to which Securitifleet Holding advances funds to them from time to time.

Except as otherwise required by law, all payments under the Securitifleet Advances are made without deductions or withholding for, or on account of, any applicable tax. In the event that any Securitifleet company is required to make any such deduction or withholding, it is further required to gross-up each payment to Securitifleet Holding to ensure that Securitifleet Holding receives and retains a net payment equal to the payment which it would have received had no such deduction or withholding been made.

Each Securitifleet On-Loan Agreement provides that the Securitifleet Companies will make all payments pursuant thereto on a timely basis in order to ensure that Securitifleet Holding can satisfy its payment obligations under the Senior asset Revolving Facility and the Securitifleet Loan, taking into account administrative and timing concerns and limitations, including under the SF Intercreditor Agreement. Insofar as the SF Intercreditor Agreement only permits payments to be made on the 17th of each month, the semi-annual interest payments on the EC Finance Notes are funded by Securitifleet Holding to ECF on the settlement date preceding the relevant semi-annual interest payment date on the EC Finance Notes (which is on the first of the following month). ECF is permitted to invest such funds in highly rated liquid securities held in an account pledged for the benefit of the EC Finance Note holders. Any surplus funds in such account following an EC Finance Notes interest payment date may be remitted to Securitifleet Holding for investment in the Securitifleet Companies. Pursuant to the ECI Subordinated Loan, ECI has the option to extend to ECF amounts sufficient to enable ECF to satisfy its payment obligations under the EC Finance Notes that are not funded through payments on the Securitifleet Loan.

Each Securitifleet Company has been created with a limited corporate purpose and is required by the terms of the Securitifleet On-Loan Agreements to which it is a party, which incorporate limitations substantially similar to those provided in the EC Finance Notes Indenture (as defined below), to use the proceeds of the relevant Securitifleet Advances made available under its Securitifleet On-Loan Agreement to acquire and lease vehicles to the Operating Company in its jurisdiction.

D) FCT JUNIOR NOTES

The revenue from the FCT Junior Notes subscribed by ECI set forth the overall credit enhancement and, as applicable, the remuneration of the FCT accounts (in the event of a negative interest rate being applicable to these accounts) as well as an additional liquidity requirement, which is an amount determined by application of a fixed percentage of the rental fleet residual value (which, for each Securitifleet Company and Goldfleet Company, is composed of the aggregate residual value of a given rental fleet of these companies plus capitalized costs for any purchased vehicles for which registration is pending, less any aggregate provisions for badly damaged or stolen vehicles or vehicles the value of which has decreased significantly, with the amount equal to the product of the percentage of the loss adjustments and the residual value of the fleet being deducted), to the amount of the securitization financing (as defined below) at the level of the FCT Issuer, on a cross-collateralized basis among all the Securitifleet Companies and Goldfleet Companies (including any residual risk, such as interest rate risk). The amount and rate of the credit enhancement and liquidity required are calculated monthly (such amount being adjusted on the date on which each advance is made under the Senior Asset Revolving Facility) and is applied towards the determination of the amount of the FCT Junior Notes to be issued in connection with each advance drawdown under the Senior Asset Revolving Facility on the basis of the advance rate and the liquidity amount required.

The FCT Junior Notes are issued for a nominal amount of €1,000. They accrue interest on the basis of the nominal amount issued for each interest period which ends on each settlement date. The amount of interest due on each settlement date for each FCT Junior Note is calculated on a date immediately preceding this settlement date as follows:

a) an amount equal to (i) the sum of all interest amounts due to be received under the SARF Agreement on such settlement date; plus (ii) the swap floating amount due to the FCT Issuer by the swap counterparties on such settlement date, (iii) the aggregate interest amount accrued on a liquidity enhancement cash reserve account and an Italian withholding tax reserve account up to such calculation date; plus (iv) the "Additional Amount" to be paid by Securitifleet Holding to the FCT Issuer on such settlement date (an amount payable by Securitifleet Holding to the transaction administrator for the account of the FCT Issuer, deemed to be €140,000 per month, subject to certain modifications); less (v) the swap fixed amount to be paid by Securitifleet Holding to any swap counterparty on that settlement date; less (vi) the aggregate of all Senior Note coupons due to be paid in relation to all Senior Notes on such settlement date; divided by;

b) the aggregate outstanding amount of all Junior Notes; multiplied by;

c) the amount of principal outstanding of such Junior Notes.

E) EC FINANCE NOTES

On November 2, 2017, EC Finance Plc ("ECF") issued Senior Secured Notes for a principal amount of €350 million, increased to €500 million on June 28, 2018 through the issuance of new notes for €150 million, bearing annual interest at a rate of 2.375% and redeemable in 2022 (the "EC Finance Notes"). The EC Finance Notes are listed for trading on the Euro MTF market of the Luxembourg Stock Exchange.

GUARANTEES

The EC Finance Notes are guaranteed on a senior unsecured basis by the Company and by ECI (the "Guarantees"). The Guarantees form part of the Company's and ECI's general Senior Notes, and therefore have the same payment priority as all Company and ECI existing and future debts, the payment of which is not subordinated in terms of payment priority to the Guarantees or calls on Guarantees. The Guarantees rank senior in right of payment to all existing and future indebtedness of the Company or ECI that is subordinated or otherwise junior in right of payment to the Guarantees.

The Guarantees are subordinated to any existing or future debt and any other liabilities of the Company or ECI secured by the property and assets of the Company or ECI and its subsidiaries to the extent of the value of the property and assets securing this debt, including the Senior Revolving Credit Facility and certain fleet financing contracts. In the event of bankruptcy or insolvency, the secured lenders have a priority claim over all securities of the Company or ECI securing the debt they hold.

RANKING/PRIORITY

The EC Finance Notes:

- are general senior notes of ECF;
- are guaranteed on a senior unsecured basis by the Company or ECI;
- rank equally in right of payment with all existing and future indebtedness of ECF that is not subordinated in right of payment to the EC Finance Notes; and
- rank senior in right of payment to all existing and future indebtedness of ECF that is subordinated or otherwise junior in right of payment to the EC Finance Notes.

SECURITY

The EC Finance Notes benefit directly from the real security interests granted to the security agent for the EC Finance Notes on behalf of the trustee of the EC Finance Notes and the holders of the EC Finance Notes (the "EC Finance Notes Securities") on the following rights, property and assets:

- the balance in the bank accounts held in the United Kingdom by ECF and ECF's rights under the ECI Subordinated Loan; and
- ECI's rights under the Securitifleet Loan.

As lender of the Securitifleet Loan, ECF (and indirectly the EC Finance Note holders) also benefits, indirectly, from the Securitifleet Securities and Goldfleet Securities. See Section 3.2.3.2 "Debt Related to Fleet Financing" in section (B) "Securitifleet Securities and Goldfleet Securities".

EVENT OF EARLY REDEMPTION

On or after November 15, 2019, and during each 12-month period beginning on November 15 of the years indicated below, ECF or the Company may redeem all or part of the EC Finance Notes, with prior notice given within a period of not less than 10 days or more than 60 days before the redemption date, at the following redemption prices (expressed as a percentage of par), plus interest accrued and unpaid on the redemption date:

Period	Redemption Price
Friday, November 15, 2019	101.188%
November 15, 2020	100.594%
As of November 15, 2021	100.000%

COMMITMENTS (COVENANTS)

The EC Finance Notes Indenture contains covenants that, among other things, limit the ability of ECF, ECI, Securitifleet Holding, Securitifleet Companies, Goldfleet Companies and their restricted subsidiaries to:

- respect a maximum loan-to-value ratio of all Securitifleet Companies' and Goldfleet Companies' indebtedness over the total market value of the assets of certain Securitifleet Companies and Goldfleet Companies of 95%, a ratio that will be tested on a quarterly basis;
- respect covenants limiting the activities of ECF and the Securitifleet Companies and Goldfleet Companies;
- incur additional indebtedness;
- make certain payments, including dividends or any other distribution;
- grant certain securities;
- sell assets;
- in the case of restricted subsidiaries, enter into arrangements that limit their ability to pay dividends or make payments to the Company;
- in the case of restricted subsidiaries, grant a guarantee or collateral to secure their debt;
- engage in transactions with affiliates;
- consolidate, merge or transfer all or substantially all of the Company's assets and the assets of its subsidiaries on a consolidated basis; and
- take any action that would materially impair the security interests.

These covenants are subject to important exceptions and qualifications. Currently, all of the subsidiaries of ECF, ECI, Securitifleet Holding and Securitifleet Companies and Goldfleet Companies are restricted subsidiaries (as defined in the EC Finance Notes Indenture).

SF INTERCREDITOR AGREEMENT

With respect to the signing of the SARF and the issuance of the EC Finance Notes, an Intercreditor Agreement was entered into with, among other, the Senior Facility Lending Bank under the SARF and the trustee for the EC Finance Notes on July 30, 2010; said agreement was amended on March 4, July 31, 2014, May 12, 2015, September 14, 2016, and again on November 2, 2017 (the "SF Intercreditor Agreement").

The SF Intercreditor Agreement sets out, among other provisions:

- the relative ranking of certain Securitifleet Holding debts;
- when payments can be made in respect of Securitifleet Holding's debt;
- when and under what terms enforcement action in respect of this debt can be taken;
- the terms on which any part of this debt will be subordinated on the occurrence of certain insolvency events;
- dispositions related to revenue;
- security amendment principles setting out when security and guarantees may be modified by the common security agent without prior consent from the trustee or holders of EC Finance Notes; and
- limitations to any petition action in certain time periods and to the recourse which may be taken against Securitifleet Holding and any of the Securitifleet companies and Goldfleet companies.

F) SUBSTANTIAL OPERATING LEASES

The Group finances a portion of its fleet in its Corporate Countries through operating leases. The Group has entered into framework operating lease agreements with financial institutions and the financing entities of its main car suppliers, which are negotiated mainly at Group level.

The Group's main operating leases are described below:

- a line of €400 million granted by the CM-CIC covering the fleet financing needs of Germany, Belgium and Luxembourg;
- facilities granted by the financial entities of the main auto makers, including Daimler, Volkswagen and Renault. These facilities are set up at the local level on the basis of a detailed fleet plan by country agreed on by the parties. These agreements are signed on a yearly basis.

G) INTEREST RATE SWAP AND CAP CONTRACTS

On the date of this Universal Registration Document, the positions of rate derivatives intended to manage the rate risk related to the variable rate debt are detailed in the following table:

Instruments	Nominal	Fixed rate paid or protected		Index	Maturity
Swaps	€1,000 m	0.94%		1-month Euribor	October 2022
	€600 m	0.75% until 06/21/2021	1.10% from 06/21/201 to maturity	6-month Euribor	December 2024
Caps	€600 m	0.50%		1-month Euribor	October 2022

H) UNITED KINGDOM FLEET FINANCING FACILITIES

The Group's entities in the United Kingdom finance their fleet through finance leases grouped around a Financing Agreement ("Club Facility") for a total of 400 million pounds sterling. The Club Facility also has an uncommitted "Seasonal Facility" of £150 million, provided by the banks participating in the Club Facility each year between the months of May and October.

COMMITMENTS (COVENANTS)

The facility contains affirmative and negative covenants customary for this type of facility including restrictions on creation of security interests over the assets of certain members of ECGUK, the periodic delivery of financial and other information, and certain financial covenants and fleet tests.

In particular, ECUK must ensure that:

- the net real value of ECGUK is not less than £45 million; and
- the ratio of fleet cover is not greater than 1.00.

As at Thursday, December 31, 2020, ECUK complied with all these financial covenants.

I) ASSET FINANCING IN AUSTRALIA AND NEW ZEALAND

Certain Australian and New Zealand financial institutions (banks or financial entities of certain auto makers) have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the "Australian and New Zealand Asset Financing Facilities"), including revolving and non-revolving fleet operating and finance leases with a maximum value of AUD 205 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets, including goodwill and uncalled capital and called but unpaid capital, together with the relative insurance policy assigned. There are also performance guarantees for the facilities.

These facilities include covenants. In particular, Europcar Australia must ensure that:

- the minimum actual value (i.e., total shareholders' equity) is always greater than AUD 58 million;
- the average of its daily cash surpluses is greater than AUD 10 million.

At December 31, 2020, Europcar Australia was in compliance with all these financial covenants.

J) ASSET FINANCING IN THE UNITED STATES

At December 31, 2020, Fox Rent-a-Car had bilateral credit facilities for financing its rental fleet granted by local financial institutions for a maximum amount of $224 million. These facilities are pegged to LIBOR with different margins and maturities depending on the financial institution. These facilities are accompanied by financial commitments, which are tested each quarter. Fox Rent-a-Car must ensure that:

- EBITDA is greater than $65 million;
- the gearing ratio (debt to EBITDA) is less than 5.

As of December 31, 2020, Fox Rent-a-Car had not met the EBITDA commitment or the gearing ratio, but succeeded in getting all its funders to release it from these commitments.

3.2.3.3 Shareholders' equity

Shareholders' equity attributable to the owners of the Group totaled €190 million at December 31, 2020 compared with €837.8 million at December 31, 2019. The change primarily reflects the net loss for the period which amounted to €645 million.

The other changes mainly include the net impact of the financial instruments and actuarial differences relating to pension plans, particularly in Germany, tied to the decrease in the discount rate, and the share buy-back program.

3.2.3.4 Contractual obligations and off-balance sheet commitments

Refer to Section 3.2.3 "Description of funding at December 31, 2020" and to Note 6.6 "Off-balance sheet commitments" to the consolidated financial statements for the year ended December 31, 2020.

3.3 INVESTMENTS

3.3.1 Investment history

The Group's capital expenditures are primarily related to infrastructure and IT systems equipment, and to the equipment and modernization of the rental agencies.

If the acquisition is recorded in the statement of financial position, the expenses relating to the acquisition of vehicles are not recorded as a capital expenditure, but as operating expenses.

3.3.1.1 Rental fleet

The Group operates a large fleet that it has either acquired (with or without a buy-back clause) or that it holds under leasing agreements signed with car manufacturers, dealers or financial institutions. See Note 4 to the consolidated financial statements for more details about the accounting principles used for the fleet.

The Group's gross expenses relating to the purchase of vehicles totaled €2.2 billion and €3.2 billion for the fiscal years ended December 31, 2020 and 2019 respectively. These expenses are primarily financed by *ad hoc* borrowings. The revenue from the sale of vehicles at the end of their period of use is used to repay these borrowings.

For more information on the Group's rental fleet, see Section 1.6.6 "the Group's Fleet"; for more information on the cash flows related to vehicle purchases, see Section 3.2 "the Group's liquidity and capital resources".

3.3.1.2 Capital expenditures

The Group's capital expenditures (acquisitions of intangible assets and property, plant and equipment, net of disposals) amounted to €33 million in 2020 versus €75 million in 2019. These items represent expenditures for IT development and expenditures for other equipment (computer hardware and software, furniture, fixtures and fittings).

In 2020, these expenditures were limited to essential digital projects in a context of protecting liquidity because of the Covid-19 crisis.

3.3.1.3 Acquisitions/Joint Ventures

In 2020, Europcar Mobility Group did not make any acquisitions or establish any joint ventures.

3.3.2 Ongoing investments

Refer to Section 3.3.3 "Future investments" below.

3.3.3 Future Investments

To support its efforts to develop its CONNECT program, the Group plans to continue its investments, in order to simplify and harmonize the architecture of its IT systems to make it more open and flexible, facilitating the integration of third-party applications. This program, named Product & Tech Transformation a component of the Group's strategy (see Section 1.6.8 "Product and Technology division").

In addition, the Group is developing an investment plan to connect its entire rental fleet (see Section 1.4.2.2.2 "Description of the Group's strategic programs"), to provide better fleet management, a better customer experience via innovative services, and the concrete demonstration of the Group's commitment, i.e. to have a 100% connected fleet by 2023, given that a portion is already connected (including the Ubeeqo fleet).

At the registration date of this document, and with the exception of the obligations associated with the purchase of vehicles financed by *ad hoc* borrowings which can be repaid with the revenue from the sale of vehicles at the end of their useful life, the Company has not entered into any other significant commitment for future investments (see Note 6 "Off Balance Sheet Commitments" in the Group's consolidated financial statements for the fiscal year ended December 31, 2020).

3.4 CONSOLIDATED FINANCIAL STATEMENTS AND STATUTORY AUDITOR'S REPORT FOR THE YEAR ENDED DECEMBER 31, 2020

Consolidated financial statements for the year ended December 31, 2020

(in thousands of euros)	Notes	**At December 31, 2020**	At December 31, 2019
Revenue		**1,760,946**	**3,022,386**
Fleet holding costs	4.2	(632,865)	(805,539)
Net Fleet depreciation		*(518,057)*	*(674,999)*
Other fleet holding costs		*(114,808)*	*(130,540)*
Fleet operating, rental and revenue related costs	4.3	(653,367)	(1,006,517)
Personnel costs	9.1	(379,947)	(522,300)
Network and head office overhead costs	3.2	(194,143)	(240,870)
Non-fleet depreciation, amortization and impairment expense	3.3	(153,359)	(151,538)
Other income and expense	3.4	410	11,998
Current operating income		**(252,325)**	**307,619**
Impairment of non-current assets	3.5	(132,597)	-
Other non-recurring income and expenses	3.5	(115,509)	(58,228)
Operating income		**(505,431)**	**249,391**
Net fleet financing expenses		(73,021)	(70,468)
Net non-fleet financing expenses		(75,790)	(77,529)
Net other financial expenses		(36,397)	(38,895)
Net financing costs	3.6	(185,208)	(186,893)
Profit/loss before tax		**(685,639)**	**62,498**
Income tax benefit/(expense)	3.7	40,854	(32,885)
Share of profit of Associates		-	-
Net profit/(loss) for the period		**(644,785)**	**29,613**
Attributable to: Owners of the parent company		(644,672)	29,633
Non-controlling interests		(113)	(20)
Basic Earnings per share attributable to owners of the parent company *(in €)*	3.8	(3.934)	0.181
Diluted earnings per share attributable to owners of the parent company *(in €)*	3.8	(3.934)	0.179

Consolidated statement of comprehensive income

(in thousands of euros)	At December 31, 2020 Before tax	At December 31, 2020 Tax income/ (expense)	At December 31, 2020 After tax	At December 31, 2019 Before tax	At December 31, 2019 Tax income/ (expense)	At December 31, 2019 After tax
Net profit/(loss) for the period	**(685,639)**	**40,854**	**(644,785)**	**62,498**	**(32,885)**	**29,613**
Items that will not be reclassified to profit or loss	**(7,969)**	**1,772**	**(6,197)**	**(20,440)**	**6,361**	**(14,079)**
Actuarial gains/(losses) on defined benefit pension plans (1)	(7,969)	1,772	(6,197)	(20,440)	6,361	(14,079)
Items that may be reclassified subsequently to profit or loss	**2,567**	**-**	**2,567**	**3,151**	**-**	**3,151**
Foreign currency differences	(6,672)	-	(6,672)	7,441	-	7,441
Effective portion of changes in fair value of hedging Instruments	9,239	-	9,239	(4,290)	-	(4,290)
Other comprehensive income for the period	**(5,402)**	**1,772**	**(3,630)**	**(17,289)**	**6,361**	**(10,928)**
Total comprehensive income/ (loss) for the period	**(691,041)**	**42,626**	**(648,415)**	**45,209**	**(26,523)**	**18,685**
Attributable to:						
Group			(648,302)			18,705
Non-controlling interests			(113)			(20)

(1) In 2020, the pension commitments relating to Germany were revalued by (4.6) million euros mainly taking into account the change at December 31, 2020 in the discount rate based on the obligations of 1st category companies in Germany (0.45% as of December 31, 2020 versus 0.70% as of December 31, 2019). In 2019, the retirement commitments relating to Germany were revalued by (19.6) million euros.

Consolidated statement of financial position

(in thousands of euros)	Notes	**At December 31, 2020**	At December 31, 2019 (1)
ASSETS			
Goodwill	5.1	998,119	1,136,974
Intangible assets	5.2	1,055,831	1,060,064
Property, plant and equipment	5.3	413,171	518,346
Other non-current financial assets	8.1	54,138	73,905
Non-current financial instruments		-	-
Deferred tax assets	3.7	176,851	119,832
Total non-current assets		**2,698,110**	**2,909,121**
Inventories	6.1	16,093	29,563
Rental fleet recorded in the balance sheet	4.1	2,197,240	3,210,147
Rental fleet and related receivables	4.4	504,017	966,423
Trade and other receivables	6.2	382,010	487,618
Other financial assets	8.1	23,238	14,844
Current tax assets		29,006	34,023
Restricted cash	8.2	81,953	116,518
Cash and cash equivalents	8.2	364,646	527,019
Total current assets		**3,598,203**	**5,386,155**
TOTAL ASSETS		**6,296,313**	**8,295,276**
Shareholders' equity			
Share capital		163,884	163,884
Share premiums		701,229	701,229
Reserves		(196,470)	(199,818)
Retained earnings (losses)		(478,898)	171,172
Total equity attributable to the owners of the Group		**189,745**	**836,467**
Non-controlling interests		522	642
Total Equity	7	**190,267**	**837,109**
LIABILITIES			
Non-current portion of financial liabilities	8.3	2,105,205	2,104,778
Non-current financial instruments	8.5	60,122	64,161
Non-current employee benefit liabilities	9	167,202	161,915
Non-current provisions	10	10,842	5,132
Deferred tax liabilities	3.7	214,782	222,220
Other non-current liabilities		118	159
Total non-current liabilities		**2,558,271**	**2,558,365**
Current portion of financial liabilities	8.3	2,209,163	3,186,564
Employee benefits	9.2	2,622	3,275
Current provisions	10	214,226	221,446
Current tax liabilities		46,116	46,494
Rental fleet related payables	4.4	555,104	813,128
Trade payables and other liabilities	6.3	520,544	628,895
Total current liabilities		**3,547,775**	**4,899,802**
Total liabilities		**6,106,046**	**7,458,167**
TOTAL EQUITY AND LIABILITIES		**6,296,313**	**8,295,276**

(1) The opening amounts were restated as of 31 December 2019 and no longer correspond to the figures disclosed in the 2019 financial statements since adjustments to the valuation of the 2019 acquisitions were made in 2020 (see note 2.2).

Consolidated statement of changes in equity

(in thousands of euros)	Share attributable to EUROPCAR MOBILITY GROUP							Non-controlling interests	Total Equity
	Share capital	Share premiums	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total		
Balance at January 1, 2020	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,886**	**837,181**	**642**	**837,823**
Catch up amortization of Purchase Price Allocation in 2019 [(1)]	**-**	**-**	**-**	**-**	**-**	**(714)**	**(714)**	**-**	**(714)**
Adjusted balance at January 1, 2020	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,172**	**836,467**	**642**	**837,109**
Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**(644,672)**	**(644,672)**	**(113)**	**(644,785)**
Foreign currency differences	-	-	-	(6,672)	-	-	(6,672)	-	(6,672)
Effective portion of changes in fair value of hedging Instruments	-	-	9,239	-	-	-	9,239	-	9,239
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	(7,969)	(7,969)	-	(7,969)
Income tax relating to components of other comprehensive income	-	-	-	-	-	1,772	1,772	-	1,772
Other comprehensive income/(loss)	**-**	**-**	**9,239**	**(6,672)**	**-**	**(6,197)**	**(3,630)**	**-**	**(3,630)**
Share base payment	-	-	-	-	-	(280)	(280)	-	(280)
Transactions on treasury shares	-	-	-	-	781	-	781	-	781
Other	-	-	-	-	-	1,079	1,079	(7)	1,072
Transactions with owners	**-**	**-**	**-**	**-**	**781**	**799**	**1,580**	**(7)**	**1,573**
Balance at December 31, 2020	**163,884**	**701,229**	**(53,597)**	**(69,527)**	**(73,346)**	**(478,898)**	**189,745**	**522**	**190,267**

(1) Catch-up of amortization related to the acquisition of the Finnish and Norwegian franchisees and Fox Rent A Car (refer to note 2.2.1 (ii)).

(in thousands of euros)	Share attributable to EUROPCAR MOBILITY GROUP							Non-controlling interests	Total Equity
	Share capital	Share premiums	Hedging reserve	Translation reserve	Treasury shares	Retained earnings	Total		
Balance at January 1, 2019	**161,031**	**692,255**	**(58,546)**	**(70,296)**	**(36,645)**	**201,417**	**889,216**	**651**	**889,867**
Impact of changed methods [(1)]	-	-	-	-	-	(5,832)	(5,832)	-	(5,832)
Adjusted balance at January 1, 2019	**161,031**	**692,255**	**(58,546)**	**(70,296)**	**(36,645)**	**195,585**	**883,383**	**651**	**884,035**
Net profit (loss) for the period	**-**	**-**	**-**	**-**	**-**	**29,633**	**29,633**	**(20)**	**29,613**
Foreign currency differences	-	-	-	7,441	-	-	7,441	-	7,441
Effective portion of changes in fair value of hedging Instruments	-	-	(4,290)	-	-	-	(4,290)	-	(4,290)
Actuarial gains (losses) on defined benefit pension schemes	-	-	-	-	-	(20,440)	(20,440)	-	(20,440)
Income tax relating to components of other comprehensive income	-	-	-	-	-	6,361	6,361	-	6,361
Other comprehensive income/(loss)	**-**	**-**	**(4,290)**	**7,441**	**-**	**(14,079)**	**(10,928)**	**-**	**(10,928)**
Transactions on treasury shares	-	(2,839)	-	-	(37,482)	-	(40,321)	-	(40,321)
Share base payment	-	-	-	-	-	688	688	-	688
Profit appropriate by Share Premium	-	-	-	-	-	(39,479)	(39,479)	-	(39,479)
Special distribution deducted from Share Premium	2,853	11,813	-	-	-	-	14,666	-	14,666
Other	-	-	-	-	-	(462)	(462)	11	(451)
Transactions with owners	**2,853**	**8,974**	**-**	**-**	**(37,482)**	**(39,253)**	**(64,908)**	**11**	**(64,897)**
Balance at December 31, 2019	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,886**	**837,181**	**642**	**837,823**

(1) Change in accounting methods related to the first-time adoption of IFRIC 23 on January 1, 2019.

Consolidated cash flow statement

(in thousands of euros)	Notes	**At December 31, 2020**	At December 31, 2019
Profit/(loss) before tax		**(685,639)**	**62,498**
Reversal of the following items			
Depreciation and impairments expenses on property, plant and equipment (1)	3.3	116,744	125,747
Amortization and impairment expenses on intangible assets	5.1 & 5.2	36,545	25,198
Impairment of non-current assets (2)	3.5	132,667	593
Changes in provisions and employee benefits (3)	9.10	(178)	(7,183)
Recognition of share-based payments		(281)	688
Profit/(loss) on disposal of assets		(795)	(1,214)
Other non-cash items		4,951	4,592
Total net interest costs (4)		*156,708*	*154,909*
Amortization of transaction costs		*10,031*	*16,448*
Net financing costs		**166,739**	**171,357**
Net cash from operations before changes in working capital		**(229,247)**	**382,276**
Change to the rental fleet recorded on the Balance Sheet (5)		954,343	(331,373)
Changes in fleet working capital	4.4	205,205	(27,953)
Changes in non-fleet working capital requirement	6.4	25,779	10,137
Cash generated from operations		**956,080**	**33,087**
Income tax received/(paid)		(17,172)	(29,919)
Net interest paid		(116,669)	(135,485)
Net cash generated from (used by) operating activities		**822,239**	**(132,317)**
Acquisition of intangible assets and property, plant and equipment	5.1, 5.2 & 5.3	(49,437)	(84,454)
Proceeds from disposal of intangible assets and property, plant and equipment		16,682	9,030
Proceeds from the sale of subsidiaries		-	1,499
Acquisition of subsidiaries net of cash acquired and other financial investments (6)		2,477	(106,968)
Net cash flows from (used in) investing activities		**(30,278)**	**(180,893)**
Capital increase (net of related expenses) (7)		-	11,827
Special distribution and dividends paid		-	(39,479)
(Purchases)/Sales of treasury shares		781	(42,402)
Issuance of notes (8)	8.3	-	(150,000)
Financial debt linked to government measures (9)	8.3	350,491	-
Change in other borrowings (10)	8.3	(1,161,969)	905,170
Change in rental debts (11)		(157,821)	(161,511)
Payment of transactions costs (12)		(3,360)	(8,909)
Net cash flows from (used in) financing activities		**(971,878)**	**514,696**
Cash and cash equivalents at beginning of period		**628,155**	**424,986**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences		(179,917)	201,486
Change in scope		-	-
Effect of foreign exchange differences		(3,637)	1,683
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**8.2**	**444,601**	**628,155**

(1) In 2020, the variation includes €94 million for the depreciation of the right of use of property assets within the scope of IFRS 16 (€104 million in 2019.
(2) In 2020, €131 million for the impairment of the goodwill and €2 million for the impairment of tangible and intangible assets (please refer to note 5).
(3) In 2020, the variation is mainly explained by the change in the insurance provision for €(3) million, in the "buy-back" provision for €(10) million offset by some tax and restructuring provisions as well as benefit employee provision (please refer to note 10). In 2019, the variation is mainly explained by the change in the insurance provision for (2) million euros, in the "buy-back" provision for (3) million euros and benefit employee provision for (1) million euros.
(4) Of which in 2020, €14 million related to the recognition of the right of use of assets within the scope of IFRS 16 (€18 million in 2019).
(5) Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their change from period to period is therefore similar to operating flows generated by the activity. In 2020, the variation includes the change in right of use of the fleet within the scope of IFRS 16 for an amount of €(52) million (€48 million in 2019).
(6) In 2019, the change is mainly related to the acquisition by the Group of its Finnish and Norwegian franchisees for 38 million euros and Fox Rent A Car for 49 million euros.
(7) In 2019, the variation includes the impact of the capital increase reserved for employees of the Group ("we Share 2019" Plan).
(8) In 2019, the change is mainly related to the issuance of 450 million euros of Senior Notes at a rate of 4%, which mature in 2026 and the early reimbursement of 600 million euros of existing Senior Notes, at a rate of 5.750% that mature in 2022.
(9) In 2020, the variation includes a €220 million French State guaranteed loan, €101 million of new financing facilities in Spain as well as other State guaranteed loans mainly in Italy.
(10) In 2020, primarily related to changes in the Senior Credit Facility. In 2019, primarily related to changes in the Senior Credit Facility, Revolving Credit Facility and Commercial Papers.
(11) In 2020 and following the implementation of IFRS 16, the variation includes €57 million due to change in liability under the fleet lease agreements and €98 million due to change in liability under non-fleet lease agreements (respectively €49 million and €112 million in 2019).
(12) In 2020, transaction costs paid for the State guaranteed loan in France for €(3) million and for the renewal of local fleet financing credit line for €(1) million. In 2019, the variation is primarily due to transaction costs, of which (5) million euros relate to the new issuance of Senior Notes for 450 million euros and the renewal of the Revolving Credit Facility for (2) million euros.

NOTES

Note 1 General overview

1.1 General information

Europcar Mobility Group is one of the major operators in the mobility sector. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder®, Fox Rent A Car® and Ubeeqo®. The Group is active worldwide through a dense network in 140 countries (18 wholly-owned subsidiaries in Europe, 1 in the United States, 2 in Australia and New-Zealand, as well as franchisees and partners).

Europcar Mobility Group S.A. was incorporated on March 9, 2006 with initial share capital of 235,000 euros and was converted into a French joint stock company (*société anonyme*) on April 25, 2006. ECG changed its governance on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

Europcar Mobility Group's registered offices are located at 13 *ter* boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group S.A. was first listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN Code: FR0012789949; ticker: EUCAR).

In these consolidated financial statements, the terms "EMobG", "the Group" and "Europcar" mean Europcar Mobility Group S.A together with its consolidated subsidiaries.

1.2 Main events of the period

1.2.1 A year fully impacted by the Covid-19 health crisis

The world economy was hit by the Covid-19 pandemic starting in February-March 2020, creating a systemic shock across all sectors of the economy, and in particular the travel and leisure sector in which Europcar Mobility Group is active: lockdown measures imposed all over the world, travel restrictions in many countries (quarantine, etc.), gradual reopening of borders and then closure again. The pandemic resulted in a sudden drop in the number of travelers for international tourism and business at first, and then in the activity linked to domestic customers.

Airlines thus drastically reduced their capacity (in number of seats) by more than 60% on average in the third quarter of 2020 (source: Official Aviation Guide application) between the countries where the Group's business is traditionally greatest.

The Group was hit hard by the crisis, with a 70% drop in revenue in the second quarter and 50% in the third quarter, which traditionally represents one third of annual revenue and a very strong contribution to Group's profits. This sharp decline in activity had a strong impact on liquidity, which dropped sharply.

Because of the impact of the Covid-19 crisis, the Company announced on March 23, 2020 that it was initiating a plan to reduce costs. This plan included: a reduction in the rental volume and deferred purchases until a new situation, the renegotiation of contracts, the implementation of short-time work and rapid adjustments of personnel wherever possible, a freeze on investments, and stopping of any non-essential operating expense.

In addition to this cost-cutting plan and to cope with this global pandemic, the Group new funding lines in May 2020 (refer to Note 1.2.2) and finalized its financial restructuring plan in 2021 (refer to Note 1.2.3) to guarantee the Group's continuity of operations (refer to Note 1.2.4).

1.2.2 Opening of new lines of financing

On May 3, 2020, the Company announced the implementation of a financing intended not only to secure its liquidity to cope with the crisis caused by the Covid-19 pandemic, but also to address the expected financing requirements of its fleet and the needs of the Group to ensure a rapid recovery of its activities. The main lines of financing established are:

- a €220-million loan, arranged on May 2, 2020 with the Group's leading French and international banks, backed by a French government guarantee for 90% of the loan through Bpifrance ("Prêt Garanti par l'État", "PGE"). The PGE consists of two tranches, the first for an amount of €130 million for Europcar International S.A.S.U. and the second for an amount of €90 million for Europcar Participations S.A.S;
- new financing lines for the Group's Spanish subsidiaries (Europcar Spain and Goldcar Spain), for a total of €101 million signed in the past two weeks with 5 banks backed by a Spanish government guarantee for 70% of the amount. These new financing lines will be valid for three years and will be used to finance the fleet and corporate requirements;
- an additional RCF tranche of €20 million (to raise this financing line from €650 to €670 million) provided by French banks, which obtained a guarantee from Eurazeo to underwrite their risk.

The Group also negotiated other government guaranteed loans in Italy. Refer to note 8 – Financing and financial risk management.

1.2.3 the Group's financial restructuring plan

For the purpose of readability, the note groups together the events over the year and events subsequent to year end.

Faced with the magnitude of the impact of Covid-19 on its short and medium-term activity level, the Group reacted very quickly to adapt its capital structure to its level of revenue, with a reduced corporate debt and an appropriate level of liquidity. The Group thus announced on September 7, 2020 its intention to initiate discussions with the creditors of its corporate debt with a view to restructuring the financing, while accelerating the implementation of its "Connect" transformation plan.

On November 26, 2020, the Group announced that it had taken a major step in its financial restructuring with the conclusion of an agreement in principle on a financial restructuring plan (the "Agreement in Principle"). The Agreement in Principle was concluded between the Company and a significant group of creditors known as "cross-holders", holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company's Supervisory Board. It provides for the following in particular:

(i) massive corporate debt reduction, by reducing the Group's corporate debt by 1.1 billion euros through the conversion into capital of all of its 2024 Senior Bonds, 2026 Senior Bonds and the Credit Suisse Facility;

(ii) a significant injection of new liquidity, with the capital contribution in the amount of 250 million euros (the "New Capital Liquidity") as well as the granting of new fleet financing in the amount of 225 million euros (together, the "New Liquidity");

(iii) the refinancing of the RCF.

All these instruments are fully secured by the members of the coordination Committee made up of this significant group of cross-holder creditors, holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. They are open to all holders of 2024 Senior Bonds and 2026 Senior Bonds – and/or RCF lenders in the case of RCF refinancing only.

The implementation of the Agreement in Principle was subject to several customary conditions precedent, including the adoption of the necessary resolutions by the General Meeting of shareholders of the Company and the obtaining of the required level of support from creditors in the pending proceedings in France.

As part of the implementation of its financial restructuring and the agreement in principle, Europcar Mobility Group announced on December 14, 2020 the opening of an accelerated financial safeguard procedure. All the conditions precedent as well as the validation of the plan by both the shareholders and the Commercial Court were validated in the months of January and February 2021.

The events below occurred subsequent to year end

In accordance with the decisions adopted on January, 20th, 2021 by the extraordinary general meeting of the company's shareholders, the company new's form of governance entered into force and accordingly:

- the Company's governance and management structure has been modified to adopt a structure with a board of directors governed by Articles L.225-17 à L.225-56 of the French Commercial Code instead of the structure with a management board and a supervisory board; and
- the mandates of the members of the company's Supervisory Board and Management Board were determined.

On February 3, 2021, the Commercial Court of Paris approved the accelerated financial safeguard plan.

On February 4, 2021, the Group launched the capital increase, maintaining shareholders' preferential subscription rights for an amount of 50 million euros.

On 26 February 2021, the Group announced the finalization of its balance sheet restructuring, thanks to the successful completion of the final steps of the accelerated financial safeguard plan approved by the Paris Commercial Court on February 3, 2021. The main characteristics and impacts of the restructuring plan are described below.

Impact of these events on debt and equity, subsequent to year end

In order to assess the effects of the restructuring plan on debt and equity, the table below illustrates the restructuring operations as if they had been carried out at December 31, 2020:

(in thousands of euros)	December 31, 2020	Capital reduction (1)	Reserved capital increase (2)	Capital increase in cash (3)	New fleet financing and refinancing of the RCF (4)	Impacts on net profit (5)	December 31, 2020, post-restructuring
Share capital	163,884	(162,245)	29,837	18,679	-	-	50,155
Share premiums	701,229	-	1,103,967	228,509	-	-	2,033,705
Reserves	(196,470)	162,245	-	-	-	(48,400)	(82,625)
Retained earnings (losses)	(478,898)	-	-	-	-	22,278	(456,620)
Total equity attributable to the owners of the Group	**189,745**	**-**	**1,133,804**	**247,188**	**-**	**(26,122)**	**1,544,615**
Current financial liabilities	**4,314,368**	**-**	**(1,133,804)**	**-**	**221,247**	**12,200**	**3,414,011**
TOTAL SHAREHOLDERS' EQUITY AND FINANCIAL LIABILITIES	**4,504,113**	**-**	**-**	**247,188**	**221,247**	**(13,922)**	**4,958,626**

(1) Decrease in the Company's capital, via a reduction in the nominal value of the Company shares from €1.00 to €0.01, approved by the General Meeting of shareholders on January 20, 2021, which also approved the transactions in financial instruments and equity of the restructuring plan described below.

(2) Includes:
- the conversion into equity of the 2024 Bonds and 2026 Bonds, in principle for an amount of €1,100 million plus interest accrued but not paid, which totaled €33.4 million at the transaction date (February 26, 2021);
- the conversion into equity of the Crédit Suisse loan, in principle for an amount of €50 million plus interest accrued but not paid, which totaled €0.4 million at the transaction date (February 26, 2021).

(3) Includes:
- the capital increase via a capital injection and the issue of new ordinary shares, maintaining shareholders' preferential subscription rights, for an amount of €242 million net of issue fees;
- a €5 million cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders. For the purpose of illustrating the restructuring impact, the assumption of the full exercise of all warrants was taken.

(4) Includes:
- €221 million in additional financing lines, net of the cost of financing. This facility is intended specifically for the vehicle It is specified that this line was not used on the transaction date and therefore presented in this table for purely illustrative purpose;
- Refinancing of the RCF for €670 million set up via a term loan of €500 million and a new RCF of €170 million.

(5) Includes:
- with the application of IFRIC 19, the difference between the book value of the debt converted into equity instruments and the fair value of these instruments at the transaction date revealed a non-monetary financial gain of €48 million, which will be recognized on the income statement;
- the expenses related to the refinancing operations recognized on the income statement for a total of €31 million, €17 of which were booked in 2020;
- the recycling of capitalized refinancing costs for an amount of €12 million, related to the debt restructuring and converted into equity;
- the total amount of refinancing costs estimated by the Group for the years 2020 and 2021 is €43 million and are booked to the income statement or as equity and debt instruments.

Impact of the financial restructuring plan implemented by the Group at year end

As of December 31, 2020, and after reviewing the conditions and characteristics of the Group's financial restructuring:

- the restructured financial liabilities are maintained under non-current liabilities and the interest accrued but not paid is booked under current liabilities;
- a portion of the costs related to the refinancing operations was recognized in the 2020 income statement for an amount of €17 million.

1.2.4 Group continuity of operations and management of liquidity

The success of its restructuring plan announced on February 26, 2021 allowed the Group to massively reduce its debt, benefit from fresh liquidity, and accelerate the rollout of its "Connect" strategic plan, a strategy focused on the gradual resumption of national and international travel. After review of these elements, the Group consolidated financial statements have been prepared on a going concern basis.

1.2.5 Main impacts on the Group's financial statements

Impairment tests on non-current assets

The Covid-19 health crisis led to a deterioration in the travel and leisure sector in the regions in which Europcar and its brands operated. This deterioration results in interruptions in activity in a number of countries, a decline in revenue, operating losses and a downward revisions of short and medium-term forecasts. These particularly adverse elements for the Group significantly impacted the impairment tests performed at December 31, 2020: goodwill, Trademarks and other intangible assets and property, plant and equipment.

The impairments recorded over the period amounted to €133 million and are laid out in Note 5 to the financial statements.

Deferred tax assets

The Group assessed the recoverable nature of the tax deficits that can be carried forward, using the projects of expected fiscal results, established on the basis of a post-health crisis business plan, and apply a discount to future taxable earnings to take into consideration the still persistent uncertainties related to the health crisis (refer to Note 3.8).

Covid-19 costs

All the extraordinary costs incurred by the Group that were directly tied to the health crisis (rents paid to lessors, additional cleaning costs for vehicles, etc.) were presented in the Group's current operating profit or loss (refer to Note 3.6).

1.2.6 Ratings agencies

S&P – Corporate Rating

In 2020, in a continually changing pandemic context, S&P progressively adjusted its issuer rating on the Group. Initially downgraded from BB- to B- with a negative CreditWatch on April 3, 2020 – notably linked to the pandemic and its impact on liquidity – then to CCC + on May 28, 2020, this rating has been raised to CC since November 3, 2020, following negotiations on the restructuring of the Group's debt, the outcome of which is likely to be perceived as a case of selective default under the S&P criterion. On that date, Europcar's corporate RCF was rated CCC-, its note debt C, with the exception of the secured subordinated note backed by the fleet, which was rated CC.

On November 30, 2020, the agency again downgraded the Group's rating to "Selective Default" (SD) following the non-payment of the interest due for the 2024 and 2026 Senior Subordinated Notes; this interest was to be capitalized in the context of the debt restructuring.

S&P – Fleet debt rating

On April 16, 2020, the agency placed the A rating of the SARF under negative CreditWatch as a result of the downgrade of the Europcar Mobility Group rating on April 3, 2020, reflecting the uncertainties related to the potential impacts of the pandemic on fleet liquidation assumptions and the deterioration of the Group's credit profile. On June 8, 2020, the agency downgraded the SARF to BBB, maintaining the negative CreditWatch after the new downgrade of the Group on May 28, 2020, considering an increased operational risk.

Moody's

In 2020, Moody's gradually revised the Group's Corporate Family Rating (CFR) in the context of the global pandemic. The CFR was first lowered from B3 to B2 in March, under review for a further lowering which effectively materialized on June 10, 2020, by a reduction to Caa1 with a stable outlook. On September 10, 2020, Moody's nevertheless downgraded this rating to Caa2 with a negative outlook considering a high probability of debt restructuring.

On December 2, 2020, the agency downgraded the Group's rating to "Limited Default" ("LD") following the non-payment of interest due under the 2024 and 2026 Senior Subordinated Bonds, with this interest being capitalized as part of the debt restructuring.

As of December 31, 2020 the downgrading of the Group rating affected the fair value of derivative financial instruments. The impacts are disclosed in the note 8 - Derivative financial instruments.

1.3 Significant accounting policies

1.3.1 Principles of account preparation

The consolidated financial statements of Europcar Mobility Group were prepared in accordance with the principles defined by the International Accounting Standards Board (IASB) as adopted by the European Union. This framework is available on the website of the European commission: http://ec.europa.eu/finance/accounting/ias-evaluation/index_fr.htm.

The international framework comprises IFRS (International Financial Reporting Standards), IAS (International Accounting Standards) and their SIC (Standing Interpretations Committee) and IFRIC (International Financial Reporting Interpretations Committee) interpretations.

The financial statements were prepared under the historical cost convention, except for the valuation of certain financial instruments.

These consolidated financial statements are presented in euros (€), which is Europcar Mobility Group's functional currency and the Group's presentation currency. All financial information presented in euros (€) has been rounded to the nearest thousand euros unless otherwise stated.

The IFRS consolidated financial statements of the Europcar Mobility Group for the year ended December 31, 2020 were approved by the Board of Directors on April 6, 2021. They are subject to the approval of the shareholders' meeting of June 30, 2021.

1.3.2 Basis of measurement

The accounting policies used to prepare the consolidated financial statements are consistent with those used for the year ended December 31, 2019 with the exception of the adoption of the standards below, which are mandatory for accounting periods beginning on or after January 1, 2020 or already applied:

(i) Standards and interpretations applicable for the annual period beginning on January 1, 2020

New standard and interpretation	Main provisions
IFRS 3 Amendment	This amendment to IFRS 3 relates to the definition of a "business" activity proposing a new two-step analysis approach aimed at limiting the diversity of practices relating to the concept of activity. This amendment has no impact on the Group's accounts.
IAS 1 and IAS 8 Amendment	The amendment to IAS 1 and IAS 8 "Definition of significant term" has been adopted by the European commission on November 29, 2019. These amendments clarify the definition of the term "significant" in order to facilitate the exercise of the judgment of whether or not the information is significant and improve the relevance of the information presented in the notes the financial statements. This amendment has no impact on the Group's accounts.
Amendments to the "Conceptual Framework"	The amendment to the 'Conceptual Framework', adopted by the European commission on November 29, 2019. The purpose of this amendment is to replace, in several standards and interpretations, existing references to previous frameworks with references to the revised conceptual framework. This amendment has no impact on the Group's accounts.
IFRS 16 Amendment	Amendment relating to rental concessions under Covid-19. The modification entered into force on June 1, 2020 and was officially adopted by the European Union on October 12, 2020. The Group has benefited from advantages granted by lessors as part of the renegotiation of lease agreements in the context of Covid-19. Renegotiations that do not represent a substantial modification of the contract amount to €0.9 million as of December 31, 2020 for non-fleet lease agreements and €8.6 million for fleet lease agreements.

(ii) Interpretation related to lease agreements – IFRS 16

The Group has noted the decisions taken by the IFRS IC on November 26, 2019 concerning the assessment of lease terms for leases renewable by tacit agreement and cancellable leases (with no particular contractual end-date). The IFRS IC confirmed that the enforceable period must be determined, taking an economic view as well as assessing the lease's legal characteristics. These decisions were applied to determine the duration of real estate lease agreements when these two scenarios are met.

(iii) Standards and interpretations not yet applicable for the annual period beginning on January 1, 2020 (not yet adopted or not applied in the Group financial statements

New standard and interpretation	Main provisions
IAS 16 Amendment	This amendment clarifies that proceeds from the sale of manufactured items can't be deducted from the cost of the asset. This amendment is applicable from January 1, 2022.
IFRS annual improvements 2018-2020 cycle	IFRS 1: Clarification on the evaluation of translation differences. This amendment is applicable from January 1, 2022.
IFRS 17 "Insurance contracts"	IFRS 17 "Insurance contracts" published by the IASB on May 18, 2017 will replace IFRS 4 "Insurance contracts", from January 1, 2020. A draft amendment "Exposure Draft ED/2019/4 Amendments to IFRS 17" was published on 26 June 2019. IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and investment contracts with discretionary participation. So far, insurance contracts are recorded at historical costs and will be recorded at current value after the application of the standard IFRS 17.
IAS 1 Amendment	Clarification of the principles for classifying a liability on the current or non-current balance sheet. This amendment is mandatory according to the IASB from January 1, 2023 retrospectively.
IFRS 3 Amendment	This amendment does not change the accounting treatment for business combinations but simply relates to the publication of a new conceptual framework. This amendment is applicable from January 1, 2022.
IAS 37 amendment	This amendment clarifies the definition of costs to be taken into account when analyzing deficit contracts. This amendment is applicable as of January 1, 2022.
IFRS annual improvements 2018-2020 cycle	These annual improvements relate to the following standards: • IFRS 9 (precision on the costs to be included in the 10% test); • IAS 41 (Valuation at fair value of the organic asset) ; • and IFRS 16 (deletion of illustrative example 13 of the standard). These amendments are applicable as of January 1, 2022.
IFRS 39, IAS 9 and IFRS 7 Amendments – Phase 2	The amendments to IAS 39, IFRS 9, IFRS 7, IFRS 16 and IFRS 4 relating to phase 2 of the reform of the "IBOR" interest rates were adopted by the European commission on January 13, 2021. The offer easing measures concerning the accounting consequences of the amendments made to contracts following the reform of the reference rates and the criteria for the use of hedge accounting. These amendments are applicable as of January 1, 2021.

The Group is currently analyzing the possible impacts of these new standards and interpretations.

1.3.3 Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions which impact the amounts presented for existing assets and liabilities in the consolidated statement of financial position, income and expense items in the consolidated income statement, and disclosures in the notes to the consolidated financial statements.

Due to the uncertainty inherent to all measurement processes, these estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

The Group formulates assumptions and, on this basis, regularly prepares estimates relating to its various activities. These estimates are based on past experience and factor in the economic conditions prevailing at the reporting date and the information then available. Those economic trends are specifically reviewed on a country-by-country basis.

Depending on changes in assumptions, or in the eventuality of conditions differing from those that were initially expected, amounts recorded in future financial statements may differ from current estimates. Future results may also differ from these estimates.

Estimates cover:

- fair value measurement of assets and liabilities during allocation of the acquisition cost of business combinations;
- the value of non-listed equity investments available for sale (see Note 8.1) and derivative financial instruments recorded at fair value in the Group's statement of financial position (see Note 8.5);

- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks (see Notes 5.1 and 5.2);
- amounts of deferred taxes that may be recognized in the statement of financial position (see Note 3.7);
- measurement of post-employment benefits and other employee benefits (see Note 9.2);
- provisions for disputes and litigation and valuation of contingent liabilities (see Notes 10 and 6.5.4).

With respect to the vehicle rental business, estimates also cover:

- the residual value of at risk vehicles (see Note 4);
- the fair value of vehicles purchased with a manufacturer or dealer buy-back commitment when badly damaged or stolen (see Note 4);
- the evaluation of the ultimate cost of claims made against the Group for self-funded insured accidents using actuarial techniques generally accepted and used in the insurance industry.

1.3.4 Reclassification of exchange gain/ loss in profit and loss

Exchange gains/losses recognized in other comprehensive income are reclassified in profit and loss only in the event of loss of control of subsidiary. A loss of control is defined by the Group as the disposal of an interest in a subsidiary (and not as a decrease in the investment).

1.3.5 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros (€), which is Europcar Mobility Group's functional currency and the Group's presentation currency.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency at the foreign exchange rate at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into euros at the foreign exchange rate at that date. Foreign exchange differences arising on translation of monetary assets and liabilities are recognized in the income statement. Non-monetary assets and liabilities measured at historical cost in a foreign currency are translated using the exchange rate at the transaction date. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into euros at the foreign exchange rate at the fair value measurement date.

(iii) Financial statements of foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated into euros at the foreign exchange rate at the reporting date, while equity is translated at historical rates. The revenues and expenses of foreign operations are translated into euros at weighted average rates. All resulting exchange differences are recognized as Other comprehensive income within equity.

(iv) Exchange rates

The exchange rates used for the years ended December 31, 2020 and December 31, 2019 are:

	December 31, 2020		December 31, 2019	
	Average rate	**Closing rate**	Average rate	Closing rate
Sterling (GBP)	1.115	1.112	1.139	1.175
Australian Dollar (AUD)	0.600	0.629	0.621	0.625
US Dollar (USD)	0.869	0.815	0.893	0.890
Danish Krone (DKK)	0.133	0.134	0.134	0.134

Source: Banque de France.

Note 2 Scope of consolidation

2.1 Scope of consolidation

Subsidiaries

Europcar Mobility Group's financial statements include the accounts of the parent company Europcar Mobility Group S.A. (EMobG), and those of its subsidiaries for the year ended December 31, 2020.

Subsidiaries are all entities (including special purpose entities), directly or indirectly controlled by Europcar Mobility Group S.A. Control exists when Europcar Mobility Group has the ability to direct an investee's relevant activities, is exposed to variable returns and has the ability to affect those returns through power over an investee. In assessing control, substantive potential voting rights that are currently exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. At the acquisition date, Europcar Mobility Group transfers the consideration to the seller, acquires the assets and assumes the liabilities of the acquiree.

The assets acquired and the liabilities assumed (including contingent consideration) are valued at fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

On an acquisition-by-acquisition basis, the Group recognizes any non-controlling interests in an acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. Depending on the nature of the business combination, the Group may elect to use either of these options.

At the acquisition date, is recorded as goodwill the difference between:

- the fair value of the consideration transferred (including contingent consideration), plus non-controlling interests in the acquired company and, where applicable, the acquisition-date fair value of the acquirer's previously held equity interest in the acquired company revalued through profit or loss;
- and the acquisition-date fair value of the identifiable assets required and liabilities assumed;

If the difference arising from the calculation above is negative, it is recognized directly in the income statement.

Accounting policies of subsidiaries are amended where necessary to ensure consistency with the policies adopted by the Group.

Transactions and non-controlling interests

The Group treats transactions with non-controlling interests as transactions between equity owners of the Group. In the case of an additional acquisition of shares in a previously controlled entity, the difference between the consideration paid and the corresponding share acquired in the carrying amount of net assets of the subsidiary is recorded in equity. When the Group ceases to exercise control, any remaining interest in the entity is remeasured to its fair value, with the change in carrying amount recognized in profit or loss.

The minority shareholders of certain fully consolidated subsidiaries benefit from commitments made by the Group to purchase their shares. In the absence of specific provisions under IFRS, the Group recognizes these commitments as follows: – the value of the commitment at the reporting date is recorded in "Other non-current liabilities"; – the corresponding non-controlling interests are canceled. In application of IFRS 3 revised and IFRS 10, the corresponding entry for this liability is deducted from equity attributable to non-controlling interests up to the carrying amount of the relevant non-controlling interests and deducted from total equity attributable to the owners of Europcar Mobility Group to cover any additional amounts. The liability is revalued at each reporting date at the current redemption value, i.e. the present value of the exercise price of the put option. Any change in value is recognized in equity. This accounting method has no effect on the presentation of non-controlling interests in the income statement.

Associates

Associates are entities over which the Group has significant influence enabling it to participate in financial and operating policy decisions.

The Group's interests in associates are consolidated using the equity method. The investment is recorded at cost and adjusted for changes subsequent to the transaction in accordance with the investor's share in the net assets of the associate. When the Group's share of losses exceeds its interest in an associate, the Group's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has a legal or implicit obligation to make payments on behalf of the associate.

Partnerships

Joint ventures are entities over whose activities the Group has joint control, established by contractual agreement. The Group's interests in joint ventures are accounted for under the equity method, as is the case for related companies. The Group does not have any joint activities.

Special Purpose Entities

Special purpose entities (SPEs), such as SecuritiFleet companies, Euroguard, the Protected Cell Insurance & Reinsurance SPE, FCT Sinople and EC Finance plc are consolidated when the relationship between the Group and the SPE indicates that the SPE is in substance controlled by the Group. SPEs are entities which are created to accomplish a specifically defined objective.

2.2 Changes in scope

2.2.1 Main changes in scope of the period

(i) Main changes in scope in 2020

In 2020, no significant changes occurred within the Group's scope of consolidation.

(ii) Purchase price allocation related to 2019 main acquisitions

In 2020, Europcar Mobility Group adjusted the purchase price allocations of its Finnish and Norwegian franchisees and Fox-Rent-a-Car, acquired respectively in July and November 2019.

In accordance with IFRS 3, the opening balance sheet was adjusted and intangible assets recognized as if the accounting of the business combination had been completed at the acquisition date together with a catch-up of the amortization for the period from the acquisition date to December 31, 2019 for a total amount of €0.7 million. The 2019 comparative information reflects the adjustments of the 2019 provisional amounts presented last year.

	December 31, 2019, as published	Update of Purchase Price Allocation for franchisees	Update of Purchase Price Allocation for Fox Rent A Car	Catch-up of Amortization and Deferred Tax	December 31, 2019, adjusted
ASSETS					
Goodwill	1,169,740	(7,459)	(25,307)	-	1,136,974
Intangible assets	1,016,084	9,792	35,086	(899)	1,060,064
Property, plant and equipment	518,346	-	-	-	518,346
Deferred tax assets	119,740	92	-	-	119,832
Rental fleet recorded in the balance sheet	3,210,147	-	-	-	3,210,147
Other assets [(1)]	1,606,376	-	-	-	1,606,376
Cash	643,537	-	-	-	643,537
TOTAL ASSETS	**8,283,970**	**2,425**	**9,779**	**(899)**	**8,295,276**
LIABILITIES					
Shareholders' equity	837,823	-	-	(714)	837,109
Provisions	389,923	452	1,394	-	391,769
Current financial liabilities	4,806,694	-	-	-	4,806,694
Liabilities related to leases	484,648	-	-	-	484,648
Deferred tax liabilities	212,046	1,973	8,385	(184)	222,220
Current tax liabilities	46,494	-	-	-	46,494
Other liabilities [(2)]	1,506,342	-	-	-	1,506,342
TOTAL LIABILITIES	**8,283,970**	**2,425**	**9,779**	**(899)**	**8,295,276**

(1) The other assets include the equity accounted investments, the financial assets current and non-current, the financial instruments non-current, the inventory, the trade and other receivables, the rental fleet and related receivables, the current tax assets.
(2) The other liabilities include the non-current financial liabilities, the other liabilities non-current, the current tax liabilities, the rental fleet related payables, the trade payables and other liabilities.

(iii) Purchase price allocation

Finnish and Norwegian franchisees

On May 31, 2019, Europcar Mobility Group acquired 100% of its Finnish and Norwegian franchisees for a amount paid in cash of €39.3 million.

The purchase price allocation was finalized in 2020 with the help of an external independent appraiser expert.

In 2020 the following assets and liabilities were recognized:

- customer relationships for €9.4 million with an amortization period of ten years;
- reacquired rights for €0.4 million;
- contingent liabilities for €0.5 million.

Goodwill was also impacted with the recognition of deferred tax assets (€0.1 million) and liabilities (€2.0 million) related to the above identified assets and liabilities.

In accordance with IFRS 3, the identified assets and liabilities have been recognized as if the accounting of the business combination had been completed at the acquisition date together with a catch-up of the amortization for the period from July 1, 2019 to December 31, 2019 for a total amount of €0.9 million. The 2019 comparative information presented reflects such adjustments to the 2019 provisional amounts presented last year.

The net assets acquired amounted to €12.3 million and a goodwill of €27.0 million has been recognized primarily reflecting the operational and financial performance synergies expected by the Group and the benefit of the implementation of its integration plan for acquired activities:

(in thousands of euros)	Acquirees' carrying value at the acquisition	Identification and evaluation after the acquisition period	**Fair value**
Intangible assets	102	9,792	9,894
Net Property plant and equipment	17,250	-	17,250
Net Rental fleet	21,487	-	21,487
Other assets	11,820	-	11,820
Deferred tax assets	-	92	92
Cash	3,007	-	3,007
Current financial liabilities	(38,723)	-	(38,723)
Deferred tax liabilities	-	(1,973)	(1,973)
Other liabilities	(10,080)	(452)	(10,532)
Net assets acquired	**4,863**	**7,459**	**12,322**
Total purchase consideration	**39,286**		**39,286**
Goodwill as of December 31, 2020			**26,964**

Fox Rent A Car

On October 31, 2019, Europcar Mobility Group acquired 100% of Fox Rent A Car for a total amount of €36.0 million.

The purchase price allocation was finalized in 2020 with the help of an external independent appraiser expert.

In 2020 the following assets and liabilities were recognized:

- a brand for €33.4 million with an indefinite lifetime;
- IT software for €1.6 million;
- contingent liabilities for €1.4 million.

Goodwill was also impacted with the recognition of deferred tax liabilities ($8.4 million) related to the above identified assets and liabilities.

In accordance with IFRS 3, the identified assets and liabilities have been recognized as if the accounting of the business combination had been completed at the acquisition date together with a catch-up of the amortization for the period from November 1, 2019 to December 31, 2019 for a total amount of €0.1 million. The 2019 comparative information presented reflects such adjustments to the 2019 provisional amounts presented last year.

The net assets acquired amounted to €(36.0) million and a final goodwill of €75.8 million has been recognized primarily reflecting the operational and financial performance synergies expected by the Group and the benefit of the implementation of its integration plan for acquired activities:

(in thousands of euros at the exchange rate of the acquisition date)	Carrying value before acquisition (1)	Identification and evaluation after the acquisition period	**Fair value**
Net Property plant and equipment	8,582	35,086	43,668
Working capital (net) (2)	(25,394)	-	(25,394)
Financial assets and liabilities	2,399	-	2,399
Provisions	(3,830)	(1,394)	(5,224)
Net rental fleet	232,538	-	232,538
Net debt (3)	(279,346)	-	(279,346)
Deferred tax	-	(8,385)	(8,385)
Net assets acquired	**(65,111)**	**25,307**	**(39,804)**
Total purchase consideration			**36,007**
Goodwill as of December 31, 2020			**75,811**

(1) These amounts may differ from the amounts disclosed as of December 31, 2019 as they also include non-significant adjustments to the 2019 provisional opening Balance Sheet.
(2) Includes rental, trade and other receivables as well as trade and other payables.
(3) Includes financial liabilities net of cash and cash equivalents and restricted cash.

Note 3 Main income statement items

a) Revenues

Revenue includes vehicle rental incomes, fees from the provision of services incidental to vehicle rental (including fuel), and fees receivable from the Europcar franchise network, net of discounts and excluding inter-company sales, VAT and sales taxes.

Revenue from services rendered is recognized proportionally over the period in which the vehicles are rented out based on the terms of the rental contract. The stage of completion is assessed on the basis of the actual service provided (number of days of rental in the accounting period).

When vehicle rental income is generated by intermediaries (such as travel agencies), the gross revenue is recognized in the consolidated income statement when Europcar:

- has the ability to determine the price;
- performs part of the service; and
- has discretion in intermediary selection.

The commission fees are recorded in the Fleet operating, rental and revenue-related costs line item in the income statement (see Note 4.3).

No revenue is recognized if there are significant uncertainties regarding recovery of the consideration due.

The Group has launched a loyalty program covered by IFRIC 13 – Customer Loyalty Programs. This program provides a free weekend rental, or discount coupons, after a certain number of rentals eligible for the program have been accumulated. Once acquired, these benefits may be used at the next rental, and are valid for 12 months.

Given the insignificant impacts of the program, no liability was reported as such in the consolidated financial statements as of the end of December 2020.

b) Other non-recurring income and expenses

ACQUISITION-RELATED EXPENSES

Reorganization expenses include costs incurred in connection with business restructuring carried out to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, fees related to Group transformation, asset write-offs and transfer costs, early lease termination costs incurred as part of restructuring programs and dispute settlement costs and provisions incurred by the Group.

REORGANIZATION EXPENSES AND OTHER NON-RECURRING COSTS

Reorganization expenses include charges incurred in connection with business restructuring carried out to adapt local or corporate organizational structures to changing business conditions. They include headcount reduction expenses, fees related to Group transformation, asset write-offs and transfer costs, early lease termination costs incurred as part of restructuring programs and dispute settlement costs and provisions incurred by the Group.

Unusual, abnormal and infrequent items are presented separately in "Other non-recurring income and expenses" to provide a clearer picture of the Group's performance.

c) Net financing costs

Net financing costs comprise interest payable on borrowings calculated using the effective interest rate method, dividend income, foreign exchange gains and losses, financing arrangement costs, gains and losses on financial instruments that are recognized in the consolidated income statement, any ineffective portion of the gain or loss on cash flow hedging instruments, and the financial component of pension charges (unwinding of discounts and the expected return on plan assets).

Interest income is recognized in the income statement as it is accrued, using the effective interest method. The interest expense component of finance lease payments is recognized in the income statement using the effective interest rate method.

d) Income tax expense

Income tax on profit or loss for the year comprises current and deferred tax. Income tax is recognized in the income statement except to the extent that it relates to items directly recognized in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, calculated using tax rates enacted or substantially enacted at the reporting date, and subject to any adjustment to tax payable in respect of previous years.

The amount of deferred tax is based on the expected pattern of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the tax asset can be utilized. This probability is assessed based on:

- the existence of temporary differences that will give rise to taxation in the future;
- forecasts of taxable profits.

e) Profit (Loss) per share

Basic earnings per share are calculated by dividing net income (attributable to shareholders of the parent company) by the average number of shares outstanding during the year. Treasury shares are not taken into account in the calculation of basic or diluted earnings per share. Diluted earnings per share is calculated by dividing net income attributable to shareholders of the parent company by the average number of common shares outstanding during the period, plus the average number of shares that would have been issued had all outstanding dilutive instruments been converted.

f) Indicators not defined by IFRS

Adjusted corporate EBITDA, defined as recurring operating income after deduction of the interest expense on certain liabilities related to rental fleet financing and before non-fleet depreciation and amortization. See the following tables for a reconciliation of Adjusted corporate EBITDA to the amounts reported in the consolidated income statement.

Margin on variable costs (MAVC): corresponds to the total revenue net of fleet holding costs and costs related to operations, leasing and income from vehicle fleet activities.

Margin after station costs (MASC): corresponds to the margin on variable costs less network operation costs and marketing expenses and fleet financing costs.

3.1 Segment reporting and geographical information

3.1.1 segment reporting information

The Group is in a position to define and present the following segment information as per IFRS 8:

- **Cars & Vans & International Coverage**: operates the historical car rental activity of the Group with, on one side, its own rental fleet in 18 wholly-owned subsidiaries in Europe and 2 in Australia and New-Zealand; and on the other side, through a partners and franchisees network present both in the countries in which Europcar operates directly ("domestic franchises"), but especially in the other countries ("international franchises");
- **Low-Cost**: activity that offers a car rental offer at low prices with a solid presence in the main tourist sites in Europe. Following the acquisition of Fox Rent A Car in the United States, the Group broadens the presence of the Low-Cost activity in the world's largest market;
- **Urban-Mobility**: activity that develops and deploys new mobility solutions (car-sharing, ride-hailing, cars for drivers (PHV), etc.) thanks to digital platforms specially designed to meet the specific needs of customers.

The Group discloses global reconciliation of its segment reporting and consolidated financial statements under IFRS.

The chief operating decision maker within the meaning of IFRS 8 – Operating segments, is the Group's Management Board (Board of Directors starting 2021 - refer to subsequent events disclosed in the note 1.2.3).

The Group Management Board regularly reviews the operating and financial performance, which are measured as follows:

- revenue from operations: includes vehicle rental income, territorial fees, other commissions related to the Group's trademarks and billed to franchisees, and fuel sales;
- margin on variable costs (MAVC): corresponds to the total revenue net of fleet holding costs and costs related to operations, leasing and income from vehicle fleet activities;
- margin after station costs (MASC): corresponds to the margin on variable costs less network operation costs and marketing expenses and fleet financing costs.

Margin after station costs is considered as the most relevant indicator to measure the Group's profitability and is thus followed only at the level of the three operational sectors, as identified above.

In accordance with IFRS 8, the information by operating segments at December 31, 2020 is as follows:

	December 31, 2020			
(in thousands of euros)	Cars, Vans & Icov	Low Cost	Urban Mobility	Total segments
Vehicle rental income	1,372,243	273,369	-	1,645,612
Other revenue associated with car rental	30,126	10,001	41,726	81,854
Franchising business	32,487	993	-	33,480
Segment revenue	**1,434,857**	**284,363**	**41,726**	**1,760,946**
Fleet holding costs and Fleet operating costs	(1,034,602)	(208,251)	(43,380)	(1,286,232)
Financial cost included in operating lease	(36,262)	(2,325)	(159)	(38,745)
Margin after variable costs	**436,517**	**78,436**	**(1,495)**	**513,459**
Network personnel and overhead costs	(263,043)	(62,847)	(12,441)	(338,330)
Reversal of financial cost included in operating lease	(36,262)	(2,325)	(159)	(38,745)
Net fleet financing expenses	(53,340)	(19,152)	(536)	(73,021)
Margin after station costs	**83,872**	**(5,888)**	**(14,631)**	**63,363**
Headquarter personnel and overhead costs				(235,760)
Non-fleet depreciation and impairment expenses				(285,955)
Other income and expense				410
Net fleet financing expenses				73,021
Current operating income				**(384,922)**
Reversal of non-fleet depreciation and impairment charges				285,955
Net fleet financing expenses				(73,021)
Adjusted corporate EBITDA				**(171,987)**

In accordance with IFRS 8, the information by operating segments at December 31, 2019 is as follows:

	December 31, 2019			
(in thousands of euros)	Cars, Vans & Icov	Low Cost	Urban Mobility	Total segments
Vehicle rental income	2,437,030	401,689	-	2,838,719
Other revenue associated with car rental	70,941	8,600	48,959	128,500
Franchising business	54,830	337	-	55,167
Segment revenue	**2,562,801**	**410,626**	**48,959**	**3,022,386**
Fleet holding costs and Fleet operating costs	(1,515,797)	(246,235)	(51,035)	(1,812,052)
Financial cost included in operating lease	(48,385)	(3,925)	(41)	(52,352)
Margin after variable costs	**1,095,389**	**168,316**	**(2,035)**	**1,262,685**
Network personnel and overhead costs	404,223	56,824	9,527	470,573
Reversal of financial cost included in operating lease	48,385	3,925	41	52,352
Net fleet financing expenses	57,539	12,690	208	70,468
Margin after station costs	**585,242**	**94,877**	**(11,810)**	**669,292**
Headquarter personnel and overhead costs				292,601
Non-fleet amortization, depreciation and impairment expense				151,538
Other income and expense				(11,998)
Net fleet financing expenses				(70,468)
Current operating income				**307,619**
Reversal of non-fleet depreciation and impairment charges				(151,538)
Net fleet financing expenses				70,468
Adjusted corporate EBITDA				**388,689**

3.1.2 Disclosure by customer segment

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Vehicle rental income	1,645,612	2,838,719
Breakdown of customers by segment		
Leisure	48.9%	60.8%
Business	51.1%	39.2%

3.1.3 Segment information by geographical areas

The Group operates in five main markets: France, Germany, the United Kingdom, United States and other European countries. Revenue has been identified based on where the rental service is provided. Non-current assets are allocated based on their physical location.

Revenue and non-current assets include items directly attributable to a geographical area as well as those that can be allocated on a reasonable basis. Unallocated items include income and non-current assets related to holding companies and eliminations.

Car rental customers comprise both individuals and corporate customers.

December 31, 2020 *(in thousands of euros)*	France	United Kingdom	Germany	Other European countries	USA	Rest of the World [2]	Unallocated items	Total
Revenue from external customers	209,177	228,481	537,298	519,865	167,215	77,052	21,858	1,760,946
Non-current assets [1]	76,562	111,653	306,897	809,854	165,349	73,557	1,154,227	2,697,980
Goodwill	49,015	68,144	236,898	505,788	69,449	26,919	41,906	998,119

December 31, 2019 *(in thousands of euros)*	France	United Kingdom	Germany	Other European countries	Rest of the World [2]	Unallocated items	Total
Revenue from external customers	419,598	388,539	794,418	1,200,872	188,921	30,038	3,022,386
Non-current assets [1]	87,012	126,221	280,236	932,026	255,703	1,217,617	2,897,815
O/w goodwill [3]	93,282	94,970	236,898	561,517	126,116	56,957	1,169,740

(1) The non-current assets presented in "Unallocated items" primarily reflect trademarks.
(2) In 2019, the rest of the world primarily corresponds to United States, Australia and New Zealand.

In 2020, primarily corresponds to Australia and New Zealand.

3.1.4 Revenue of Business Units

	At December 31, 2020					
(in thousands of euros)	Cars	Vans	Low Cost	Urban Mobility	ICov	Total
Segment revenue	1,087,946	323,050	284,363	41,726	23,861	1,760,946

	At December 31, 2019					
(in thousands of euros)	Cars	Vans	Low Cost	Urban Mobility	ICov	Total
Segment revenue	2,157,372	365,689	410,626	48,959	39,740	3,022,386

3.2 Network and head office overhead costs

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Network costs	(45,456)	(54,937)
IT costs	(53,896)	(52,088)
Telecom costs	(9,765)	(10,588)
Head office costs	(70,304)	(90,676)
Sales and marketing costs	(14,722)	(32,582)
TOTAL NETWORK AND HEAD OFFICE OVERHEAD COSTS	**(194,143)**	**(240,870)**

3.3 Non-fleet depreciation and impairment expenses

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Amortization of intangible assets	(36,545)	(25,791)
Depreciation of property, plant and equipment [(1)]	(116,814)	(125,747)
TOTAL AMORTIZATION, DEPRECIATION, AND IMPAIRMENT EXPENSE	**(153,359)**	**(151,538)**

(1) Includes the depreciation of the right of use of property assets within the scope of IFRS 16 for €93.9 million in December 2020 and €103.6 million in December 2019.

3.4 Other income and expense

This category includes net income related to certain commercial agreements, the release of provisions and other items.

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Contractual income	790	364
Release of surplus provisions	178	524
Foreign exchange gains/(losses) on operating activities	634	3,893
Gains (losses) on the disposal of property, plant and equipment	(2)	587
Other items, net	(1,190)	6,630
TOTAL OTHER INCOME AND EXPENSE	**410**	**11,998**

3.5 Other non-recurring income and expenses

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Reorganization and transformation expenses [1]	(44,211)	(37,605)
Financial restructuring expenses	(24,112)	-
Disputes [2]	(11,240)	(3,149)
Merger and Acquisitions costs and integration costs	(2,790)	(4,298)
Other [3]	(33,156)	(13,176)
Total other non-recurring income and expenses	**(115,509)**	**(58,228)**
Impairment of non-current assets [4]	(132,597)	-
TOTAL OTHER NON-RECURRING INCOME AND EXPENSES AND IMPAIRMENT OF NON-CURRENT ASSETS	**(248,106)**	**(58,228)**

(1) These expenses mainly include headcount reduction expenses (network and headquarter), early termination costs for leases in the context of the restructuring as well as fees and other expenses related to various Group transformation projects.
(2) Mainly includes consulting fees incurred in the Group's financial restructuring plan for an amount of €17 million.
(3) Mainly includes additional insurance costs related to historical events, costs relative to the end of some supplier contracts as well as an impairment of bad debts in Germany.
(4) In 2020, related to the impairment of the goodwill as well as the impairment of tangible and intangible assets (please refer to Note 5);

3.6 Net financing costs

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Net fleet financing expenses [1]	(73,021)	(70,468)
Net other financing expenses [1]	(75,789)	(77,529)
Gross financing costs	**(148,811)**	**(147,997)**
Expense on derivative financial instrument	(6,464)	(2,263)
Amortization of transaction costs	(10,031)	(16,448)
Foreign exchange gain or losses	(3,880)	2,435
Cost of discounting social commitments	(1,126)	(2,271)
Other [2]	(14,897)	(20,349)
Other financial expenses	**(36,397)**	**(38,895)**
NET FINANCING COSTS	**(185,208)**	**(186,893)**

(1) Includes the impacts of the first application of IFRS 16 standard.
(2) Other financial expenses mainly include bank management fees, financing lines implementation costs and non-utilization fees.
Of which in 2019, 8.6 million euros related to the payment of a redemption premium following the early repayment of the existing 600 million euros of bonds.

3.7 Income tax expense

3.7.1 Tax in the Income statement

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Current tax [1]	(22,637)	(42,535)
Deferred tax [2]	63,491	9,650
TOTAL INCOME TAX EXPENSE	**40,854**	**(32,885)**

(1) Including CVAE in France, Trade Tax in Germany and IRAP in Italy (3 million euros in 2020 and 12 million euros in 2021).
(2) Including 39 million euros of deferred tax assets relating to losses carried forward mostly generated in 2020 and 24 million euros of deferred tax assets relating to temporary differences.

The theoretical tax expense based on EMobG's statutory tax rate (i.e., the standard corporate income tax rate in France of 31% to which is added the corporate income tax social security contribution of 3.3% on the amount of corporate income tax above 765,000 euros) can be reconciled to the tax expense reported in the income statement as follows:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Profit (loss) before tax	**(685,639)**	**62,498**
Statutory tax rate	32.02%	34.43%
Theoretical tax	**219,541**	**(21,518)**
Impact of differences in tax rates [1]	(31,681)	10,200
Permanent differences [2]	(36,346)	(23,567)
Capitalization of losses and temporary differences that were formerly not recognized	3,765	17,050
Unrecognized deferred tax assets	(109,443)	(1,901)
Impact of French business contribution on added value (CVAE), Italy's regional tax on productive activities (IRAP) and German Trade Tax	(3,080)	(13,176)
Other	(1,904)	27
INCOME TAX BENEFIT/(EXPENSE)	**40,854**	**(32,885)**
Effective tax rate	(5.96%)	(52.62) %

The applicable tax rate in France at the 2020 due date was 32.02% compared to 34.43% in 2019. The impact of rate differences [2] reflects the difference between the rate in force in each country and the tax rate in France and primarily stems from Spain, the United Kingdom and the United States.

The Group's effective tax rate was (5.96%) in 2020 compared to (52.62) % in 2019. The sharp increase in negative taxable income in 2020 reflects the effects of the ongoing public health crisis, however, the recoverability projections for these losses over the next years have been adjusted down and are reflected in the non-recognition of deferred tax assets [2] in the majority of the Group's jurisdictions.

3.7.2 Deferred taxes in the consolidated balance sheet

(i) Deferred tax assets and liabilities and temporary differences recognized during the period

(in thousands of euros)	January 1, 2020	Impact of acquisitions	Recognized in income statement	Fair value adjustment in OCI	Translation reserve and Reclassification	December 31, 2020
Property, plant and equipment	(5,348)	-	(952)	-	73	(6,227)
Intangible assets	(275,337)	(10,149)	717	-	540	(284,229)
Rental fleet	(58,493)	(56)	15,919	-	2,868	(39,762)
Investments in subsidiaries	2,998	-	-	-	-	2,998
Other financial assets	1,783	-	977	-	(146)	2,614
Receivables and other assets	12,503	-	(3,285)	-	(87)	9,210
Prepaid and deferred charges	3,262	-	741	-	(141)	3,862
Employee benefits	13,332	-	(2,168)	1,741	(403)	12,502
Deferred income	9,706	-	2,610	-	-	12,316
Provisions	31,122	92	597	-	(2,157)	29,654
Derivative liabilities	76	-	(51)	-	-	25
Other debt	23,784	-	7,149	-	(2,622)	28,311
Tax losses carried forward	148,306	-	39,158	-	(1,604)	185,860
Deferred tax assets/(liabilities)	**(92,306)**	**(9,764)**	**63,491**	**1,741**	**(1,093)**	**(37,931)**
Deferred tax assets	**119,740**	**10,761**	**49,708**	**1,741**	**(5,099)**	**176,851**
Deferred tax liabilities	**(212,046)**	**(20,525)**	**13,783**	**-**	**4,006**	**(214,782)**

(in thousands of euros)	January 1, 2019	Impact of changed methods[1]	January 1, 2019 adjusted	Impact of acquisitions	Recognized in income statement	Fair value adjustment in OCI	Translation reserve and Reclassi-fication	December 31, 2019
Property, plant and equipment	(4,962)	-	(4,962)	-	(318)	-	(68)	(5,348)
Intangible assets	(276,439)	-	(276,439)	-	1,134	-	(32)	(275,337)
Rental fleet	(14,179)	-	(14,179)	(40,316)	(4,408)	-	409	(58,493)
Investments in subsidiaries	2,998	-	2,998	-	-	-	-	2,998
Other financial assets	1,627	-	1,627	-	156	-	-	1,783
Receivables and other assets	10,829	-	10,829	-	1,661	-	13	12,503
Prepaid and deferred charges	3,290	-	3,290	-	(152)	-	123	3,262
Employee benefits	9,169	-	9,169	-	(2,343)	6,361	145	13,332
Deferred income	9,427	-	9,427	-	279	-	-	9,706
Provisions	24,232	1,581	25,813	2,375	2,942	-	(8)	31,122
Derivative liabilities	151	-	151	-	(75)	-	-	76
Other debt	(4,433)	5,947	1,513	21,106	2,758	-	(1,593)	23,784
Tax losses carried forward	122,699	-	122,699	16,634	8,016	-	757	148,306
Deferred tax assets/(liabilities)	**(115,591)**	**7,528**	**(108,062)**	**-**	**9,650**	**6,361**	**(254)**	**(92,306)**
Deferred tax assets	**58,209**	**-**	**65,737**	**-**	**-**	**-**	**-**	**119,740**
Deferred tax liabilities	**(173,799)**	**-**	**(173,799)**	**-**	**-**	**-**	**-**	**(212,046)**

(1) Change in accounting methods related to the first-time adoption on 1 January 2019 of IFRIC 23, described in note 1.3 "Significant accounting policies".

(ii) Unrecognized deferred tax assets

Deferred tax assets are recognized up to the amount of available deferred tax liabilities and recoverability projections derived from business plans.

For each tax group, the recognition of deferred tax assets is determined on the basis of earnings forecasts in a manner consistent with the Group Strategic Plan and in line with the assumptions adopted for asset impairment testing.

The Group also considered the tax consequences of strategic opportunities over the life of the tax loss carry-forwards and the specific situation of each tax group, particularly in the context of a loss of visibility due to the health and economic crisis.

As such and for the recognition of its deferred tax assets at December 31, 2020, the Group examined several scenarios around the following assumptions:

- crisis profile by tax group: Intensity, duration of the crisis and an estimate of the catch-up period by country which the Group generally estimates to be by 2023;
- horizon for the utilization of future taxable profits: 3 years and more (5 years historically).

On this basis, the Group has capped the recognition of deferred tax assets to 3 years, and has lowered its recoverability projections by applying a discount according to the profile of the crisis reviewed by tax group.

At December 31, 2020, the Group recognized 39 million euros of deferred tax assets relating to losses carried forward primarily incurred in 2020: mainly in Germany for 15 million euros, Italy for 7 million euros and in the United States for 9 million euros including 4 million euros recognized against deferred tax liability linked to the intangible assets identified within the US tax group following the acquisition of Fox in 2019.

The Group also recognized 24 million euros of deferred tax assets relating to the temporary differences mostly linked to the rental fleet in Germany and in the United Kingdom.

(in millions of euros)	**At December 31, 2020**	At December 31, 2019
Relating to temporary differences	41,645	48,796
Relating to tax losses carried forward (1)	253,879	160,271
TOTAL OF UNRECOGNIZED DEFERRED TAX ASSETS	**295,525**	**209,067**

Deferred tax assets that are not recognized because their recoverability is considered improbable with respect to the earnings projections of the entities concerned, increased by 84 million euros in 2020 and are mainly related to tax losses carried forward.

The Group's tax losses may be carried forward indefinitely.

Nevertheless the cumulative effect of the tax modalities for the use of previous tax losses, the lower future tax profit forecasts and the reduction of the deferred tax recoverability horizon have resulted in the non recognition of 245 million euros primarily in France for 122 million euros, in Spain for 61 million euros, in the United States for 19 million euros and in Germany and Italy for 13 million euros.

3.8 Profit (Loss) per share

Basic and diluted losses per share are based on the profit attributable to shareholders of common stock, representing a loss of 644.7 million euros at December 31, 2020 (profit of 29.6 million euros at December 31, 2019) and on the weighted average number of common shares during the year (excluding shares that could be issued given their anti-diluting effect), calculated as follows:

(in thousands of euros)	**At December 31 2020**	At December 31 2019
Loss attributable to ordinary shareholders	**(644,672)**	**29,633**
Average number of shares outstanding	163,884,278	163,884,278
Earnings per share *(in euros)*	(3.934)	0.181
Diluted earnings per share *(in euros)*	(3.934)	0.179

The potential number of diluting shares was 1,698,681 (corresponding to the free shares) at December 31, 2020 and 1,732,181 at December 31, 2019.

Note 4 Fleet of vehicles

a) Rental fleet recorded in the balance sheet

The Group operates a large fleet that it has either acquired (with or without a buy-back clause) or that it holds under leasing agreements signed with car manufacturers, dealers or financial institutions.

The accounting treatment is detailed below, regardless of the accounting treatment applied, the fleet is recognized in current assets "Fleet entered in the balance".

(i) Vehicles acquired with buy-back clause by the manufacturer or the dealer (so-called "buy-back" vehicles)

One of the specific features of the automotive industry is the purchase or sale of vehicles under contracts with a buy-back clause by the manufacturer or the dealer after a predetermined period and generally less than 12 months.

These vehicles do not meet, for the Group, the definition of a tangible asset within the meaning of IAS 16 insofar as:

- the Group does not have control of the vehicle since it cannot resell it;
- the contract only grants him the right to use the asset over a given period; and
- that this asset retains a significant part of its value at the time of its acquisition by the manufacturer.

On the other hand, this type of contract can be analyzed from the accounting point of view as prepaid rental contracts, falling within the scope of IFRS 16.

This accounting method is consistent and symmetrical with the recognition adopted by manufacturers, which consider the risks and rewards of ownership not to have been transferred since they retain the residual risk on the asset's value and since this risk is significant.

The acquisition cost of the vehicles (net of volume rebates) is recorded against two distinct current assets:

- the "Vehicle buy-back agreement receivable", representing the contractual buy-back price (the obligation of the manufacturer or dealer); these repurchase prices for buy-back vehicles are determined (subject to adjustments depending upon the condition of the vehicles, their mileage and the holding period) according to (i) a predefined percentage of the original vehicle price and the month in which the vehicle is repurchased, or (ii) the original capitalized price less a set economic depreciation amount. This receivable is depreciated in the event of theft of the vehicle, or in the event of a seriously damaged vehicle, in the latter case, on the basis of expert opinions carried out by third parties;

- the right of use ("Deferred depreciation expense on vehicles"), representing the difference between the acquisition cost of the vehicle and the contractual buy-back price. This asset is depreciated through the income statement on a straight-line basis over the contractual holding period of the vehicle.

Given the duration of these assets, the Group recognizes these vehicles as current assets at the start of the contract.

There is no rental debt, the vehicles being fully prepaid.

(ii) Fleet held under lease contracts with manufacturers, car dealers or financial institutions

The operated fleet can be financed through rental contracts concluded with financial institutions or the financing divisions of car manufacturers. These leases fall within the scope of IFRS 16.

Lease contracts are therefore recognized in the balance sheet as a right of use on the leased asset and a financial debt in respect of rents and other payments to be made during the lease term used to assess the rental debt.

The Group has chosen to record in the balance sheet all of its fleet rental contracts, whatever their duration, and has therefore not retained the exemption relating to short-term contracts (less than 12 months) for this asset class.

The interest charge relating to the financial debt and the amortization charge for the right of use are charged separately to the income statement:

- the right of use is amortized on a straight-line basis over the duration of the rental contract and recognized in the income statement under the heading "Fleet holding costs";

- the financial debt is amortized actuarially over the duration of the lease under the "Net fleet financing expenses" in the financial result.

(iii) Vehicles acquired without a buy-back clause by the manufacturer or the dealer ("at risk" vehicles)

The so-called "at risk" vehicles are vehicles acquired without a buy-back clause by the car manufacturer or car dealer, and the risk of residual value of which is therefore borne by the Group. These vehicles fall within the scope of IAS 16. Vehicles are initially valued at cost, including import duties, non-refundable purchase taxes and any costs directly attributable to the transfer of the vehicle to the rental location and its condition to allow its rental. Upon acquisition, "at risk" vehicles are depreciated on a straight-line basis over the planned holding period and their projected residual value. The residual value of the vehicles is regularly examined during the holding period in the light of second-hand market conditions and adjusted if necessary, in the event of impairment.

In most cases, the duration of detention of a vehicle does not exceed 12 months. For utilities and trucks, the holding period can range from 12 to 24 months. Consequently, although "at risk" vehicles are in the nature of tangible fixed assets, the Group classifies these vehicles on the balance sheet under current assets under "Fleet entered in the balance sheet".

b) Fleet holding costs

Fleet holding costs include:

- vehicle costs such as the costs related to rental fleet agreements with car manufacturers or with Fund Lenders through the recognition of vehicle depreciation charges;
- taxes relating to the vehicle fleet; and
- costs incurred for the purchase or sale of vehicles.

Costs related to rental fleet agreements mainly consist of the vehicle depreciation expenses, net of rebates (see Note 3.3).

Costs related to the acquisition and disposal of vehicles include the cost of vehicle accessories and costs relating to the conditioning of new vehicles and the disposal of used cars.

c) Fleet operating costs

Fleet operating costs correspond to costs incurred during the fleet operating cycle under:

- reconditioning;
- repairs;
- maintenance;
- impairment of badly damaged and wrecked vehicles, thefts; and
- insurance.

Rental costs include fuel, vehicle transfers, vehicle washing, etc. Costs related to revenue from ordinary activities include commissions, and airport and rail station fees, etc.

d) Receivables and payables related to the fleet

Trade receivable related to fleet are composed of:

- fleet receivables due by car manufacturers or dealers repurchasing the vehicles after the vehicle has been returned to the car manufacturer at the end of the holding period (buy-back agreements). The fleet receivables are recorded at fair value, which corresponds to their nominal value. These receivables fall due within one year;
- the full amount of the Group's VAT receivables, since the major portion of these are fleet-related.

Rental fleet payables are amounts due to car manufacturers or dealers. These payables are recorded at fair value and fall due within one year. Rental fleet related payables include the full amount of the Group's VAT payables, since the major portion of the Group's VAT payables is fleet related.

4.1 Rental fleet recorded in the balance sheet

The fleet on the balance sheet breaks down as follows:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Right of use of leased vehicles	159,275	239,376
Net book value of vehicles financed through buyback agreements (1)	942,701	1,506,939
Total "buy-back" fleet and right to use the leased vehicles	**1,101,976**	**1,746,315**
Europcar-owned vehicles held without buyback clause ("at-risk" vehicles)	1,095,264	1,463,831
TOTAL FLEET OF VEHICLES ON THE BALANCE SHEET	**2,197,240**	**3,210,147**

(1) The net book value includes the vehicle buy-back agreement receivable and the deferred depreciation expense on vehicles.

The fleet is presented net of depreciation or provisions for depreciation of 10.4 million euros (2019: 12.8 million euros) established for stolen or damaged vehicles.

4.2 fleet holding costs

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Net Fleet depreciation (1)	(518,057)	(674,999)
Other fleet holding costs (2)	(114,808)	(130,540)
TOTAL FLEET HOLDING COSTS	**(632,865)**	**(805,539)**

(1) The depreciation expense related to:
- vehicles subject to manufacturer or dealer buy-back agreements and "at-risk" vehicles;
- the rights to use vehicles in accordance with IFRS 16.

(2) Other fleet holding costs include:
- the costs related to the acquisition and disposal of vehicles for 63.1 million euros (costs for vehicle accessories and the conditioning of new vehicles and the sale of used cars);
- taxes on vehicles for 49.1 million euros.

4.3 Fleet operating, rental and revenue related costs

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Fleet operating costs (1)	(273,898)	(347,056)
Commissions and fees assimilated to income from ordinary activities (2)	(203,607)	(372,839)
Of which: allowance for doubtful accounts and accounts recognized as losses	*(19,914)*	*(26,060)*
Rental costs (3)	(175,862)	(286,622)
TOTAL FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS	**(653,367)**	**(1,006,517)**

(1) Fleet operating costs mainly comprise insurance, repair and maintenance costs as well as the costs incurred for damaged and stolen cars and for the reconditioning of vehicles before they are repurchased by the car manufacturers or dealers.
(2) Ordinary revenue-related costs include commissions for agents and travel agents, and airport and railway concession fees.
(3) Rental-related costs include vehicle transfer costs incurred during the holding period, vehicle washing costs and fuel costs.

4.4 Receivables and payables related to the rental fleet

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Fleet receivables	403,602	826,695
VAT receivables (1)	100,415	139,728
RENTAL FLEET AND RELATED RECEIVABLES	**504,017**	**966,423**

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Fleet payables	428,066	711,802
VAT receivables (1)	127,038	101,327
RENTAL FLEET AND RELATED RECEIVABLES	**555,104**	**813,128**

(1) VAT receivables mainly concern acquisitions and sales of vehicles.

The change in working capital requirements related to the rental fleet is detailed below:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Fleet receivables	420,762	(153,908)
VAT receivables	37,552	(35,635)
Payables related to fleet acquisition	(279,308)	140,825
VAT payables	26,199	20,765
CHANGES TO THE NEED FOR CASH FLOW LINKED TO THE VEHICLE FLEET	**205,205**	**(27,953)**

Note 5 Goodwill, tangible and intangible assets

a) Goodwill

Goodwill recognized in local currency, which is not amortized, is subject to an impairment test every year or more frequently when a triggering event occurs (indication of impairment). For the purpose of the impairment test, goodwill is allocated to Cash-Generating Units or groups of Cash-Generating Units which are expected to benefit from the business combination that gave rise to goodwill.

A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Goodwill is allocated by operating segment and within the vehicle rental business segment, by country.

The recoverable amount of a cash-generating unit is the higher of its fair value less costs to sell and its value in use, determined using the discounted method of future cash flows which will be generated by these assets or by some other more appropriate method. When the recoverable value is lower than the book value, an impairment loss is recognized in the income statement. The impairment loss is first recorded as an adjustment to the carrying amount of the goodwill allocated to the cash-generating unit and the balance of the loss is, if necessary, allocated proportionately to the other long-lived assets of unit.

Impairment losses related to brands are recognized under "Other non-current income and expenses" in the income statement.

b) Intangible assets

Intangible assets other than goodwill mainly correspond to brands and licenses, contractual relationships with customers, acquired software licenses and capitalized development projects.

TRADEMARKS AND LICENSES

Brands with an indefinite useful life

The Europcar brand, with an indefinite useful life, is carried at cost and is not amortized. However, it is subject to an annual impairment test according to the method of net settlement of fees.

Following the acquisitions in 2017, the Buchbinder, Global, Megadrive and Goldcar brands were identified and valued using the "relief from royalty" method. They are considered to have an unlimited lifespan. They are subject to an annual impairment test as well.

Following the acquisition of Fox Rent A Car in 2019, Fox Rent A Car brand was identified and valued using the "relief from royalty" method. It is considered to have an unlimited lifespan and is subject to an annual impairment test as well.

Impairment losses related to brands are recognized under "Other non-current income and expenses" in the income statement.

Brands with a fixed useful life

Brands and licenses with a fixed useful life are recorded at cost less the accumulated depreciation. They are amortized on a straight-line basis, in order to distribute their cost as a constant charge over their useful life or over the duration of the underlying contract (10 years). They are subject to an impairment test when a triggering event occurs (indication of impairment).

The Group does not own any brands with fixed useful lives.

CONTRACTUAL RELATIONSHIPS WITH CLIENTS

Contractual relationships with customers that are acquired as part of a business combination are amortized over the useful life of the relationships, i.e., 10 years. The valuation method is carried out on the basis of the expected surplus profits. These are subject to an impairment test in the event that management identifies an indication of impairment of these assets.

SOFTWARE AND OPERATING SYSTEMS

Software licenses acquired are capitalized based on the costs incurred for their acquisition and commissioning. These costs are amortized over the estimated useful life of the software (see below). Costs associated with software development and maintenance are expensed as incurred. The costs directly associated with the development of identifiable and unique software controlled by the Group, and likely to generate economic benefits greater than the costs incurred over a period of more than one year, are recognized in intangible assets and where the latter meet the recognition criteria of IAS 38. The costs include the expenses of the personnel assigned to the development of the software, as well as a share of the general costs directly attributable to the development of the software.

Software development costs recognized as assets are amortized over the estimated useful life of the software (see below).

OTHER INTANGIBLE ASSETS

Other intangible assets acquired by the Group are valued at cost less accumulated depreciation (see below) and impairment losses. They include the right to use brands acquired as part of a business combination.

AMORTIZATION

Intangible assets are amortized on a linear basis from the date of their entry into service. The estimated useful lives are as follows:

- customer relationships: 10 years;
- software: 3 years;
- operating systems: 5 to 10 years.

c) Property, plant and equipment

OWN ASSETS

Tangible fixed assets appear on the balance sheet at historical cost, after deduction of the accumulated amount of depreciation and impairment.

When the components of an item of property, plant and equipment have different useful lives, they are recognized as separate property, plant and equipment and depreciated over the useful life of each component. Repair and maintenance costs are expensed as incurred.

LEASED ASSETS

The leased assets correspond to:

- *real estate contracts linked to the rental activity in all the countries in which the Group operates (agencies, airport desks, preparation areas, car parks); and*
- *property contracts not related to the rental activity (offices).*

In application of IFRS 16, leases are recognized in the balance sheet in the form of a right of use on the leased asset and a financial debt in respect of rents and other payments to be made during the term of the lease. rental retained to assess the rental debt.

The right of use is amortized on a straight-line basis, and the financial debt is amortized actuarially over the duration of the lease. The interest charge relating to the financial debt and the amortization charge for the right of use are charged separately to the income statement.

The Group applied simplification measures and identified certain contracts for which IFRS 16 authorizes treatment similar to IAS 17. These contracts are recognized directly as expenses.

SUBSEQUENT COSTS

The Group includes in the book value of a tangible fixed asset the cost of replacing part of this fixed asset when this cost is incurred, it is likely that the future economic benefits associated with this element will benefit the Group and that the cost of this item can be measured reliably. All other costs are expensed in the income statement as incurred. Repair costs and interest on loans are recognized in current expenses.

AMORTIZATION

Land is not depreciated. The following assets are amortized on a linear basis.

The estimated useful lives are as follows:

- constructions: 25 to 50 years;
- technical installations and machines: 6 to 12 years;
- other office equipment, materials and furniture, including specific tools: 3 to 15 years.

The useful life is reviewed once a year.

5.1 Goodwill

(in thousands of euros)	Gross value	Impairment loss	Carrying value
Balance at January 1, 2019	**1,222,658**	**(192,813)**	**1,029,845**
Acquisitions [1]	137,553	-	137,553
Various	-	(593)	(593)
Effect of movements in foreign exchange rates	3,666	(731)	2,935
Balance at December 31, 2019	**1,363,877**	**(194,137)**	**1,169,740**
Balance at January 1, 2020	**1,363,877**	**(194,137)**	**1,169,740**
Catch up amortization of Purchase Price Allocation in 2019 [2]	**(32,766)**	**-**	**(32,766)**
Adjusted balance at January 1, 2020	**1,331,111**	**(194,137)**	**1,136,974**
Acquisitions	-	(130,920)	(130,920)
Various	(1)	(4)	(5)
Effect of movements in foreign exchange rates	(9,149)	1,219	(7,930)
Balance at December 31, 2020	**1,321,961**	**(323,842)**	**998,119**

(1) Of which in 2019, 34.4 million euros related to the acquisition of the Finnish and Norwegian franchisees and 100.1 million euros in connection with the acquisition of Fox Rent A Car.
(2) Related to the acquisition of the Finnish and Norwegian franchisees and Fox Rent A Car. See note 2.2 – Changes in scope.
(3) The impairment tests performed in 2020 resulted in a goodwill impairment of 131 million euros, of which 44 million euros in France, 13 million in the United Kingdom, 48 million at Goldcar primarily in Spain and 26 million of goodwill on Urban Mobility activities.

5.1.1 Goodwill of rental activities held by the Group, analyzed by cash-generating unit

The table below presents the breakdown between Cash Generating Units (CGU) of the most significant goodwill and reflects the organization at December 31, 2020 (see note 3).

(in thousands of euros)	Germany	United Kingdom	France	Other	Total Cars, Vans, ICov	Total LowC	Ubeeqo	Other	Total MOBI	Total Group
Balance at December 31, 2019	**180,325**	**84,420**	**93,176**	**254,070**	**611,987**	**511,575**	**32,966**	**13,207**	**46,173**	**1,169,740**
Catch up amortization of Purchase Price Allocation in 2019 (1)	**-**	**-**	**-**	**(7,459)**	**(7,459)**	**(25,307)**	**-**	**-**	**-**	**(32,766)**
Adjusted balance at January 1, 2020	**180,325**	**84,420**	**93,176**	**246,611**	**604,532**	**486,268**	**32,966**	**13,207**	**46,173**	**1,136,973**
Impairment loss for the period	-	(13,110)	(44,161)	-	(57,271)	(48,146)	(14,748)	(10,755)	(25,503)	(130,920)
Transfer and others (2)	56,573	(368)	-	(54,043)	2,115	(73)	(165)	(1,881)	(2,046)	(5)
Currency fluctuations	-	(2,798)	-	-	(2,751)	(4,608)	-	(571)	(571)	(7,930)
Balance at December 31, 2020	**236,898**	**68,144**	**49,015**	**192,568**	**546,625**	**433,441**	**18,053**	**-**	**18,053**	**998,119**

(1) Related to the acquisition of the Finnish and Norwegian franchisees and Fox Rent A Car. See note 2.2 – Changes in scope.
(2) Mainly due to the affectation of Buchbinder Goodwill within the CGU Germany carried by Europcar brand in line with the plan to merge Europcar and Buchbinder activities currently being finalized.

5.1.2 Main assumptions at December 31, 2020

In accordance with IAS 36, "Impairment of Assets", the Group performed an annual impairment test of goodwill based on the main assumptions below:

a) Business Plans

In 2020, the Group prepared impairment tests in line with its Connect transformation plan. In light of the Covid-19 health crisis, its impact on the economic and competitive environment, and on changes in customer expectations, the Group has decided to update its SHIFT 2023 strategic plan, and to launch its new Connect transformation plan in 2020 in order to quickly reposition the Group on a vision highly focused on customer needs and digitalization. These structural changes will allow the Group to become more efficient and competitive, and to emerge from the current crisis stronger and better able to serve its customers.

The Connect strategic plan aims in particular to redefine the current go-to-market scenario by replacing the Business Units with an organization in Service Lines, focused on offering concrete modes of mobility and improving the customer experience in these areas. This plan incorporates and accelerates the Group's digitization ambitions, and also emphasizes strengthening the domestic mobility activity, particularly in the medium-term rental segment. To this end, Connect plan rests on four operational pillars: i) connectivity and simplification of the Group's fleet, ii) optimization and digitization of its network to offer the various modes of mobility, iii) unification and improvement of its information systems; and iv) overhaul of its organization and talent management.

So and as a result of the health crisis and its impacts, and in order to make the most of the acquisitions made in the last few years, the Group has also prepared its action plan to incorporate LowCost activities, largely carried by the Goldcar brand, and Urban Mobility activities carried by the Ubeeqo brand, and thus take advantage of cost and revenue synergies: Development of standards to harmonize back-office networks, business processes and the organizations of the different entities.

b) Allocation of LowCost and Urban Mobility goodwill

For the purposes of impairment testing and in line with the assumptions made in its Connect transformation plan described above and which aim to integrate its LowCost and Urban Mobility activities, the Group has decided to allocate the assets and liabilities held within the Goldcar and Urban Mobility CGUs to the cash-generating units carried by the Europcar brand starting from 2020. The assets and liabilities of the Goldcar activities were allocated mainly in Spain. For the Urban Mobility activities, assets and liabilities were allocated mainly in France, Spain and Germany.

The Group therefore tested all Europcar, Goldcar, and Urban Mobility CGUs for impairment before allocation, which resulted in the recognition of an impairment on goodwill of €48 million at Goldcar, mainly in Spain, and €26 million on goodwill of the Urban Mobility activities, €15 million of which is related to Ubeeqo. The impairment test carried out on all Europcar CGUs after integration of the Goldcar and Urban Mobility activities did not reveal any loss of value on the goodwill of the CGUs concerned.

c) WACC

	France	Germany	Italy	Spain	United Kingdom	Belgium	Portugal	Australia	Ireland	Denmark	USA	Finland	Norway
WACC	**6.39%**	**5.98%**	**7.92%**	**6.98%**	**7.35%**	**7.39%**	**9.03%**	**7.55%**	**8.62%**	**7.42%**	**10.50%**	**7.22%**	**7.50%**

The terminal value is based on normalized and discounted cash flows over an indefinite period, assuming a long-term growth rate of 2%. The weighted average cost of capital is applied to the cash flows of each cash-generating unit on the basis of a risk-free interest rate (average over a 5-year period) corresponding to the risk-free rate of ten-year German bonds years, adjusted for a risk premium for each country.

The Group considers that the weighted average cost of capital should be based on a historical share risk premium of 7.5%, up on the previous year and in order to reflect the long-term assumptions used for the impairment tests.

The debt ratio used to calculate the weighted average cost of capital is based on the average annual ratio of net debt to equity, published quarterly by comparable companies.

d) Other assumptions

In addition to the discount rate and business plans, the other assumptions used in 2020 include:

- for the purpose of the impairment test, the discounted cash flows are projected until 2027 and the normative values used for the calculation of the terminal value are the data projected in 2027. The discounted cash flow is based on the Three-Year Plan (2021-2023) of its "Connect" strategy and then projected beyond 2023 with a sales growth assumption that remains cautious and a stable profit margin;
- the Group considers that each country corresponds to a cash-generating unit. When carrying out the impairment tests, the Group takes into account the cash flows arising from the adjusted EBITDA according to the three-year plan;
- the valuation of the terminal value of each cash-generating unit is based on a long-term growth rate of 2%;
- the rights of use and the related liabilities relating to the application of IFRS 16 are included in the carrying amount of the Cash-Generating Units.

5.1.3 Result of the impairment tests

At December 31, 2020, the Group recorded an impairment loss on goodwill of 131 million euros.

Within the Cars, Vans & International Coverage operating segment, the Group recognized an impairment loss on its assets in France and in the United Kingdom of 44 million euros and 13 million euros respectively, mainly related to lower discounted projections reflecting business losses caused by the health crisis and the higher weighted average cost of capital (+1 point in the United Kingdom).

During 2020, the Leisure segment carried by the Goldcar brand was the most impacted of the Group's businesses. The quarantine imposed by the United Kingdom and Germany for travelers from certain countries such as Spain and Portugal led to a sharp drop in its airport activity and a slowdown in international tourism. The Group therefore recognized an impairment loss on goodwill within its Goldcar activities, primarily in Spain for 48 million euros.

Concerning the Urban Mobility segment, despite the performance of the car-sharing business during the year in a health crisis context, the decline in revenue mainly impacted the enterprise value of the activities primarily carried by the Ubeeqo brand. The Group therefore recognized an impairment loss on goodwill of 25 million euros, including 15 million euros on goodwill from the acquisition of Ubeeqo.

The Group also reviewed the value in use of its intangible assets especially for brands with an indefinite lifespan. At December 31, 2020, these reviews did not result in the recognition of an impairment for the Europcar, Buchbinder and Goldcar leading brands. Their value in use has been determined from projections of the fees that would be collected within the Europcar network in line with the assumptions made under the Group's transformation plan.

5.1.4 Sensitivity analysis

Goodwill has been subject to an impairment test by the Company as described in the Note 5.1.1.

At December 31, 2020, the Group analyzed the sensitivity to the assumptions used to conduct the tests based on:

- a 1-point increase in the discount rate;
- a 1-point decrease in the long-term growth rate;
- a 5% decrease in Adjusted Corporate EBITDA.

Given the integration of the Goldcar and Urban Mobility activities, for which the Group recorded an impairment loss at December 31, 2020 for €48 million and €15 million, respectively, the sensitivity analysis was applied to the Europcar CGUs after allocation of the assets and liabilities of the two Goldcar and Urban Mobility activities.

With the exception of the UK, this analysis did not identify a probable scenario that would lead us to think that the recoverable value could be lower than the book value, even in the CGUs France and Spain for which the Group recorded an impairment loss at December 31, 2020.

For CGUs in the UK, the results of the sensitivity analysis carried out by the Group are as follows:

- an increase of 1 point in the discount coefficient would generate a reduction in the recoverable value of 17 million euros, generating an impairment of the same amount;
- a 1-point decrease in the long-term growth rate would reduce the recoverable value by 12 million euros, generating an impairment of the same amount;
- a reduction of 5% in the Corporate adjusted EBITDA would generate a reduction in the recoverable value of 10 million euros leading to an impairment of the same amount.

5.2 Intangible assets

(in thousands of euros)	Trademarks	Software, operating systems	Relations Customers	Intangible assets in progress	Leasehold rights [2]	Total
Gross values						
Balance at January 1, 2019	**905,547**	**325,316**	**35,499**	**54,695**	**1,502**	**1,322,559**
Changes in scope	-	2,536	-	-	2,005	4,540
Other acquisitions	-	14,968	-	37,513	130	52,611
Disposal	-	(750)	-	(947)	-	(1,697)
Transfer	(3)	(360)	-	-	(11)	(374)
Effect of movements in foreign exchange rates	2,620	543	-	-	(68)	3,095
Balance at December 31, 2019	**908,163**	**342,253**	**35,499**	**91,261**	**3,558**	**1,380,734**
Balance at January 1, 2020	**908,163**	**342,253**	**35,499**	**91,261**	**3,558**	**1,380,734**
Catch up amortization of Purchase Price Allocation in 2019 [1]	33,446	1,640	9,792	-	-	44,878
Adjusted balance at January 1, 2020	941,609	343,893	45,291	91,261	3,588	1,425,612
Other acquisitions	-	12,085	-	25,604	-	37,689
Disposal	-	(381)	-	(346)	-	(727)
Transfer	-	(488)	-	(274)	(3,558)	(4,320)
Effect of movements in foreign exchange rates	(6,680)	(1,818)	-	-	-	(8,498)
Balance at December 31, 2020	**934,929**	**353,292**	**45,291**	**-**	**-**	**1,449,756**
Depreciation and impairment losses						
Balance at January 1, 2019	**(55,461)**	**(272,250)**	**(4,741)**	**(2,854)**	**(1,237)**	**(336,543)**
Amortization	-	(10,746)	(3,550)	(10,634)	(268)	(25,198)
Disposal	-	68	-	-	-	68
Transfer	(65)	(8,770)	-	(8,636)	35	105
Effect of movements in foreign exchange rates	(2,621)	(515)	-	-	54	(3,081)
Balance at December 31, 2019	**(58,146)**	**(274,673)**	**(8,291)**	**(22,124)**	**(1,416)**	**(364,650)**
Balance at January 1, 2020	**(58,146)**	**(274,673)**	**(8,291)**	**(22,124)**	**(1,416)**	**(364,650)**
Catch up amortization of Purchase Price Allocation in 2019 [1]	-	(46)	(853)	-	-	(899)
Adjusted balance at January 1, 2020	(58,146)	(274,719)	(9,144)	(22,124)	(1,416)	(365,549)
Amortization	-	(32,048)	(4,491)	-	-	(36,539)
Disposal	-	169	-	-	-	169
Transfer	-	2,197	-	-	1,416	3,613
Effect of movements in foreign exchange rates	2,862	1,519	-	-	-	4,381
Balance at December 31, 2020	**(55,284)**	**(303,264)**	**(13,253)**	**(22,124)**	**-**	**(393,925)**
Net carrying amounts						
At December 31, 2019	**850,017**	**67,316**	**27,504**	**69,137**	**2,142**	**1,016,084**
AT DECEMBER 31, 2020	**879,644**	**50,028**	**32,038**	**94,121**	**-**	**1,055,831**

(1) The fair value allocation of the acquisitions in 2019 continued and was finalized in 2020. The opening statement of financial position was adjusted and the following main intangible assets were recognized: the Fox Rent A Car brand for 33 million dollars, customer relations at the Finnish and Norwegian franchises for 10 million euros and technology at Fox Rent A Car for 2 million dollars.

(2) Leasehold rights were attached to the underlying IFRS 16 right-of-use and were therefore transferred to property, plant and equipment (see note 5.3) in the Group's financial statements as of December 31, 2020.

5.2.1 Trademarks

The brands registered in the consolidated financial statements at December 31, 2020 amount to 880 million euros and relate mainly to the Europcar (699 million euros), Goldcar (137 million euros), Buchbinder (33 million euros) and Fox Rent A Car (33 million dollars) brands. These brands have an indefinite lifespan.

The value of the different brands recognized in the Group's financial statements has been confirmed by an impairment test presented below.

(i) Annual impairment test

In accordance with IAS 36, "Impairment of Assets", the Group carried out an annual impairment test of the carrying value of its brands using the royalty method. This test is carried out globally, all countries and entities using the Europcar brand combined without allocation at a lower level.

The value in use of the brand has been determined from projections of the fees that would be collected within the Europcar network (entities owned by the Group, national and international franchisees).

(ii) Main assumptions

The valuation of the terminal value is based on a long-term growth rate of 2%.

The discount coefficient used to calculate the weighted average cost of capital is applied to the net cash flow from each cash-generating unit based on the risk-free interest rate of German bonds with a maturity 10 years.

It is estimated at 7.92% in 2020 (6.99% in 2019).

(iii) Sensitivity analysis

A reasonable modification of the main assumptions would not generate a book value higher than the recoverable value and therefore would not lead to an impairment. The table below presents the result of the impairment test and the resulting room for maneuver (difference between the recoverable value and the net book value of the brands) according to different assumptions of long-term growth rate and weighted average cost of capital.

	Long-term growth rate		
(in millions of euros)	1.0%	2.0%	3.0%
WACC			
6.92%	645	861	1,187
7.92%	461	609	817
8.92%	326	432	575

The tests carried out on the different brands did not lead to any record of impairment losses in 2020 and in previous years.

5.2.2 Software and operating system

The software (Greenway from Europcar and Speedlink from PremierFirst) were measured at fair value in accordance with IFRS 3 "Business combinations", according to the APF method (analysis of functional points). This method is based on the calculation of the functional points of each of the segments/software of the fleet management and booking systems of Europcar and PremierFirst. The functional points correspond to the functionalities used to evaluate the replacement value.

The net book value of this internally developed software has been zero since the end of December 31, 2017.

The amount of project costs activated for 2020 is 26 million euros (39 million euros in 2019).

5.2.3 Security

The total amount of intangible assets (with the exception of the Europcar brand) is held as security for the first loan intended to finance the fleet of vehicles, as detailed in Note 6.6.

5.3 Property, plant and equipment

Property, plant and equipment are held as security against Group corporate financing, as detailed in Note 6.6.

(in thousands of euros)	Land and buildings	Technical equipment	Other equipment	Fixed assets in progress	Right of use	Total
Gross values						
Balance at January 1, 2019	**123,247**	**30,658**	**247,201**	**5,530**	**-**	**406,636**
Changes in scope	2,795	1,582	621	39	16,844	21,880
Acquisitions	2,581	7,487	21,636	3,737	454,649	490,091
Disposal	(1,769)	(150)	(8,026)	(875)	(21,202)	(32,022)
Transfer	5	(47)	983	(1,036)	(153)	(248)
Effect of movements in foreign exchange rates	467	(76)	1,727	(3)	517	2,631
Balance at December 31, 2019	**127,325**	**39,454**	**264,142**	**7,392**	**450,655**	**888,968**
Balance at January 1, 2020	**127,325**	**39,454**	**264,142**	**7,392**	**450,655**	**888,968**
Changes in scope	-	-	-	-	-	-
Acquisitions	39,187	3,954	7,689	2,386	92,566	145,782
Disposal	(57,002)	(125)	(4,483)	(694)	(81,941)	(144,245)
Transfer	(170)	(11)	9,621	(219)	(35,504)	(26,282)
Effect of movements in foreign exchange rates	(707)	(906)	(2,835)	(32)	100	(4,381)
Balance at December 31, 2020	**108,634**	**42,366**	**274,134**	**8,832**	**425,875**	**859,842**
Depreciation and impairment losses						
Balance at January 1, 2019	**(35,173)**	**(15,643)**	**(196,573)**	**-**	**-**	**(247,389)**
Provision for depreciation and depreciation expense	(2,037)	(4,099)	(16,056)	-	(103,555)	(125,747)
Disposal	1,118	24	3,189	-	-	4,330
Transfer	-	44	(249)	-	-	(205)
Effect of movements in foreign exchange rates	(130)	63	(1,245)	-	(298)	(1,611)
Balance at December 31, 2019	**(36,227)**	**(19,609)**	**(210,932)**	**-**	**(103,555)**	**(370,622)**
Balance at January 1, 2020	**(36,227)**	**(19,609)**	**(210,932)**	**-**	**(103,555)**	**(370,622)**
Provision for depreciation and depreciation expense	(3,447)	(5,444)	(15,601)	-	(94,061)	(118,552)
Disposal	4,301	238	3,436	-	3,664	11,639
Transfer	-	(3)	(7,747)	-	35,731	27,981
Effect of movements in foreign exchange rates	50	802	2,277	-	(545)	2,584
Balance at December 31, 2020	**(35,322)**	**(24,016)**	**(228,566)**	**-**	**(158,766)**	**(446,670)**
Net carrying amounts						
At December 31, 2019	**91,098**	**19,845**	**53,209**	**7,392**	**346,801**	**518,346**
At December 31, 2020	**73,311**	**18,350**	**45,568**	**8,832**	**267,110**	**413,171**

5.4 IFRS 16

(in thousands of euros)	Rental Fleet	Property, Plant and Equipment	Total
Gross values			
Balance at January 1, 2019	**129,384**	**366,875**	**496,259**
Changes in scope	15,040	16,844	31,884
Acquisitions	250,960	83,781	334,741
Disposal	18,021	(21,064)	(3,043)
Transfer	-	-	-
Effect of movements in foreign exchange rates	891	4,219	5,110
Balance at December 31, 2019	**414,296**	**450,655**	**864,951**
Balance at January 1, 2020	**414,296**	**450,655**	**864,951**
Changes in scope	-	-	-
Acquisitions	161,683	95,747	257,430
Disposal	(389,648)	(117,445)	(507,093)
Transfer	-	-	-
Effect of movements in foreign exchange rates	(1,242)	(3,160)	(4,402)
Balance at December 31, 2020	**185,090**	**425,797**	**610,887**
Depreciation and impairment losses			
Balance at January 1, 2019	**-**	**-**	**-**
Provision for depreciation and depreciation expense	(287,344)	(103,555)	(390,900)
Disposal	3,103	-	3,103
Transfer	-	-	-
Effect of movements in foreign exchange rates	(553)	(298)	(852)
Balance at December 31, 2019	**(284,795)**	**(103,854)**	**(388,648)**
Balance at January 1, 2020	**(284,795)**	**(103,854)**	**(388,648)**
Provision for depreciation and depreciation expense	(168,658)	(94,061)	(262,718)
Disposal	344,204	39,395	383,599
Transfer	-	-	-
Effect of movements in foreign exchange rates	652	(168)	485
Balance at December 31, 2020	**(108,596)**	**(158,687)**	**(267,284)**
Net carrying amounts			
At December 31, 2019	**129,501**	**346,801**	**476,302**
At December 31, 2020	**76,493**	**267,110**	**343,603**

The amount of the right of use stood at 344 million euros at December 31, 2020 and the related lease liability amounted to 354 million euros, of which 279 million euros relating to real estate contracts and 75 million relating to the rental fleet.

At December 31, 2020, as required by IAS 36, Europcar performed an impairment test on rights of use. As such, the Group reviewed the recoverable value of rights of use related to the lease contracts of its real estate properties and vehicles taking into consideration the different effects of the health crisis particularly during the lockdown periods (renegotiation and/or non-renewal of the term of certain contracts, rent holidays granted by lessors and restructuring plan for agencies and headquarters). The Group did not identify any impairment loss related to these tests.

Note 6 Other components of the balance sheet and activity-related commitments

6.1 Inventories

No material restrictions of title or right of use exist in respect of the inventories listed below:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Consumables	1,376	2,368
Oil and fuel	12,268	21,489
Vehicles	1,376	3,106
Spare parts	1,000	2,068
Other items	73	532
TOTAL INVENTORY	**16,093**	**29,563**

Inventories are recognized net of provisions of 371 thousand euros (2019: 334 thousand euros).

The vehicles entered in the stocks are vehicles which are not yet in operation on the closing date.

6.2 Trade and other receivables

All trade receivables are due within one year.

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Rental receivables	210,755	270,673
Other trade receivables	84,291	118,285
Other tax receivables	3,141	8,509
Insurance claims	32,069	44,728
Prepayments	20,671	21,448
Employee related receivables	7,930	786
Deposits, other receivables	23,153	23,189
TOTAL TRADE AND OTHER RECEIVABLES	**382,010**	**487,618**

The table below shows the evolution of provisions for depreciation of receivables related to vehicle rental and other customer receivables:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Opening balance	**(43,919)**	**(41,297)**
Impairment of bad debts	(20,408)	(4,793)
Scope changes and acquisitions of the period	10	(441)
Receivables written off during the year/period	1,908	2,734
Unused amounts reversed	296	-
Foreign currency differences	157	(122)
CLOSING BALANCE	**(61,956)**	**(43,919)**

Additions to/releases of the allowance for bad debts are included in "Fleet operating, rental and revenue related costs" in the consolidated income statement (Note 4.3).

The schedule of net trade receivables and other receivables is as follows:

	At December 31, 2020				
(in thousands of euros)	**Total**	**Not expired**	**Expire within 90 days**	**Expire between 90 and 180 days**	**Expire for more than 180 days**
Trade and other receivables – gross amount	467,839	292,692	64,669	23,724	86,757
Impairment of bad debts	(85,829)	(28,470)	(4,265)	(3,278)	(49,815)
Trade and other receivables – net amount	**382,010**	**264,222**	**60,404**	**20,445**	**36,942**

	At December 31, 2019				
(in thousands of euros)	Total	Not expired	Expire within 90 days	Expire between 90 and 180 days	Expire for more than 180 days
Trade and other receivables – gross amount	560,663	367,059	86,466	32,191	74,966
Impairment of bad debts	(73,045)	(17,508)	(14,631)	(10,098)	(30,808)
Trade and other receivables – net amount	**487,618**	**349,551**	**71,815**	**22,093**	**44,159**

6.3 Trade payables and other liabilities

The fair values of trade payables correspond to their nominal value. All trade payables and other liabilities fall due within one year.

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Trade payables	376,462	457,184
Other tax payables	18,349	14,325
Deposits	37,219	59,018
Employee-related liabilities	67,074	72,141
Liabilities relating to the acquisition of participating interests	21,440	26,227
TOTAL TRADE PAYABLES AND OTHER LIABILITIES	**520,544**	**628,895**

6.4 Change in non-fleet working capital

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Trade receivables	70,785	7,336
Other receivables	25,786	(7,283)
Tax receivables	5,373	(4,777)
Inventories	13,202	(1,518)
Trade payables	(72,635)	16,623
Other debt	(16,725)	6,248
Employee-related liabilities	(4,046)	(3,588)
Tax debt	4,039	(2,905)
CHANGE IN NON-FLEET WORKING CAPITAL	**25,779**	**10,137**

6.5 Off-balance sheet commitments

6.5.1 Leases

The Group's minimum payments under non-cancellable leases and not restated in accordance with the exemptions and provisions of IFRS 16 are detailed below:

(in thousands of euros)	At December 31, 2020	Including amounts related to operated fleet	At December 31, 2019	Including amounts related to operated fleet
Payable:				
Less than a year	33,944	-	32,260	-
Between one and five years	19,345	-	32,781	-
Over five	2,357	-	3,234	-
TOTAL LEASES	**55,646**	**-**	**68,275**	**-**

With the application of IFRS 16, the majority of leases are recognized in the balance sheet and are therefore not included in the off-balance sheet commitments presented in the table above.

Only the commitments related to the following rental contracts are considered:

- contracts affected by the exemptions permitted by the standard;
- contracts considered as service contracts for which the rental charge is recognized directly in the Group's income statement under operating profit;
- contracts considered to be for substitutable assets when the lessor has the possibility of modifying the location of the tenant without payment of a significant financial consideration. Several contracts within airports are affected and are therefore excluded from the scope of IFRS 16.

6.5.2 Commitments to purchase vehicles

During the year ended December 31, 2020, the Group concluded contracts for the purchase of vehicles. As of December 31, 2020, outstanding commitments amounted to 1,697.8 million euros (December 2019: 1,190.9 million euros).

6.5.3 Commitments to purchase fixed assets

During the fiscal year ended December 31, 2020, the Group entered into contracts for the purchase of tangible and intangible assets. As of December 31, 2020, the commitments in progress were not significant, as was December 31, 2019.

6.5.4 Contingent assets and liabilities and guarantees

Guarantees given by the Group

- the Group has given various guarantees (mostly joint and several) to certain third parties (mainly in respect of fleet finance lease transactions) in the normal course of its activities, as well as specific guarantees, including a guarantee 59 million euros to AIG Europe Ltd for the performance of certain commitments in its self-insurance program (franchise agreement), which could have to be implemented in the very unlikely event that Europcar would be unable to honor the commitments under the franchise agreement.
- as of December 31, 2020, the Company had given suppliers 30.5 million euros in guarantees (December 2019: 16.1 million euros). Contingent assets amounted to 3.0 million euros (December 2019: 3.4 million euros).
- Securitifleet S.A.S., Goldfleet France S.A.S., Securitifleet S.L. and Goldfleet Spain S.L. respectively hold a significant part of the fleet leased by Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. and Goldcar Spain S.L.U. to their respective customers and have given their vehicles as security, with regard to Securitifleet SAS and Goldfleet France SAS, for the benefit of Crédit Agricole Corporate and Investment Bank, its successors and assignees, and, more particularly, for the benefit of the Common Fund FCT Sinople Securitization, in accordance with articles 2333 et seq. of the French Civil Code, and, in the case of Securitifleet SL and Golfleet Spain SL, for the benefit of its creditors, its successors and assignees, within the framework of a contract called respectively "Spanish Securitifleet Financing Agreement" and "Spanish Goldfleet Financing Agreement" and in accordance with Article 1863 of the Spanish Civil Code. For the purposes of these guarantees, Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A. and Goldcar Spain S.L.U. have been appointed respectively agreed third party and *tercero poseedor de conformidad* in accordance with the provisions of Article 2337 of the French Civil Code and Article 1863 of the Spanish Civil Code. Consequently, any vehicle returned by a customer of Europcar France S.A.S., Goldcar France S.A.R.L., Europcar IB S.A.U. or Goldcar Spain S.L.U. must be, as the case may be, to Europcar France S.A.S., to Goldcar France S.A.R.L., to Europcar IB S.A.U. or to Goldcar Spain S.L.U. in their capacity as agreed third party and *tercero poseedor de conformidad* or, as the case may be, any other entity which replaces it and in no case shall Securitifleet France S.A.S., Goldfleet France S.A.S., Securitifleet S.L. or Goldfleet Spain S.L.U.
- the companies Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet SpA and Goldfleet SAS

are or will be owners of a substantial part of the fleet rented by Europcar France SAS to its customers and have agreed to a pledge on their vehicles for the benefit in particular of Credit Agricole Corporate and Investment Bank and its successors and assignees and, in particular, the FCT Sinople Finance Securitization Mutual Fund, in particular in accordance with articles 2333 and following of the Civil Code. For the purposes of this pledge, Europcar France SAS has been designated as an "agreed third party" in accordance with Article 2337 of the Civil Code. Consequently, any return of a vehicle by a customer of Europcar France SAS must imperatively be made to Europcar France SAS in its capacity as an agreed third party or, if applicable, of any other entity which may be substituted for it in this capacity. and in no case to Securitifleet SAS, Securitifleet GmbH, Securitifleet SL, Securitifleet SpA or Goldfleet SAS.

- the companies Goldfleet SAS and Securitifleet SAS are or will be owners of a substantial part of the fleet rented by Goldcar France SARL to its customers and have agreed to a pledge on their vehicles for the benefit in particular of Crédit Agricole Corporate and Investment Bank and its successors and assignees and, in particular, the FCT Sinople Finance Securitization Mutual Fund, in particular in accordance with articles 2333 and following of the Civil Code. For the purposes of this pledge, Goldcar France SARL has been designated as an "agreed third party" in accordance with Article 2337 of the Civil Code. Consequently, any return of vehicle by a customer of Goldcar France SARL must imperatively be carried out with Goldcar France SARL in its capacity of agreed third party or, if necessary, of any other entity which would come to be substituted for it in this capacity and in no case to Goldfleet SAS or Securitifleet SAS.
- as a guarantee of the Senior Renewable Credit Facility (or RCF), dated July 13, 2017, as amended on May 29, 2019, the following guarantees have in particular been set up by the Company for the benefit of lenders and banks of blanket:
  - joint and several guarantee of the obligations of the borrowers and lenders (Obligors),
  - pledge of the Europcar International S.A.S.U. shares held by the Company.

As a guarantee of the issue contract (Indenture) governing the EC Finance Bonds (bonds issued for a principal amount of 500 million euros and bearing interest at a rate of 2.375% redeemable in 2022), dated November 2, 2017, the following guarantee has in particular been put in place by the Company: joint and several guarantee of the obligations of EC Finance plc under the issue contract and the obligations.

To secure the indenture governing the 2026 Subordinated Notes (notes issued with a principal of €450 million and bearing interest at 4.00%, due in 2026) and the 2024 Subordinated Notes (notes issued with a principal of €600 million and bearing interest at 4.125%, due in 2024), dated June 10, 2015 and April 24, 2019, respectively, the following guarantee was notably put in place by the Company: a pledge over the Europcar International S.A.S.U. shares held by the Company (second ranking guarantee following the guarantee granted under the Senior Revolving Credit Facility).

As a guarantee of the asset-backed financing contract entitled "Asset Backed Financing Facility Agreement", dated December 19, 2017, the following guarantee has been put in place by the Company for the benefit of the financial parties: bonds of borrowers and debtors (Obligors).

Guarantees received by the Group

The Company benefited from a liability and asset guarantee granted by the Volkswagen group when the Europcar group was acquired by the Company in 2006. This guarantee has expired and can no longer be implemented, except in very limited specific circumstances. On the other hand, under previous implementations or these specific implementations, the Company may still receive compensation subject to the finalization of pending litigation or pre-litigation and agreement with Volkswagen on the final amount of this compensation.

The SGL is 90% guaranteed by the French State via Bpifrance Financement, a subsidiary of Bpifrance S.A., pursuant to the Order of March 23, 2020 granting the State guarantee to credit institutions and financing companies pursuant to Article 6 of corrective finance law No. 2020-289 of March 23, 2020 for 2020.

Pledges

The Group has pledged some of its assets, in particular equity securities in subsidiaries, receivables, bank accounts and operational assets. The assets of the Securitifleet entities and the Goldfleet entities or the assets used by the Securitifleet entities and the Goldfleet entities are pledged in favor of holders of EC Finance Bonds and lenders of SARF. The other assets are pledged in favor of the lenders of the senior revolving credit facility, with the exception of assets located in the United Kingdom and assets located in Australia and New Zealand which are themselves pledged in favor of their local lenders.

Note 7 Capital et reserves

7.1 Share capital and share premiums

As of December 31, 2020, the registered share capital of Europcar Mobility Group was €163,884,278 composed of 163,884,278 shares of €1 each, all of which correspond to ordinary shares.

There have been no movements on capital since January 1, 2020:

Date	Operation	Share capital *(€)*	Legal reserve *(€)*	Issue premium *(€)*	Number of shares	Par value *(€)*
12/31/2019		163,884,278	16,388,428	687,217,731	163,884,278	1.000
12/31/2020		**163,884,278**	**16,388,428**	**687,217,731**	**163,884,278**	**1.000**

As of December 31, 2020, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	**Number of ordinary shares and voting rights**	**Total number of shares**	**Percentage of common shares and voting rights**	**Percentage of share capital**
Eurazeo SE	48,988,240	48,988,240	31.42%	29.89%
DWS Investment GmbH	9,161,334	9,161,334	5.88%	5.59%
Merrill Lynch	8,282,744	8,282,744	5.31%	5.05%
Treasury shares	8,760,539	8,760,539	-	5.35%
FCPE EUROPCAR	615,428	615,428	0.39%	0.38%
Public	88,075,993	88,075,993	57.0%	53.74%
TOTAL	**163,884,278**	**163,884,278**	**100%**	**100%**

As of December 31, 2019, the distribution of shareholders in the capital of the Company was as follows:

Shareholders	Number of ordinary shares and voting rights	Total number of shares	Percentage of common shares and voting rights	Percentage of share capital
Eurazeo SE	48,988,240	48,988,240	31.51%	29.89%
CIAM	12,151,978	12,151,978	7.82%	7.42%
ECIP EC SARL	4,990,000	4,990,000	3.21%	3.05%
Morgan Stanley	13,330,226	13,330,226	8.57%	8.13%
Public	53,176,484	53,176,484	34.49%	32.45%
Executives and employees	4,644,698	4,644,698	3.16%	2.83%
INVESCO	8,117,866	8,117,866	5.22%	4.95%
Financière de l'Échiquier	9,552,508	9,552,508	6.12%	5.81%
Treasury shares	8,962,279	8,962,279	-	5.47%
TOTAL	**163,884,278**	**163,884,278**	**100%**	**100%**

This distribution was strongly impacted by the financial debt restructuring finalized by the Group in February 2021. See note 1.2.3 Group financial restructuring plan.

7.2 Treasury shares

Europcar Groupe shares held by the parent company are recorded at their acquisition cost as a reduction of consolidated equity. In the event of a sale, the capital gains or losses as well as the corresponding tax effects are recorded as a change in consolidated equity.

The value of treasury shares at December 31, 2020 under the liquidity and share buyback contracts entrusted to Rothschild (8,760,539 shares) relating to the shares of Europcar Mobility Group amounted to 15.7 million euros.

As of December 31, 2020, the impact on the change in equity related to treasury shares was (0.7) million euros (compared to (40.3) million euros as of December 31, 2019).

The number of treasury shares held can be analyzed as follows:

	2020
Number of treasury shares as of January 1, 2019	**8,962,279**
Own shares purchased	3,607,135
Own shares sold	(3,808,875)
Number of treasury shares as of December 31, 2020	**8,760,539**

Note 8 Financing and financial risk management

Financial assets are classified into three categories: assets at fair value through equity, assets at fair value through profit and loss and assets at amortized cost. Two criteria must be used to determine the classification and measurement of financial assets: the entity's business model for the management of its financial assets and the characteristics of the contractual cash flows of the financial asset. The classification adopted by default is that of fair value through profit or loss.

Financial liabilities are classified into the following categories: financial liabilities at fair value through profit and loss and amortized cost.

Management decides on the classification of financial assets and liabilities upon initial recognition.

a) Financial assets

FINANCIAL ASSETS AT FAIR VALUE THROUGH EQUITY

Gains and losses arising from changes in the fair value of these instruments are recognized in Other comprehensive income within equity, except for impairment losses and monetary items such as translation differences. When derecognizing these instruments, the cumulative gain or loss stored in equity is reported in the income statement. When these instruments bear interest, interest is recognized in the income statement using the effective interest rate method.

These assets which are not quoted on an active market and whose fair value cannot be measured reliably are valued at historical cost, less the accumulated amount of impairment losses.

IMPAIRMENT OF FINANCIAL ASSETS WITH FAIR VALUE THROUGH EQUITY

A significant or prolonged decline in their fair value below their historical cost is also taken into account to determine the existence of an impairment loss. In the presence of such an indication, the cumulative net loss previously recognized directly in equity is removed from equity and recognized in the income statement.

Impairment losses related to equity instruments recognized in the income statement are not reversed through the income statement until the sale of the equity instrument. After an impairment, an increase in the fair value of an equity instrument is recognized directly in equity.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit and loss mainly include investments in non-consolidated companies (see Note 8.6.1).

FINANCIAL ASSETS AT AMORTIZED COST

Similar receivables related to the vehicle fleet

See Note Receivables and debts assimilated to the vehicle fleet.

b) Trade and other receivables

Trade receivables are amounts owed by customers in return for services provided in the normal course of business; these receivables are initially recognized at fair value, then subsequently measured at amortized cost using the effective interest method, after deduction of a provision for depreciation.

The method of impairment of receivables is presented below in paragraph (e). Details of the impairment of receivables are given in Note 6.2.

The impairment loss is recorded in the income statement under *Fleet operating, rental and revenue-related costs* line item in the income statement (see Note 4.3).

c) Cash and cash equivalents

CASH INCLUDES CASH

Cash equivalents correspond to short-term investments and very liquid instruments such as transferable securities and bonds with a maturity of less than 3 months on the date of acquisition, easily convertible into a known amount of cash and not involving any significant exchange risk in value. Financial instruments classified in the cash and cash equivalents category are recognized at fair value through profit or loss.

RESTRICTED CASH

Cash and cash equivalents are considered restricted cash when (i) they are used to cover future claims indemnification or (ii) are not immediately available to finance the activity of the subsidiaries. Consequently, the cash limited to the following special purpose entities in relation to vehicle rental and insurance activities is considered to be restricted cash:

- Securitifleet Holding and Securitifleet Holding Bis;
- FCT Sinople ("Mutual Securitization Fund");
- EC Finance plc; and
- Euroguard, captive insurance.

Restricted cash and restricted cash equivalents are presented separately from cash and cash equivalents.

d) Other financial assets

Other financial assets mainly relate to non-derivative financial assets with fixed or determinable payments and a fixed maturity, which the entity has the firm intention and the possibility of keeping until maturity, which are not listed on an active market and arise from lending activities or the provision of goods or services. It mainly includes loans, receivables, deposits and advance payments and marketable securities which are not classified as cash and cash equivalents as well as the portfolio of financial assets (diversified bond investments with several financial institutions) held by Euroguard units.

These assets are initially recognized at fair value, including transaction costs. They are subsequently valued at amortized cost using the effective interest method.

The amortized cost of short-term receivables generally approaches the nominal amount of these elements.

These assets are considered as non-current financial assets if their maturity is more than 12 months or as current financial assets (see Note 8).

e) Impairment of financial assets

Impairment of assets valued at amortized cost is estimated on the basis of expected losses for the counterparty's credit risk using a mechanism based on the difference between discounted expected flows and original flows or balance sheet outstanding. A collective impairment for a group of assets is carried out when the characteristics of these assets thus grouped are similar.

The expected losses for buy-back receivables from manufacturers are assessed on the basis of the probabilities of default by the main Group manufacturers obtained from rating bodies. The expected losses for rental receivables are evaluated on the basis of a historic loss rate. Additional impairment can be seen when observing an objective indicator of impairment with a proven loss.

The impairment of assets valued at amortized cost is detailed in Note 4.4.

The method of impairment of assets at fair value through equity is detailed in paragraph (i) Financial assets at fair value through equity.

f) Financial liabilities at amortized cost

These financial liabilities include:

- loans and financial debts;
- suppliers and other debts;
- bank overdrafts.

The amortized cost of suppliers and other short-term debts generally approach their nominal amount.

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently measured at amortized cost. The effective interest rate calculation takes into account interest payments and amortization of transaction costs. Transaction costs are amortized using the effective interest method over the term of the loan.

Bank overdrafts repayable on demand which are an integral part of the Group's cash management are included in current borrowings in the balance sheet and the cash flow statement.

Loans are classified as current liabilities, unless the Group has an unconditional right to defer settlement of the liabilities for at least 12 months after the balance sheet date.

In the event of a modification of the financial debt at amortized cost, the carrying amount of the financing is recalculated as being the sum of the new flows discounted at the original TIE. In fact, the financial gain or loss resulting from changes in characteristics is recognized immediately in the income statement.

g) Derivative financial instruments with fair value through equity or through profit or loss

A financial instrument is a contract that gives rise to both a financial asset in one entity and a financial liability or an equity instrument in another.

The Group uses derivative financial instruments to manage its exposure to exchange rate and interest rate risks. In accordance with its cash management policy, the Group does not hold or issue any derivative financial instruments for trading purposes.

When derivative instruments are held for risk management purposes and when transactions meet the required criteria, the Group applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in an activity abroad, depending on the risk covered.

As soon as the transaction is implemented, the Group documents the hedging relationship between the hedging instruments and the items hedged, as well as its risk management objectives and its hedging policy. The Group also documents the assessment it makes, when hedging is put in place and on a permanent basis, of the highly effective nature of the derivative instruments used in hedging transactions to compensate for variations in fair values or cash flow of hedged items. The fair values of the derivative instruments used for hedging purposes are presented in Note 8.5.

As of December 31, 2020, the Group did not hold any derivative instruments meeting the criteria of fair value hedge accounting or of a net investment.

h) cash flow hedge accounting

For eligible cash flow hedges, the fair value gain or loss associated with the effective part of the cash flow hedge is initially recognized in equity (see consolidated statement of comprehensive income), then recycled to the account. in the periods during which the hedged item will affect the result. Any ineffective portion of the gain or loss related to the hedged item is recognized immediately in the income statement in "Financial income" (see Note 3.7).

8.1 Financial assets

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Other non-current financial assets		
Other non-current financial assets	60	61
Financial assets carried at amortized cost [1]	26,416	41,266
Deposits and prepayments	27,256	32,143
Investments in non-consolidated entities	406	435
TOTAL NON-CURRENT FINANCIAL ASSETS	**54,138**	**73,905**
Other financial assets		
Loans	261	339
Other current financial assets [1]	22,977	14,505
TOTAL CURRENT FINANCIAL ASSETS	**23,238**	**14,844**

(1) Including 46 million euros covering the liabilities linked to our captive insurance structure (49.6 million euros at December 31, 2019), mainly composed of bonds recognized at amortized cost. Given the short maturity of these obligations, management has concluded that the fair value of these investments is close to their carrying value at December 31, 2020.

8.2 Cash, cash equivalents and restricted cash

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Cash-in-hand and at bank	364,733	526,753
Accrued interest	(87)	266
Cash and cash equivalents	**364,646**	**527,019**
Restricted cash	81,953	116,518
CASH, CASH EQUIVALENTS AND RESTRICTED CASH	**446,598**	**643,537**

Cash-in-hand and at bank amounted to 75.6 million euros (December 2019: 167.9 million euros of cash limited to the companies Securitifleet and Goldfleet, with the exception of the two Holdings SFH and are intended to finance the fleet in France, in Germany, Italy and Spain. As such, they are not considered to be restricted cash.

Cash and cash equivalents of *ad hoc* structures are considered restricted cash. The reconciliation of cash and cash equivalents presented in the balance sheet and cash and cash equivalents in the cash table is detailed below:

(in thousands of euros)	At December 31, 2020	At December 31, 2019
Cash and cash equivalents	364,646	527,019
Restricted cash	81,953	116,518
Bank overdrafts [1]	(1,997)	(15,382)
CASH AND CASH EQUIVALENTS PRESENTED IN THE CASH FLOW STATEMENT	**444,601**	**628,155**

(1) Included in current borrowings and financial debts (see note 8.3).

8.3 Non-current portion of financial liabilities

(in thousands of euros)	At 31 December 2019	Variation with cash impact	Variation in scope	Foreign exchange impacts	Others	At 31 December 2020
Bond loans	1,550,000	-	-	-	-	1,550,000
Other bank loans dedicated to fleet financing	284,127	(108,602)	60	(14,787)	(116,377)	44,421
Financial debts related to government measures	-	327,624	-	-	(18,215)	309,409
Liabilities related to leases	292,174	-	-	-	(77,558)	214,616
Transaction costs/ Premium/Discount	(21,523)	(3,360)	-	51	11,591	(13,241)
Non-current liabilities	**2,104,778**	**215,662**	**60**	**(14,735)**	**(200,559)**	**2,105,205**
Senior Revolving Credit Facility	548,234	79,397	-	-	(3,883)	623,748
Senior credit facility	1,134,049	(689,265)	-	-	-	444,784
Financial debts related to government measures	-	22,867	-	(511)	18,215	40,571
Other borrowings dedicated to fleet financing	750,208	(149,568)	(1,084)	(33,214)	(15)	566,326
Bank overdrafts	15,382	-	-	13	(13,398)	1,997
Current bank loans and other loans dedicated to financing the fleet	543,912	(293,931)	20	(8,581)	124,633	366,054
Liabilities related to leases	192,474	(157,821)	-	-	104,858	139,511
Transaction costs/ Premium/Discount	(7,947)	-	-	63	(945)	(8,829)
Accrued interest	10,252	-	-	(71)	24,819	35,001
Current liabilities	**3,186,565**	**(1,188,322)**	**(1,064)**	**(42,301)**	**254,285**	**2,209,163**
TOTAL BORROWINGS	**5,291,343**	**(972,660)**	**(1,004)**	**(57,036)**	**53,726**	**4,314,368**

(in thousands of euros)	At 31 December 2018	Variation with cash impact	Variation in scope	Foreign exchange impacts	Others	At 31 December 2019
Bond loans	1,700,000	(150,000)	-	-	-	1,550,000
Other bank loans dedicated to fleet financing	62,908	10,723	206,145	(2,567)	6,917	284,127
Liabilities related to leases	-	-	-	-	292,174	292,174
Transaction costs/ Premium/Discount	(22,241)	(8,909)	(411)	15	10,023	(21,523)
Non-current liabilities	**1,740,667**	**(148,186)**	**205,734**	**(2,552)**	**309,114**	**2,104,778**
Senior Revolving Credit Facility	230,000	318,234	-	-	-	548,234
Senior credit facility	680,501	453,506	14	-	28	1,134,049
Other borrowings dedicated to fleet financing	664,598	(15,604)	70,933	20,941	9,338	750,208
Bank overdrafts	23,642	-	745	73	(9,079)	15,382
Current bank loans and other loans dedicated to financing the fleet	415,377	138,311	26,169	(453)	(35,492)	543,912
Liabilities related to leases	-	(161,511)	-	-	353,985	192,474
Transaction costs/ Premium/Discount	(14,724)	-	-	(122)	6,899	(7,947)
Accrued interest	7,139	-	1,185	(11)	1,940	10,252
Current liabilities	**2,006,533**	**732,936**	**99,047**	**20,429**	**327,619**	**3,186,564**
TOTAL BORROWINGS	**3,747,200**	**584,750**	**304,781**	**17,878**	**636,733**	**5,291,342**

The following disclosures do not include the liabilities related to leases.

8.3.1 Reconciliation of total net debt

Total net debt includes Corporate net debt and total fleet net debt. The latter includes all of the financing relating to the fleet and the rental debts in respect of rents and other payments to be made during the rental period selected.

(in thousands of euros)	Notes	**At 31 December 2020**	At December 31, 2019
Non-current borrowings and financial debts	8.3.2	1,890,589	1,812,604
Current financial borrowings and debts	8.3.2	2,069,652	2,994,090
Liabilities related to leases	8.3	354,127	484,648
Financial assets held to maturity	8.1	(26,416)	(41,266)
Other current financial assets	8.1	(22,453)	(14,844)
Cash, cash equivalents and restricted cash	8.2	(446,598)	(643,537)
TOTAL NET DEBT		**3,818,901**	**4,591,696**

8.3.2 Analysis of borrowings and financial debt by maturity

(in thousands of euros)	At December 31, 2020	<1 year	Between 1 and 5 years	>5 years
Bond loans	1,550,000	–	1,100,000	450,000
Other bank loans dedicated to fleet financing	44,421	–	44,421	–
Financial debts related to government measures[(1)]	309,409	–	309,409	–
Transaction costs/Premium/Discount [(2)]	(13,241)	–	(13,241)	–
NON-CURRENT LIABILITIES	**1,890,589**	**-**	**1,440,589**	**450,000**
Senior Revolving Credit Facility	623,748	623,748	–	–
Senior renewable credit facility for fleet financing	444,784	444,784	–	–
Financial debts related to government measures	40,571	40,571	–	–
Senior credit facility	566,326	566,326	–	–
Bank overdrafts	1,997	1,997	–	–
Current bank loans and other loans dedicated to financing the fleet	366,054	366,054	–	–
Transaction costs/Premium/ Discount – current fraction [(2)]	(8,829)	(8,829)	–	–
Accrued interest	35,001	35,001	–	–
CURRENT LIABILITIES	**2,069,652**	**2,069,652**	**-**	**-**

(1) Mainly includes State guaranteed loans by French and Spanish governments. The French state guaranteed loan has an initial term of one year with an option of extension up to five years chosen by the Group (until May 2026). As of December 31, 2020 the Group estimates that the extension option would be exercised, that is to say an amortization period until May 2026.The Spanish state guaranteed loan has a maturity of three years.

(2) The 4.3 million euros of transaction costs and issue premium relate to the issue of bonds of 450 million euros maturing in 2026; 4 million euros for the issue of bonds of 600 million euros maturing in 2024; 4.4 million euros for the issue of bonds of EC Finance plc of 500 million euros maturing in 2022; 2.5 million euros for SARF; 1.9 million euros related to government measures (State-guaranteed loans) and 4.8 million euros for the RCF.

(in thousands of euros)	At December 31, 2019	<1 year	Between 1 and 5 years	>5 years
Bond loans	1,550,000	-	1,100,000	450,000
Other bank loans dedicated to fleet financing	284,127	-	284,127	-
Transaction costs/Premium/Discount [(1)]	(21,523)	-	(21,523)	-
NON-CURRENT LIABILITIES	**1,812,604**	**-**	**1,362,604**	**450,000**
Senior Revolving Credit Facility	548,234	548,234	-	-
Senior credit facility	1,134,049	1,134,049	-	-
Other borrowings	750,208	750,208	-	-
Bank overdrafts	15,382	15,382	-	-
Current bank loans and other loans dedicated to financing the fleet	543,912	543,912	-	-
Transaction costs/Premium/Discount – current fraction [(1)]	(7,947)	(7,947)	-	-
Accrued interest	10,252	10,262	-	-
CURRENT LIABILITIES	**2,994,090**	**2,994,090**	**-**	**-**

(1) Includes 5.2 million euros in transaction costs relating to the issue of bonds of 450 million euros [due 2026], 5.1 million euros for the issue of bonds of 600 million euros maturing in 2024, 7.3 million euros for the issue of bonds of EC Finance plc of 500 million euros maturing in 2022, 4 million euros for SARF, 0.6 million euros for the signed bridging credit facility and bridging loan to finance Goldcar and 7.3 million euros for the RCF.

8.3.3 Analysis by subscription currency

As of December 31, 2020, the breakdown of borrowings and financial debts by subscription currency was as follows:

(in thousands of euros)	**At December 31, 2020**	**EUR**	**GBP**	**USD**	**AUD**	**DKK**
Bond loans	1,550,000	1,550,000	-	-	-	-
Transaction costs	(22,070)	(20,943)	(1,006)	(121)	-	-
Financial debts related to government measures	349,980	342,238	-	7,742	-	-
Accrued interest	35,001	34,454	-	547	-	-
Senior Revolving Credit Facility	623,748	581,190	-	42,558	-	-
Senior credit facility	444,784	444,784	-	-	-	-
Other borrowings	566,326	62,856	340,269	80,274	78,695	4,232
Bank overdrafts	1,997	1,414	-	-	-	583
Current bank loans and other loans dedicated to financing the fleet	366,054	214,597	-	112,525	-	38,932
Other bank loans	44,421	44,421	-	-	-	-
TOTAL BORROWINGS AND DEBTS	**3,960,241**	**3,255,012**	**339,263**	**243,524**	**78,695**	**43,747**

(in thousands of euros)	At December 31, 2019	EUR	GBP	USD	AUD	DKK
Bond loans	1,550,000	1,550,000	-	-	-	-
Transaction costs	(29,470)	(27,248)	(1,864)	(358)	-	-
Accrued interest	10,252	9,317	-	936		-
Senior Revolving Credit Facility	548,324	548,324	-	-	-	-
Senior credit facility	1,134,049	1,134,049	-	-	-	-
Other borrowings	750,208	93,512	434,198	65,513	151,537	5,448
Bank overdrafts	15,382	15,382	-	-	-	-
Current bank loans and other loans dedicated to financing the fleet	543,912	481,173	-	-	-	62,740
Other bank loans	284,127	88,244	-	195,884	-	-
TOTAL BORROWINGS AND DEBTS	**4,806,694**	**3,892,661**	**432,334**	**261,974**	**151,537**	**68,188**

8.3.4 Financial Clauses

As of December 31, 2020, the Group was in compliance with all of the financial clauses presented below with the exception of the United States:

(i) For facilities to finance the fleet in the United Kingdom

Europcar UK must ensure that:

- the net real value of Europcar UK Group is not less than £45 million;
- the ratio of fleet cover is not greater than 1.00.

(ii) For the Senior Renewable Credit Facility

The cash ratio (which must include, regardless of the 12-month period ending on a quarterly or half-yearly date depending on the application of the contract, the cash available in the balance sheet at the start of this period) compared to the total service of debt, should not be less than 1.10.

Total debt service is the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

(iii) Clause on the ratio of net debt to market value of assets

The Group must comply with a maximum debt ratio of all Securitifleet companies (including Securitifleet Holding) compared to the total market value of the assets of certain Securitifleet companies of 95%, a ratio which is tested every quarter.

(iv) For the financing of assets in Australia

Europcar Australia must ensure that:

- the minimum real net worth (i.e. total equity) is always more than a 58 million Australian dollars;
- the average of its daily cash surpluses is greater than AUD 10 million.

(v) For the financing of the fleet in Denmark

Europcar Denmark must ensure, for the Ostergaard Biler entity, that:

- the equity ratio (equity/total liabilities) is greater than 20%;
- the realized EBITDA is not less than 50% of the forecast EBITDA.

(vi) For the financing of the Buchbinder fleet

Under one of the bilateral fleet financing contracts, the Charterline Fuhrpark Service GmbH entity must ensure that the equity ratio (equity/total liabilities) is greater than 10%.

(vii) For the financing of the Fox fleet

Fox Rent-a-Car must ensure that:

- at each period ending on a quarterly date, for the majority of lenders, EBITDA is greater than $65 million;
- at each period ending on a quarterly date, the debt-to-EBITDA ratio is less than 5.

As of December 31, 2020, Fox Rent-a-Car had not met the EBITDA commitment or the gearing ratio, but succeeded in getting post closing all its funders to release it from these commitments.

(viii) Loan guaranteed by the French government

The French State guaranteed loan involves that the Group will have to maintain a ratio of cash to total debt service of at least 1,10: 1.

Total debt service is the total amount of interest and related fees paid over a 12-month period, to which is added the repayment of financial debts, which are subject to certain restrictions.

8.3.5 Notes issued

The bond issues issued are detailed below:

	Nominal outstanding amount		Book value	
(in thousands of euros)	**At December 31, 2020**	At December 31, 2019	**At December 31, 2020**	At December 31, 2019
Senior Bonds, 4%, maturing in 2026	450,000	450,000	473,103	455,375
EC Finance bonds, 2.375%, maturity 2022	500,000	500,000	497,061	494,197
Senior Bonds, 4.125%, maturing in 2024	600,000	600,000	595,955	590,545
	1,550,000	**1,550,000**	**1,566,119**	**1,540,117**

8.3.6 Facilities for asset financing

(i) Renewable first loan to finance assets

The SARF was entered into between Crédit Agricole Corporate and Investment Bank, as "Lending Bank" and Securitifleet Holding as borrower.

The SARF was initially entered into on July 30, 2010 and amended on August 26, 2010, November 4, 2010, January 11, 2011 and April 5, 2012. The SARF was further amended on March 4, 2014 primarily in order to (i) add two additional banks to the facility, (ii) reduce the margin of the Senior Notes issued by an FCT Issuer under the facility from 2.70% to 2.2% (before the amortization period) and from 3.75% to 2.75% (after the amortization period), (iii) reduce the maximum amount of senior notes that may be issued by the FCT Issuer from €1.1 billion to €1.0 billion, (iv) provide the borrower with flexibility to request weekly advance and repayment dates rather than monthly only, and (v) extend the maturity of the SARF from July 2014 to July 2017. The Senior Asset Revolving Facility provides a facility of €1.0 billion to Securitifleet Holding. Draws that may be made by Securitifleet Holding (the "SARF Borrower") are exclusively for financing rental fleet acquisition and maintenance in France, Italy, Germany and Spain through the Securitifleet companies.

Additional amendments to the SARF were signed on May 12, 2015 and became effective on June 17, 2015 (the "2015 Amendments"). The 2015 Amendments (i) reduced the applicable margin with respect to the FCT Senior Notes from 2.2% to 1.7% (before the amortization period) and from 2.75% to 2.25% (after the amortization period), (ii) reduced the rate of non-use from 1% to 0.75% in the potential event where the rate of use would be less than or equal to 50% and from 0.75% to 0.5% in the potential event where the rate of use would be greater than 50%, (iii) extended the maturity of the SARF to the settlement date following January 2019, (iv) increased the amount of the Senior Notes which could be issued by the FCT Issuer under the SARF from €1.0 billion to €1.1 billion, and (v) enabled the participation of two new banks, Lloyds Bank and HSBC France (or, if applicable, Regency Assets Limited, its sponsored conduit supplying asset-backed commercial paper), the latter replacing Barclays Bank plc. ECI and the banks also agreed to (i) allow the sub-leasing of vehicles by a local subsidiary (namely Europcar France S.A.S., Europcar Autovermietung GmbH, Europcar Italia S.p.A. or Europcar IB S.A.) to another local subsidiary, except for Europcar Italia S.p.A., under intra-group master operating sub-lease agreements, and (ii) treat such sub-leased vehicles as eligible vehicles for the amended SARF.

New amendments to the SARF were signed on September 14, 2016 and entered into force on September 17, 2016 (the "2016 Amendments"). The 2016 Amendments: (i) reduced the margin and the margin applicable to the FCT Senior Notes from 1.7% to 1.5% (before the amortization period) and from 2.25% to 2.05% (after the amortization period); (ii) extended the maturity of the SARF to the payment date following January 2020; and (iii) increased the amount of the senior notes that may be issued by the FCT Issuer under the SARF from €1.1 billion to €1.3 billion.

The following additional amendments to the SARF were also signed:

- (i) on February 9, 2017 to enable the securitization program to be made compliant with the new methodology published by the rating agency Standard & Poor's relating to sovereign risk (the "Rating above the sovereign" methodology) and thus to maintain its single A rating. These amendments stipulate the inclusion of new concentration limits on the vehicle fleets in Spain and in Italy financed through the SARF;
- (ii) on August 31, 2017, to adjust the manufacturer concentration limits to take into account the acquisition of Opel by PSA Group;
- (iii) on May 14, 2018, to allow the financing of the Goldcar fleet. The amount of the line thus increased from €1.3 billion to €1.7 billion and new special purpose entities dedicated to the financing of the Goldcar fleet, the Goldfleet companies, were formed. The Group took advantage of this opportunity to renegotiate the margin from 1.50% to 1.30%, extend the maturity of the line from January 2020 to January 2022 and relax the concentration limits on the rental fleet in Spain and Italy.

(ii) Facilities intended to finance the British fleet

The Group's entities in the United Kingdom finance their fleet through finance leases grouped around a Financing Agreement ("Club Facility") for a total of 400 million pounds sterling. The Club Facility also has an uncommitted "Seasonal Facility" of £150 million, provided by the banks participating in the Club Facility each year between the months of May and October.

As of December 31, 2020, the outstanding amount under these contracts was £306 million (2019: £369 million).

(iii) Asset financing in Australia and New Zealand

Certain Australian and New Zealand financial institutions (banks or financial entities of certain auto makers) have provided Europcar Australia and Europcar New Zealand with senior credit facilities (the "Australian and New Zealand Asset Financing Facilities"), including revolving and non-revolving fleet operating and finance leases with a maximum value of AUD 205 million. These facilities are renewed annually and finance the fleet in Australia and New Zealand.

The facilities are secured by fixed and floating charges over Europcar Australia and Europcar New Zealand assets, including goodwill and uncalled capital and called but unpaid capital, together with the relative insurance policy assigned. There are also performance guarantees for the facilities.

(iv) Asset financing in the United States

At December 31, 2020, Fox Rent-a-Car had bilateral credit facilities for financing its rental fleet granted by local financial institutions for a maximum amount of $236 million. These facilities are pegged to LIBOR with different margins and maturities depending on the financial institution.

Note 8.4 "Financial risk management" provides further information on the Group's exposure to interest rate and liquidity risks.

8.4 Financial risk management

Through its activities, the Group is exposed to various financial risks: market risks (especially foreign-exchange and interest-rate risks), credit risks, pricing risks and liquidity risks. The Group's risk management programs seek to minimize the potential negative effects of financial market volatility on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

The Group Treasury Department is responsible for risk management and submits its proposals for financial transactions to the Management Board for approval. The Treasury Department identifies, assesses and offers financial risk hedging instruments in close collaboration with the Group's operating units. The Management Board decides on these proposals on the basis of formal documentation setting out the context, purpose and main characteristics of the proposed transactions. After approval by the Management Board, the Group Treasury Department is responsible for setting up hedges. This procedure is established and followed for the management of all types of significant financial risk, in particular interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and the investment of excess cash. The Group does not use derivative financial instruments for purposes other than risk management. All hedging operations are either coordinated centrally or executed by the Group Treasury Department.

The Group constantly assesses the identified financial risks (notably market risk, credit risk and liquidity risk) and documents its exposure in its financial statements.

The Covid-19 pandemic is a factor likely to increase the impact and likelihood of occurrence of several risks identified by the Group, which could have a material adverse impact on the Group, its activities, financial condition or earnings, financial forecasts/outlook and share price.

Given the uncertainties associated with the effects of the pandemic, the Group is not in a position to quantify the consequences of the pandemic with a sufficiently high degree of accuracy or to provide an assessment of its ultimate impact on the Group.

8.4.1 Market risk

(i) Currency risk

The Group, which operates in several countries internationally, is exposed to currency risk arising from various currency exposures, mainly the pound sterling. Currency risk arises from the conversion into euros of the results and net assets of subsidiaries having a functional currency other than the euro.

The exchange risk linked to intra-group financial transactions and, to a lesser extent to transactions with franchisees, is fairly limited, each subsidiary operating on its market and in its functional currency.

As of December 31, 2020, the Group had no investments in foreign activities other than the United Kingdom, Australia and New Zealand, Denmark, Croatia, Turkey, Hungary, Norway and the United States, net assets would be exposed to currency risk.

The summary of the Group's quantitative exposure to foreign exchange risk due to the conversion of balances into functional currency is presented below:

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2020
Trade and other receivables (including fleet)	79,885	12,541	9,926	6,142	108,464
Other financial assets	4,458	3,084	55	1,031	8,629
Non-current investments	-	-	-	-	-
Other financial assets	744	-	-	-	744
Cash and cash equivalents	9,860	15,172	38,521	12,190	75,742
Total financial assets	**94,917**	**30,797**	**48,503**	**19,363**	**193,579**
Trade and other payables (including fleet)	79,313	25,763	15,340	12,928	133,344
Loans and borrowings	335,904	335,397	78,695	46,641	796,638
Total financial liabilities	**415,217**	**361,160**	**94,035**	**59,569**	**929,981**
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	**(320,300)**	**(330,363)**	**(45,532)**	**(40,206)**	**(736,402)**

(in thousands of euros)	GBP	USD	AUD	DKK	Total 2019
Trade and other receivables (including fleet)	74,385	14,234	16,684	6,911	112,215
Other financial assets	4,095	9,362	59	712	14,228
Non-current investments	-	-	-	-	-
Other financial assets	988	-	-	-	988
Cash and cash equivalents	37,599	12,861	26,515	1,074	78,049
Total financial assets	**117,067**	**36,457**	**43,259**	**8,698**	**205,481**
Trade and other payables (including fleet)	149,177	38,165	28,319	13,894	229,555
Loans and borrowings	432,334	261,974	151,537	66,803	912,649
Total financial liabilities	**581,512**	**300,139**	**179,856**	**80,697**	**1,142,203**
NET EXPOSURE (TO EXCHANGE RISK) FOR NON-EURO COMPANIES	**(464,444)**	**(263,682)**	**(136,597)**	**(72,000)**	**(936,722)**

As of December 31, 2020, if the euro had evolved by plus or minus 15% against the pound sterling, all other variables being otherwise constant, net profit would have evolved by plus or minus 6 million euros (2019: 2.2 million euros) and equity would have varied more or less 74.7 million euros (2019: 53.5 million euros).

(ii) Interest rate risk

Apart from investments in bonds from the Euroguard insurance program (see "insurance risk"), the Group does not hold any significant interest-bearing assets. His income is therefore little subject to fluctuations in interest rates.

The Group is exposed to an upward risk on its variable rate financing: on the one hand, revolving financing lines, but also on vehicle rental contracts. Variable rate debt exposes the Group to interest rate cash flow risk. Fixed-rate loans expose the Group to fair value risk on interest rates.

In accordance with its hedging policy and in respect of part of its financial debts (specifically SARF, RCF, certain bilateral credit facilities and most leases) bearing interest at variable rates, the Group covers a large part of the risks of fluctuation in the reference interest rate, generally based on EURIBOR. In 2019 and 2018, a significant part of the Group's variable-rate loans were denominated in euros and based on EURIBOR. The Group may also hedge its exposure to the risks of fluctuations in the LIBOR and/or the Australian benchmark rate under its financing facilities in the United Kingdom and Australia.

The Group has decided the early application of the amendments to IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform" published by the IASB on September 26, 2019. It is therefore benefiting from phase 1 of the project as described in Note 1.3.2.

The Group performs a dynamic analysis of its exposure to interest rate risk. Different scenarios are used to simulate refinancing, the renewal of existing positions, alternative financing and hedging transactions. Based on these scenarios, the Group calculates the impact on the result of a given change in interest rates. For each simulation, the same rate change is used for all currencies. Only the liabilities representing the main interest-bearing positions are subject to these scenarios.

On the basis of different scenarios, the Group manages the interest rate cash flow risk by using variable-fixed interest rate swaps or caps. The effect of these swaps is to convert variable rate debt into fixed rate debt. The caps offer protection against the rise of the EURIBOR. As a general rule, the Group takes long-term variable rate loans to finance the fleet, and converts them into fixed or protected rates generally lower than those it could obtain by borrowing directly at a fixed rate.

The Group is protected against a risk of rate hikes by two types of interest rate swap contracts:

- an interest rate swap with a nominal value of 1,000 million euros maturing on October 17, 2022 mainly used to hedge the interest rate risk on the SARF for which the Group pays a fixed interest rate average of 0.944% and receives a variable interest rate equal to the EURIBOR 1 month;
- an interest rate swap with a nominal value of 600 million euros maturing in June 2023 by which the Group pays a fixed interest rate of 1.36% and receives a variable interest rate equal to EURIBOR 6 months. On July 25, 2019, the Group rearranged this swap with effective date to June 20, 2019, reducing its fixed rate from 0.96% to 0.75% for the period ending on June 21 2021 and extending its maturity to December 20, 2024 at a fixed rate of 1.10%.

The Group also supplemented interest rate hedges by setting up additional caps for a total amount of 600 million euros at the protected rate of 0.50% due October 2022.

An outstanding amount of around 1 billion euros in variable-rate credit lines is backed by swaps (see table below), and an outstanding amount of approximately 0.6 billion euros in rental contracts variable rate is backed by swaps.

At closing, the breakdown of loans by type of rate is as follows:

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Non-current liabilities		
Fixed rate borrowings	1,539,636	1,534,654
Variable rate borrowings	351,208	277,951
variable rate hedged	*(3,001)*	*(6,396)*
variable rate not hedged	*354,209*	*284,345*
TOTAL NON-CURRENT LIABILITIES	**1,890,844**	**1,812,604**
Current liabilities		
Fixed rate borrowings	29,600	22,113
Variable rate borrowings	2,039,797	2,971,977
variable rate hedged	*851,348*	*1,647,673*
variable rate not hedged	*1,188,449*	*1,324,304*
TOTAL CURRENT LIABILITIES	**2,069,398**	**2,994,090**

The interest rate swaps carried by the Group are all qualified as cash flow hedges. Caps are not classified as hedging instruments.

The tests carried out in relation to these hedging instruments revealed an ineffectiveness valued at (5.2) million euros expensed in the income statement in 2020 (December 31, 2019: income of 1 million euros).

As at December 31, 2020, if interest rates had increased by 100 basis points, the fair value recognized in comprehensive income would have increased by 19.8 million euros (December 31, 2019: 23.2 million euros).

As at December 31, 2020, had interest rates decreased by 100 basis points, the fair value recognized in comprehensive income would have decreased by 20.3 million euros (December 31, 2019: 23.7 million euros).

As at December 31, 2020, if interest rates had changed by 1%, the interest expense relating to the portion of the loans not hedged, all constant being equal, would have increased by more or less 13.7 million euros (December 31, 2019: 19.6 million euros).

8.4.2 Credit risk

Credit risk is managed at Group level. Credit risk arises from the following:

- cash and cash equivalents;
- financial derivative instruments;
- deposits with banks and financial institutions;
- credit exposures related to automobile manufacturers and dealers;
- accounts receivable, in particular receivables and outstanding commitments.

For banks and financial institutions, only counterparties with an independent rating are accepted. The use of credit limits is regularly monitored.

Credit risk analysis related to loans and receivables

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Neither past due nor impaired	497,197	963,429
Past due but not impaired	196,294	249,085
Impaired	62,364	54,304
TOTAL	**755,856**	**1,266,818**

The maximum exposure to credit risk on the closing date corresponds to the carrying value of loans and receivables. The Group does not hold any guarantee on these instruments.

Loans and receivables that are neither due nor impaired relate to various independent counterparties that have no recent history of default or anticipated default.

The Group's credit risk exposure linked to car manufacturers and dealers mainly comes from:

- the risk of non-recovery of receivables arising from buyout commitments by manufacturers;
- in direct relation to the previous point, the risk of having to finance these receivables;
- the risk, on an ancillary basis, of the bankruptcy of a major supplier and the ensuing uncertainties concerning the supply.

No single Europcar Mobility Group customer represents 10% or more of the Group's turnover in 2020.

In addition, the Group has taken general measures to control and reduce the credit risk to which the Company is exposed, in particular customer credit limits in the information system, monthly monitoring of car manufacturers' ratings, a monitoring process and control of the precedence of the receivables. The precedence of loans and receivables due but not impaired, except for loans and financial receivables, is analyzed below:

(in thousands of euros)	**Not yet expired**	**Expired for less than 3 months**	**Expired for 3 to 6 months**	**Expired for more than 6 months**	**Total**
Fleet receivables	291,610	84,112	15,882	11,997	403,602
Rental receivables	143,705	37,780	14,290	14,979	210,755
Customers	20,562	3,034	196	8,850	32,642
Other receivables	48,263	3,386	-	-	51,650
Total at December 31, 2020	**504,140**	**128,313**	**30,369**	**35,826**	**698,648**

(in thousands of euros)	Not yet expired	Expired for less than 3 months	Expired for 3 to 6 months	Expired for more than 6 months	Total
Fleet receivables	679,859	128,431	8,587	9,818	826,695
Rental receivables	185,524	52,155	11,238	21,757	270,673
Customers	31,868	4,439	1,790	7,535	45,632
Other receivables	69,048	3,588	8	9	72,653
TOTAL AT DECEMBER 31, 2019	**966,299**	**188,612**	**21,623**	**39,119**	**1,215,653**

8.4.3 Price risk

The Group is not exposed to equity risk in view of the insignificant amounts of financial investments it holds, whether they are classified in the consolidated balance sheet as available for sale, or recognized at fair value through profit or loss. The Group is not directly exposed to the price risk on raw materials; however, it is exposed to the risk associated with the increased cost of vehicle ownership.

8.4.4 Liquidity risk

The Group is currently monitored by the rating agencies Moody's and Standard & Poor's, which have respectively assigned it the following ratings: "Limited Default" ("LD") and "Selective Default" ("SD").

There can be no assurances that the Group will generate sufficient cash flows from operations or that future borrowing will be available in an amount sufficient to enable it to pay its debts, or to fund other liquidity needs.

It is important to mention that, in response to the impacts of the Covid-19 pandemic, the Group implemented a special cost-reduction and cash-preservation plan, announced on March 23, 2020, providing for a reduction in the size of its fleet, the freezing of its investment expenditure, and the cancellation of dividend pay-outs for 2019 and 2020. In the wake of the second wave of the Covid-19 pandemic, this savings plan was further reinforced. Furthermore, the measures provided for in the reorganization plan – the conversion of debt into capital, a 255 million euro-capital injection and the securing of a 225 million euro floating-rate loan, enabled the Group to implement its transformation plan. Please refer to note 1.2.3 Financial restructuring of the Group.

The table below analyzes the Group's financial debts, including derivative financial instruments, by maturity range, based on the residual contractual maturities at the balance sheet date. The amounts presented in the table correspond to undiscounted contractual cash flows. Balances at less than one year correspond to book values, the impact of discounting being negligible.

		Less than a year		Between 1 and 5 years		More than 5 years		Total	
(in thousands of euros)	**Book value**	**Principal**	**Interests**	**Principal**	**Interests**	**Principal**	**Interests**	**Principal**	**Interests**
December 31, 2020									
Notes issued	1,566,119	-	54,625	1,100,000	209,698	450,000	6,000	1,550,000	270,323
Bank borrowings and finance lease liabilities	1,544,959	1,230,645	28,250	317,067	7,927	-	-	1,547,712	36,177
Senior asset financing facility	447,722	-	8,048	444,784	16,096	-	-	444,784	24,144
Other borrowings	406,548	368,051	9,201	36,982	925	-	-	405,033	10,126
Derivative liabilities	60,122	-	-	-	60,122	-	-	-	60,122
Trade and fleet payables	524,161	524,161	-	-	-	-	-	524,161	-
Deposits	37,219	37,219	-	-	-	-	-	37,219	-
TOTAL FINANCIAL LIABILITIES	**4,586,850**	**2,160,075**	**100,125**	**1,898,833**	**294,767**	**450,000**	**6,000**	**4,508,908**	**400,892**

		Less than a year		Between 1 and 5 years		More than 5 years		Total	
(in thousands of euros)	Book value	Principal	Interests	Principal	Interests	Principal	Interests	Principal	Interests
December 31, 2019									
Notes issued	1,540,117	-	54,625	1,100,000	246,323	450,000	24,000	1,550,000	324,948
Bank borrowings and finance lease liabilities	1,299,303	1,298,571	26,612	8,027	201	-	-	1,306,598	26,813
Senior asset financing facility	1,130,519	-	12,591	1,134,049	25,182	-	-	1,134,049	37,774
Other borrowings	836,755	560,435	20,919	276,320	6,908	-	-	836,755	27,827
Derivative liabilities	64,161	-	-	-	64,161	-	-	-	64,161
Trade and fleet payables	628,895	628,895	-	-	-	-	-	628,895	-
Deposits	59,037	59,037	-	-	-	-	-	59,037	-
TOTAL FINANCIAL LIABILITIES	**5,558,787**	**2,546,935**	**114,747**	**2,518,396**	**342,775**	**450,000**	**24,000**	**5,515,333**	**481,522**

Revolving credit facilities are classified on the balance sheet as current liabilities given their nature.

The table below shows the credit limits and balances with the three major counterparties at the reporting date:

	At December 31, 2020		At December 31, 2019	
(in thousands of euros)	**Credit limit**	**Utilized**	Credit limit	Utilized
Revolving credit (1)	670,000	654,270	650,000	315,584
Senior asset financing lines related to fleet financing	1,700,000	444,784	1,700,000	1,134,049
Financing other than senior asset financing lines related to fleet financing (2)	2,297,232	1,640,401	1,982,753	1,751,276

(1) Amounts drawn include the revolving credit facility of 624 million euros as of December 31, 2020 (2019: 315 million euros) and guarantees given in connection with the Group's operational activities.
(2) Mainly concerns the activities of the UK fleet, Goldcar, Buchbinder, Australia, Denmark, Ireland, Spain, Italy and Portugal which are financed by different lines of credit other than the first rank loan to finance the fleet.

8.4.5 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Faced with the magnitude of the impact of Covid-19 on its short and medium-term activity level, the Group reacted very quickly to adapt its capital structure to its level of revenue, with a reduced Corporate debt and an appropriate level of liquidity. The Group thus announced on September 7, 2020 its intention to initiate discussions with the creditors of its corporate debt with a view to restructuring the financing, while accelerating the implementation of its "Connect" transformation plan. See Note 14 – Subsequent events.

This comprehensive and rapid restructuring plan, in line with the Company's expectations and interests, will allow an adequate restructuring of the Group's corporate capital structure.

8.4.6 Insurance risk

The Group's operating subsidiaries located in France, the United Kingdom, Portugal, Belgium, Italy, Ireland and Germany and part of the Buchbinder and GoldCar (France) fleet buy motor third party liability insurance policies through AIG Europe Limited entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell (9) within Euroguard, which has been consolidated since January 2006. Local Europcar entities finance a significant portion of the risk through a franchise funding mechanism managed via another cell (0) located within Euroguard, which acts simply as a fund manager. The funds hosted in this cell are also consolidated.

The Spanish, Australian, New Zealand, Danish, Norwegian, Finnish and also Goldcar, Buchbinder and Fox subsidiaries buy insurance coverage in their local markets using conventional risk transfer mechanisms.

The objective of the Group is to have the various countries and acquisitions take out motor vehicle liability insurance policies with AIG Europe SA entities. Comparative studies are performed during policy renewals, as was the case in 2020 for some Goldcar countries, (Italy and Portugal) which will be included in the scope of consolidation at January 1, 2021.

(i) Frequency and severity of claims

The Group uses its auto fleet liability insurance programs to insure against property damage and bodily injury caused to third parties by the drivers of Europcar vehicles. Because auto liability insurance is mandatory, the risk is initially transferred from ground up to the insurer, but partly funded and reinsured by Europcar as a group on the back-end side through various risk self-financing techniques.

The cost of Europcar's auto fleet liability risk is based on a combination of frequency and severity events. Europcar has developed a strategy based on self-financing frequent risks and effectively transferring severity risk to the insurer (applicable to the main countries in which the Group operates, with the exception of Spain, Australia and New Zealand, the United States, Norway, Finland, Denmark and part of Buchbinder for the reasons set out above):

- operating a large fleet entails significant risk of the occurrence of multiple small third-party claims. The expense stemming from these small claims can be predicted with a good level of certainty by actuaries, who factor into their projections the variation in activity and trends observed in the various countries. A line of 500,000 euros per claim is self-insured in this manner;
- operating a fleet also results in the occurrence of more random and more costly events, essentially bodily injury claims from third parties invoking Europcar's liability. Such events cannot be anticipated by actuaries with a satisfactory level of certainty, which is why the portion of risk exceeding 500,000 euros is carried by the insurer.

The trend observed in the markets where Europcar operates is an increase in the unit cost of bodily injury claims. This is due to economic, legal and social factors.

(ii) Sources of uncertainty in the estimation of future claim payments

Claims falling within the scope of motor third party liability insurance policies give rise to compensation payable on a case-by-case basis. The Group, by virtue of the self-insurance component of the program, financially bears all claims insured up to 500,000 euros per claim over the period. Part of the claims occurring during a given insurance period materializes after the expiry of this period due to the late notification of claims and changes during the period subsequent to the period covered (usually due to a deterioration in the health status of the victim or the judicial character of the case). As a result, liability claims are settled over a long period of time and a larger element of the claims provision relates to incurred but not reported claims (IBNR).

(iii) Changes in assumptions and methodology

The Group did not change any of the main assumptions or methodologies for the insurance contracts disclosed in this Note in 2020.

8.5 Derivative financial instruments

Total interest rate derivatives eligible for hedge accounting

(in thousands of euros)	Nominal	Indexing	Qualification	**Fair value at 12/31/2020**	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2023 – 0.94%	1,000,000	1-month EURIBOR	Swap CFH	(25,280)	8,694	(5,199)	13,893
Interest rate swaps expiring in 2024 – 1.10% (1)	600,000	6-month EURIBOR	Swap CFH	(34,344)	(4,654)	-	(4,654)
Interest rate caps expiring in 2022 – 0.50%	600,000	1-month EURIBOR	Not qualified	37	(96)	(96)	-
ASSET SWAPS	**2,200,000**			**(59,587)**	**3,944**	**(5,295)**	**9,239**

(1) Lowering of the fixed rate from 0.96% to 0.75% for the period ending on June 21, 2021 and extension of the maturity on December 20, 2024 at the fixed rate of 1.10%.

(in thousands of euros)	Nominal	Indexing	Qualification	Fair value at 12/31/2019	Fair value adjustments during period	Impact on financial income	Impact on equity
Interest rate swaps expiring in 2022 – 0.5161% (1)	1,000,000	1-month Euribor	Swap CFH	(33,974)	(10,284)	1,041	9,243
Interest rate swaps expiring in 2021 – 0.96%	600,000	6-month Euribor	Swap CFH	(29,690)	(13,534)	-	(13,534)
Interest rate caps expiring in 2022 – 0.50% (2)	600,000	1-month Euribor	Not qualified	133	(2,049)	(2,049)	-
ASSET SWAPS	**2,200,000**			**(63,531)**	**(5,299)**	**(1,008)**	**(4,291)**

(1) Maturity extended until October 2022 with the average fixe rate of 0,516%.
(2) Existing Caps for 200 million euros have been renegotiated. Maturity has been extended to 2022 and additional Caps have been implemented with 0.50% protected rates.

The fair value of a hedging derivative instrument is fully recognized as a non-current asset or liability when the residual maturity of the hedged item is more than 12 months, and as a current asset or liability when the hedged item matures. is less than 12 months.

The forward swap contracts meet the criteria for cash flow hedge accounting and the Group therefore recognizes the effective part of the changes in fair value of this swap in equity. In 2020, an expense of 5 million euros was recorded for the ineffectiveness generated by the Eur1 month swap forward (in 2019 the income was 1 million euros).

At December 31, 2020, the recognition of credit risk in the valuation of derivatives had an impact of 6 million euros on their fair value including revenue of 4 million euros in financial income and 2 million euros in comprehensive income.

8.6 Other information relating to financial assets and liabilities

8.6.1 Classification and measurement of financial assets and liabilities at fair value

This Note presents the fair value measurement methodology for the Group's financial assets and liabilities. The Group's financial risk management policy is detailed in Note 8.4 "Financial risk management".

The fair value of financial assets and liabilities traded on an active market (such as non-consolidated securities) assessed on the basis of market prices on the closing date. The closing market price used to value the financial assets held by the Group is the current offered price: level 1 in the fair value hierarchy.

The fair value of financial assets and liabilities that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Group uses different methods and uses assumptions based on the market conditions observed at each reporting date. Market prices or prices provided by operators for similar instruments are used for long-term debt. Other techniques, such as estimating discounted cash flows, are used to calculate the fair value of other financial assets. The fair value of interest rate swaps is determined using the discounted cash flow method: level 2 in the fair value hierarchy.

The book value less the provision for impairment of receivables and debts is presumed to be close to the fair value of these items.

Given the maturity of the financial debts, other debts and their respective interest rates, management has concluded that the fair value of the financial liabilities is close to their book value, except for the bond loans maturing in 2022 and 2026, the fair value of which was determined using quoted prices at December 31, 2020 and December 31, 2019 on the Euro MTF market.

The fair value of other financial assets and liabilities (investments, other assets, trade payables and receivables) is close to their book value given their short-term maturity.

The fair values of financial assets and liabilities, as well as their book values entered in the balance sheet, are detailed below:

Fair value at December 31, 2020 *(in thousands of euros)*	Notes	Book value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Customers	6.2.1	295,046	295,046	-	-	295,046
Deposits and prepayments	8.1	27,256	27,256	-	-	27,256
Vehicle buy-back agreement receivables	4.1	2,168,562	2,168,562	-	-	2,168,562
Fleet receivables	4.4	403,602	403,602	-	-	403,602
Deposits, other receivables and loans	6.2.1	23,153	23,153	-	-	23,153
Total of loans and receivables		**2,917,619**	**2,917,619**	**-**	**-**	**2,917,619**
Investments in non-consolidated entities	8.1	466	466	-	466	-
Other financial assets	8.1	23,238	23,238	-	-	23,238
Restricted cash	8.2	81,953	81,953	81,853	-	-
Cash and cash equivalents	8.2	364,646	364,646	364,646	-	-
Derivative assets	8.5	-	-	-	-	-
TOTAL FINANCIAL ASSETS (1)		**3,387,921**	**3,387,921**	**446,598**	**466**	**2,940,857**
Notes and borrowings	8.3.3	1,890,589	1,482,610	-	-	1,482,610
Trade payables	6.3	520,544	520,544	-	-	520,544
Fleet payables	4.4	428,066	428,066	-	-	428,066
Bank overdrafts and portion of loans due in less than one year	8.3.3	2,069,652	2,069,652	-	-	2,069,652
Derivative liabilities	8.5	60,122	60,122	-	60,122	-
TOTAL FINANCIAL LIABILITIES (1)		**4,968,972**	**4,560,993**	**-**	**60,122**	**4,500,871**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not subject to compensation.

Fair value at December 31, 2019 *(in thousands of euros)*	Notes	Book value	Fair value	Fair value through profit or loss	Fair value through equity	Fair value at amortized cost
Customers	6.2.1	388,958	388,958	-	-	388,958
Deposits and prepayments	8.1	32,143	32,143	-	-	32,143
Vehicle buy-back agreement receivables	4.3	3,210,147	3,210,147	-	-	3,210,147
Fleet receivables	4.4	826,695	826,695	-	-	826,695
Deposits, other receivables and loans	6.2.1	23,189	23,189	-	-	23,189
Total of loans and receivables		**4,481,132**	**4,481,132**	**-**	**-**	**4,481,132**
Investments in non-consolidated entities	8.1	497	497	-	497	-
Other financial assets	8.1	14,844	14,844	-	-	14,844
Restricted cash	8.2	116,518	116,518	116,518	-	-
Cash and cash equivalents	8.2	527,019	527,019	527,019	-	-
Derivative assets	8.5	-	-	-	-	-
TOTAL FINANCIAL ASSETS [(1)]		**5,141,893**	**5,141,893**	**643,537**	**497**	**4,497,859**
Notes and borrowings	8.3.3	1,814,910	1,542,930	-	-	1,542,930
Trade payables	6.3	628,895	628,895	-	-	628,895
Fleet payables	4.4	711,802	711,802	-	-	711,802
Bank overdrafts and portion of loans due in less than one year	8.3.3	2,991,785	2,991,785	-	-	2,991,785
Derivative liabilities	8.5	64,161	64,161	-	64,161	-
TOTAL FINANCIAL LIABILITIES [(1)]		**6,211,552**	**5,939,572**	**-**	**64,161**	**5,875,411**

(1) The financial assets and liabilities have not been contracted with the same counterparties and are therefore not subject to compensation.

The level in the fair value hierarchy at which fair value measurements are categorized, for assets and liabilities measured in the statement of financial position, is as follows:

(in thousands of euros)	**At December 31, 2020**	Level 1	Level 2	Level 3
Assets measured at fair value				
Other financial assets	466	466	-	-
Cash and cash equivalents	446,598	446,598	-	-
TOTAL	**447,064**	**447,064**	**-**	**-**

(in thousands of euros)	**At December 31, 2020**	Level 1	Level 2	Level 3
Liabilities measured at fair value				
Derivative liabilities	60,122	-	60,122	-
TOTAL	**60,122**	**-**	**60,122**	**-**

Time-frame for recycling items from OCI to profit and loss:

(in thousands of euros)	**At December 31, 2020**	2021	2022	2023	2024	2025
Recycling of completed operations	-	-	-	-	-	-
Recycling of operations in progress	60,122	22,428	20,409	17,286	-	-

8.6.2 Lease receivables factoring program

From the end of 2019, the Group implemented a factoring program covering 5 subsidiaries, with a specialized factoring company.

For the 2020 financial year, factoring operations resulted in:

- the assignment of receivables representing turnover including VAT and all assignors in the order of 158.7 million euros in total;
- a total charge expensed from factoring organizations of 0.4 million euros divided between 0.3 million of factoring commissions and 0.1 million of interest charges.

As of December 31, 2020, the outstanding receivables ceded and financed amounted to 90.5 million euros, thereby reducing the Group's net debt. The guarantee fund amounted to 0.5 million euros on this date.

The Group has justified the deconsolidating nature of this factoring program, in particular on the basis of the following elements:

- on the one hand, the contractual rights to the transferred cash flows, taking into account a conventional subrogation;
- and on the other hand, almost all of the risks and benefits attached to the assigned receivables, in accordance with the conditions of contract eligibility.

Note 9 Employee benefits and share payments

a) Employee benefits

The Group provides its employees with post-employment benefits through defined contribution and defined benefit pension plans.

DEFINED CONTRIBUTION PENSION PLANS

A defined contribution pension plan is a pension plan under which the Group makes fixed contributions to an independent entity or to a pension fund. The Group is not bound by any legal or implicit obligation to pay additional contributions if the fund does not have enough assets to pay all the benefits due for the current financial year and for previous financial years. The Group contributes to public plans and takes out insurance for the benefit of certain members of staff, who are considered to be defined contribution plans. Contributions to plans are expensed during the period during which the services are rendered by the members of the personnel.

DEFINED BENEFIT PENSION PLANS

Pension plans that do not meet the definition of a defined contribution plan are defined benefit plans. Under the Group's defined benefit pension plan, the amount of pension that a member of staff will receive upon retirement is defined by reference to their seniority and their end-of-career salary.

The Group retains a legal obligation for the benefits, even if the plan assets used to finance the defined benefits have been reserved. Plan assets may include assets specifically earmarked for a long-term pension fund.

The Group's net commitment under defined benefit pension plans is assessed by an independent actuary using the projected unit credit method. This method requires the selection of specific actuarial assumptions which are detailed in this Note. These actuarial valuations are carried out at each balance sheet date by estimating the present value of the amount of the future benefits acquired by the members of the personnel in return for the services rendered during the current and previous years, and includes the impact of future increases in wages.

Pension plan assets are generally held by separate legal entities and are measured at fair value, as determined at each reporting date.

In accordance with IAS 19, the liability recorded in the balance sheet for defined benefit pension plans corresponds to the present value of the commitment relating to defined benefit plans at the balance sheet date, less the fair value of the assets of regimes.

From one year to another, the differences between on the one hand the anticipated liabilities and their re-estimated amounts and on the other hand the expected level of dedicated assets and their actual level constitute the actuarial differences, which are accumulated at the level of each pension plan. These actuarial differences can come either from the modification of the actuarial assumptions used at the closing, or from adjustments linked to experience arising from the modification, during the fiscal year, of the assumptions used at the closing of the previous fiscal year.

The Group recognizes actuarial gains and losses in other comprehensive income in the "Statement of comprehensive income" during the period in which they occur.

The cost of past services is immediately recognized in operating expenses under the heading "Personnel expenses".

The discounting effects and the expected return on plan assets are recognized in financial income (see Note 9.2).

LONG-TERM BENEFITS

The Group's net commitment for long-term benefits other than pension plans (or post-employment benefit plans) represents the future benefits that employees have acquired in return for services rendered during the current period and previous periods, for example the Labor Medal in France and the Jubilee in Germany. The commitment, determined using the projected unit credit method, is calculated at its present value. The provision is recognized net of the fair value of all related assets (i.e. all actuarial differences and the cost of past services are recognized immediately in the consolidated income statement).

INCENTIVE AND BONUS PLANS

The Group recognizes a liability and an expense for bonuses and profit-sharing, on the basis of a formula which includes the result accruing to the shareholders of Europcar Mobility Group, taking into account certain adjustments. The Group recognizes a provision when it is bound by a contractual obligation.

The related costs are recognized in Personnel costs (see below).

b) Payments per share

The Group has implemented free share plans for the benefit of its managers and certain of its employees. The fair value of these plans is equal to the value of the free shares on the grant date and takes into account the valuation of the restriction during the possible unavailability period. These plans give rise to the recognition of a personnel expense spread over the vesting period. The estimate of the expense to be recognized takes into account the staff turnover rate over the vesting period.

9.1 Personnel costs

9.1.1 Personnel costs

(in thousands of euros)	**At December 31 2020**	At December 31 2019
Wages and salaries [(1)]	(288,645)	(401,326)
Social security contributions	(69,355)	(98,524)
Post-employment benefits	(12,279)	(6,540)
Other items	(9,668)	(15,910)
TOTAL PERSONNEL COSTS	**(379,947)**	**(522,300)**

(1) Includes costs related to bonuses and profit-sharing, as well as IFRS 2 impacts relating to free share plans, i.e. an income of 0.3 million euros in 2020 including social charges (against a charge 0.7 million euros in 2019).

9.1.2 Headcount

in average number of FTEs	**At 31 December, 2020**	At December 31, 2019
TOTAL OF STAFF	**8,482**	**9,601**

The workforce data given above represents annual averages within the Group, excluding data relating to entities acquired in Finland, Norway and the United States (Fox Rent A Car) in 2019.

The Group also uses a certain number of temporary or seasonal employees and uses outsourced services, mainly for moving and cleaning vehicles during peak periods and in accordance with the laws applicable in each of the countries where the Group offers its services.

These numbers are not included in the data presented above.

9.2 Employee benefits

	At December 31, 2020			At December 31, 2019		
(in thousands of euros)	**Pensions**	**Other LT employee benefits**	**Total**	Pensions	Other LT employee benefits	Total
Non-current	165,053	2,149	167,202	158,958	2,607	161,565
Current	2,622	-	2,622	3,275	-	3,275
TOTAL	**167,675**	**2,149**	**169,824**	**162,233**	**2,607**	**164,840**

9.2.1 Net liabilities recognized in the statement of financial position

The Group has defined benefit pension obligations for some of the Group's employees in the United Kingdom, France, Germany, Italy and Belgium.

(in thousands of euros)		**At December 31, 2020**	At December 31, 2019
Present value of funded or partially funded obligations	(A)	(78,676)	(76,514)
Fair value of plan assets	(B)	69,274	68,510
Surplus/(Deficit) at period end [(1)]		**(9,402)**	**(8,004)**
Present value of unfunded obligations	(C)	(158,273)	(154,229)
Unrecognized prior service costs		-	-
Net liability for defined benefit obligations at end of period		**(167,675)**	**(162,233)**
Inc.: A statement of financial position liability of		167,675	162,233
A statement of financial position asset of		-	-

(1) Mainly in the United Kingdom and Belgium.

9.2.2 Change in net liabilities recognized in the statement of financial position

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Net liability for defined benefit obligations at January 1st	(162,233)	(142,804)
Scope changes and acquisitions of the period	-	-
Settlements	690	812
Contributions paid into plan	1,708	1,049
Benefits paid	3,761	3,347
Current service cost, interest expense and expected return on plan assets	(4,460)	(4,577)
Past service cost	-	-
Actuarial gains/(losses) recognized in equity [(1)]	(7,969)	(20,440)
Curtailments	1,259	-
Foreign currency differences	(431)	380
NET LIABILITY FOR DEFINED BENEFIT OBLIGATIONS AT END OF PERIOD	**(167,675)**	**(162,233)**

(1) In 2020, the pension commitments relating to Germany were revalued by (4.6) million euros mainly taking into account the change at December 31, 2020 in the discount rate based on the obligations of 1st category companies in Germany (0.45% as of December 31, 2020 versus 0.70% as of December 31, 2019). In 2019, the retirement commitments relating to Germany were revalued by (19.6) million euros.

9.2.3 Movement in defined benefit obligations

(in thousands of euros)		**At December 31, 2020**	At December 31, 2019
Defined benefit obligations at January 1st		(230,743)	(203,511)
Settlements		467	812
Defined benefit obligations acquired as part of a business combination		-	-
Benefits paid		7,763	5,937
Current service cost		(2,075)	(2,217)
Past service cost		-	-
Interest on obligations		(2,385)	(3,918)
Actuarial gains/(losses) recognized in equity		(12,092)	(26,481)
Foreign currency differences		2,116	(1,366)
COMMITMENTS UNDER DEFINED BENEFIT PLANS AT THE END OF THE PERIOD	**(A)+(C)**	**(236,949)**	**(230,743)**

9.2.4 Plan assets

	2020		2019	
(in % average)	**Eurozone**	**United Kingdom**	Eurozone	United Kingdom
Equities	0%	29%	0%	29%
Debt	0%	18%	0%	15%
Other assets	100%	53%	100%	56%

9.2.5 Change in assets of the defined benefit plans

(in thousands of euros)		**At December 31, 2020**	At December 31, 2019
Fair value of plan assets at January 1		68,510	60,707
Contributions paid into plan		1,708	1,049
Benefits paid		(4,002)	(2,590)
Expected rate of return on plan assets		1,259	1,558
Actuarial gains/(losses) recognized in equity		4,122	6,041
Foreign currency differences		(2,323)	1,745
FAIR VALUE OF PLAN ASSETS AT END OF PERIOD	**(B)**	**69,274**	**68,510**

9.2.6 Expenses recognized in the income statement for defined benefit plans

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Current service costs	(2,075)	(2,217)
Interest on obligations	(2,385)	(3,918)
Expected rate of return on plan assets	1,259	1,558
Past service cost	-	-
Curtailments/settlements	467	812
EXPENSES RECOGNIZED IN THE INCOME STATEMENT FOR DEFINED BENEFIT PLANS	**(2,733)**	**(3,765)**

The expense is recognized in "Personnel expenses", as analyzed in note 7, except for the financial cost and the expected return on plan assets, which amounted to 2.4 million euros. In the three main countries (France, Germany and the United Kingdom), the estimated expense recognized in the income statement for the year 2021, based on the assumptions at December 31, 2020, would amount to 3.1 million euros.

9.2.7 Actuarial assumptions

Group obligations are valued by an external independent actuary, based on assumptions at the reporting date that are periodically updated. These assumptions are set out in the table below:

	2020			2019		
	Eurozone excl. Germany (1)	**Germany**	**United Kingdom**	Eurozone excl. Germany (1)	Germany	United Kingdom
Discount rate	0.45%	0.45%	1.55%	0.70%	0.70%	2.05%
Inflation rate	From 1.00% to 1.70%	1.90%	3.10%	From 1.00% to 1.80%	1.90%	3.10%
Expected rate of salary increase	From 1.70% to 3.50%	2%	-	From 1.70% to 3.50%	2.00%	-
Expected rate of pension increase	From 0.00% to 1.75%	1.75%	3.05%	From 0.00% to 1.75%	1.75%	3.05%
Expected rate of return on plan assets	0.45%	N/A	1.55%	0.70%	N/A	2.05%

(1) The eurozone includes plans in Italy, France and Belgium expressed as a weighted average.

The discount rate is the yield at the reporting date on bonds with a credit rating of at least AA that have maturities similar to those of the Group's obligations.

A 0.25% increase in the discount rate would reduce the benefit obligation by 9 million euros; a 0.25% decrease in the discount rate would increase the benefit obligation by 10 million euros.

The estimated return on plan assets has been determined based on long-term bond yields. All of the plan assets are allocated to United Kingdom and Belgian employees.

Assumptions concerning long-term returns on plan assets are based on the discount rate used to measure defined benefit obligations. The impact of the revised IAS 19 is not material for Europcar Mobility Group.

Assumptions regarding future mortality rates are based on best practice and published statistics and experience in each country.

9.2.8 Actuarial gains and losses recognized directly in equity (net of deferred tax)

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Cumulative opening balance	(68,689)	(54,610)
Gain/(loss) recognized during the year/period	(6,197)	(14,079)
CUMULATIVE CLOSING BALANCE	**(74,886)**	**(68,689)**

9.2.9 Experience adjustments

(in thousands of euros)	**2020**	2019	2018	2017	2016	2015	2014
Present value of defined benefit obligations	(64,147)	(61,624)	(57,597)	(63,305)	(68,320)	(63,917)	(61,369)
Fair value of plan assets	62,166	60,654	54,280	59,960	63,053	65,992	61,669
(Surplus)/deficit	1,981	970	3,317	3,345	5,266	(2,075)	(300)
Experience adjustments to plan liabilities	-	-	-	-	(962)	(247)	1,372
Experience adjustments to plan assets	4,143	5,885	(4,149)	1,651	5,097	(1,071)	36

9.3 Share-based payment

The Company's Extraordinary General Meeting dated as of May 10, 2016, in its 12th resolution, authorized the implementation free performance shares award scheme, in favor of some employees or managers of the Group. This authorization was given for a 26-month period and was valid until July 8, 2018.

Europcar's Shareholders' Meeting of April 26, 2019, in its 32nd resolution, authorized the establishment of a free performance shares award scheme for certain employees and executives of the Group.

(i) "AGA 18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement a free share award scheme for executives and certain employees of the Group (the "2018 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal year ended December 31, 2018, December 31, 2019 and December 31, 2020, related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

Furthermore, following the three-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 901,781. At December 31, 2020, 762,681 free shares under AGA 18 are still being vested.

(ii) "AGA 19"

The Supervisory Board examined and authorized on March 20, 2019 the main terms and conditions for a free share grant plan to be implemented in 2019 for members of the Management Board, executives and certain other managers of the Group (the "2019 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 related to Cumulative Group Revenue, the average corporate EBITDA margin rate and relative TSR (Total Shareholder Return).

Furthermore, following the three (3)-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 968,000. At December 31, 2020, 936,000 free shares under AGA 19 are still being vested.

The details of the free share plans are as follows:

	Type of plan	Grant Date	Number of shares granted	Number of shares outstanding	Length of vesting period	Year period	Fair value of the shares *(in €)*(1)
AGA 18	Free shares	July 28, 2018	658,981	591,981	3 years	July 25, 2021	7.98
AGA 18	Free shares	October 25, 2018	242,800	170,700	3 years	October 25, 2021	7.57
AGA 19	Free shares	May 22, 2019	573,000	553,000	3 years	May 22, 2022	5.92
AGA 19	Free shares	November 4, 2019	395,000	383,000	3 years	November 4, 2022	2.90

(1) Fair value at grant date.

The 20% employer contribution for the AGA 18 and AGA 19 plans was calculated on a basis corresponding to the fair unit value of the shares as estimated at the grant date.

Movements related to the acquisition of free shares in 2020 and 2019, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of shares
Currently vesting as of January 1, 2019	1,442,681
Granted	960,000
Canceled	(227,280)
Delivered	(451,220)
Currently vesting at December 31, 2019	1,732,181
Granted	-
Canceled	(33,500)
Delivered	-
CURRENTLY VESTING AT DECEMBER 31, 2020	**1,698,681**

In December 31, 2020, the impact on the income statement for services received was an income of 0.3 million euros compared with 0.7 million euros as at December 31, 2019. The counterpart has been credited to equity.

SIGNIFICANT ASSUMPTIONS USED

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

For the AGA 18 and AGA 19 plans, the dividend rate was 3%. The fair values on the grant date were calculated by restating the amount of dividends discounted during the vesting period.

Note 10 Provisions, risks and litigations

A provision is recognized in the statement of financial position when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Provision is made for the estimated value of uninsured losses from both known and incurred but not reported third-party claims on an actuarially determined basis. Where these claims are expected to be settled over a longer period of time, the provision made represents the present value of the expected expenditure required to settle the obligation. Any excess of this prepayment over the estimated liabilities is subject to an assessment of recoverability, and a provision is set aside if necessary.

In the normal course of its business activities, the Group is subject to certain claims and investigations relating to compliance with laws and regulations in various jurisdictions, including some with fiscal or competition authorities. The Group generally records a provision whenever a risk represents the probability of a cash disbursement towards a third party without compensation and when the possible loss that may result can be estimated with sufficient accuracy.

A provision on vehicle buy-back and reconditioning costs is recognized over the holding period of the vehicles.

10.1 Provisions

(in thousands of euros)	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2019	**108,341**	**39,581**	**75,898**	**223,818**
Provisions recognized during the period	75,337	86,385	13,535	175,257
Provisions utilized during the period	(76,759)	(88,975)	(14,366)	(180,099)
Provisions reversed during the period	(1,017)	-	-	(1,017)
Changes in scope	3,143	-	9	3,152
Transfer	-	-	-	-
Effect of foreign exchange differences	1,232	346	2,393	3,971
Balance at December 31, 2019	**110,277**	**37,337**	**77,469**	**225,082**
Non-current	-	-	*5,132*	*5,132*
Current	*110,278*	*37,337*	*77,469*	*219,950*
Total provisions	**110,278**	**37,337**	**77,469**	**225,082**
Balance at January 1, 2020	**110,277**	**37,337**	**77,469**	**225,082**
Catch up amortization of Purchase Price Allocation in 2019 (1)	**-**	**-**	**1,496**	**1,496**
Adjusted balance at January 1, 2020	**110,277**	**37,337**	**78,965**	**226,578**
Provisions recognized during the period	64,325	48,679	23,950	136,954
Provisions utilized during the period	(67,276)	(58,678)	(2,360)	(128,314)
Provisions reversed during the period	-	-	(6,017)	(6,017)
Changes in scope	459	-	-	459
Transfer	-	-	(102)	102
Effect of foreign exchange differences	(1,598)	(356)	(2,742)	(4,696)
BALANCE AT DECEMBER 31, 2020	**106,187**	**26,982**	**91,898**	**225,068**
Non-current	-	-	*10,842*	*10,842*
Current	*106,187*	*26,982*	*81,057*	*214,226*
TOTAL PROVISIONS	**106,187**	**26,982**	**91,899**	**225,068**

(1) Related to the acquisition of Finnish and Norwegian franchisees and the acquisition of Fox Rent A Car.

(i) Insurance claim provisions

Most of these provisions relate to the insurance risks described in the Section "Financial risk management". For the portion of the self-financed automotive liability risk, Europcar annually establishes a cost schedule for the insurance and brokerage costs, taxes and cost of the self-financed portion for each country. The cost is determined by day of rental and is included in the budget instructions sent to each country at the end of the year. Based on the cost per day of rental, Europcar entities set aside funds to cover costs based on the self-financed portion that will pay claims when benefits are actually due to third parties.

(ii) Reconditioning provisions

The provision for reconditioning relates to costs incurred for the present fleet at the end of the buy-back agreement period.

Europcar acquires a large proportion of its vehicles from car manufacturers with buy-back commitments at the end of the contract. These contracts usually stipulate that the vehicles must be returned at the end of a certain period (less than 12 months) and in a certain "condition" (mileage, cleanliness, etc.). Consequently, the Group has commitments to these manufacturers under these contracts and recognizes a provision to cover the cost of restoring the fleet at the balance sheet date. This cost is not based on specific assumptions but is determined from statistics compiled by the Fleet Department over the last 6 to 12 months.

(iii) Other provisions

Other provisions relate mainly to reserves for:

- risks and liabilities for damages to cars financed through operating leases;
- restructuring costs (personnel costs and the costs of moving the Group's head office);
- litigation costs include litigation with franchisees, employee disputes and accident claims.

10.2 Risks and litigations

Within the normal scope of its current operations, the Group is subject to legal, administrative or regulatory procedures. Under accounting standards applicable to the Group, a provision is recorded in the balance sheet when the Group is liable for an obligation resulting from a past event, when it is possible that economic resources will be needed to satisfy the obligation and the amount of said obligation can be reliably estimated.

The main disputes and proceedings currently in progress or that have evolved during the period are as follows:

10.2.1 Leicester City Council Trading Standards Services investigation

On June 23, 2017, the City of Leicester Trading Standards Services opened an inquiry into Europcar UK for violation of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008, based on allegations that Europcar UK (i) had billed its customers, without their consent, for repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Together with the commercial practices inspection services, Europcar UK has drawn up the list of documents that the Company is required to submit and has appointed Deloitte to handle the matter. The results of the work carried out by Deloitte were presented to the Trade Services Investigation Department in November 2018.

The Leicester trade services Department investigations are in progress and the Group continues to fully cooperate with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (43 million euros) in non-recurring expenses (see Note 10 "Provisions, Risks and Litigation" on liquidity risk to the 2017 financial statements in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for the year ended December 31, 2020" of this Universal Registration Document).

This amount corresponded to the Group's best estimate, at this very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices are misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

A new review at the end of 2019 of the last risk estimate which was carried out on December 31, 2018 was carried out. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous year. At the date hereof, no changes have occurred in the latest risk estimations and analyses, conducted in 2018 and reviewed in 2019. At December 31, 2020 the provision of £38 million still appeared in the Groups accounts.

10.2.2 Goldcar Rentals Italy S.r.L. and Goldcar Spain S.L.U.- Italian Competition Authority (AGCM)

In November 2016, the ICA (the Italy Competition Authority) imposed a fine on Goldcar Italy S.r.L for "unfair commercial practices" (specifically relating to allegations of high pressure sales techniques, opaque policies relating to fuel and damage repairs) following legal proceedings begun in February 2016. The two-million euro fine was paid. In February 2017, an appeal was filed in the Administrative Court of Lazio (TAR).

In October 2017, the ICA initiated several investigations and proceedings to verify the compliance of the practices in effect at that time with regard to security deposit procedures. Goldcar Italy contacted the authorities to describe the improvements put in place to comply with regulations. Goldcar made several commitments which have already been implemented. Although the ICA has recognized the procedural and material improvements made, it nevertheless decided to initiate noncompliance proceedings for presumed breach of the Italian Consumer Code. Notice of a 680,000 euros fine was sent in February 2018 and it was paid. In April 2018, another appeal was filed in the Lazio Administrative Court (TAR). At the end of March 2019, the TAR ruled on the above-mentioned appeal and the supplementary appeal and confirmed the ICA's decision and the arguments supporting these decisions. In June 2019, Goldcar submitted an appeal to the Consiglio di Stato (CDS). The first hearing is expected to be scheduled in 2021. At the date of this document, Goldcar Italy S.r.L is waiting to be informed of the date of the first hearing.

On May 30, 2019, the ICA carried out an on-site inspection as part of an investigation into various consumer complaints denouncing illegal practices. A hearing took place on August 1, 2019 and on November 4, 2019, the Italian Competition Authority ruled against Goldcar and ordered it to pay a fine of 3,400,000 euros for non-compliance with the previous decision. Goldcar appealed that decision on December 27, 2019 in the Lazio Administrative Court. The first hearing is expected to be scheduled in 2021. The first hearing is planned on October 14th, 2021.

10.2.3 Litigation with a former franchisee and its sub-franchisees in Brazil

Two of the Group's sub-franchisees in Brazil, Rentax Locação e Comércio de Veículos Ltda. ("Rentax") and Horizon Distribuidora Veículos Ltda. ("Horizon"), initiated judiciary proceedings against Europcar International and its former franchisee in Brazil, Cia Ec Br de Franquias e Locação de Veículos Ltda. ("EC-BR"), claiming abusive termination of the franchise agreement between Europcar International S.A.S.U. and EC-BR. The combined amount claimed by Rentax and Horizon is BRL 19,525,151 (approximately 6 million euros). Europcar International S.A.S.U. is seeking to have the case dismissed on statute of limitations grounds and, in particular, arguing that (i) there is no contractual relationship with these two sub-franchisees, and (ii) there was nothing improper by Europcar International S.A.S.U. in the termination of the EC-BR contract.

In the court of first instance, the 25th Chamber of the Civil Court of São Paulo found in 2010 that the suit filed by Rentax and Horizon was not time-barred and that if Europcar International S.A.S.U. were found liable it would have no recourse against EC-BR. A recourse action is an action through which a person against whom proceedings are initiated involves a third party to respond to the allegations that may be made against him or her. On appeal, this ruling was partly overturned by the Court of Appeal, which found that Europcar International S.A.S.U. could seek recourse against EC-BR, claiming back from EC-BR any payment Europcar International S.A.S.U. would make in compliance with a court ruling against it. Europcar International S.A.S.U., considering that the Appeal Court had failed to consider all its arguments about the statute of limitations, appealed to the São Paulo Court of Justice on September 8, 2014. In a ruling handed down on March 17, 2015, the São Paulo court upheld the ruling that the plaintiffs' suit was not time-barred. Its decision on the statute of limitations was appealed to the Superior Court of Justice. On September 29, 2017 the judge-rapporteur rejected the appeal. Europcar International S.A.S.U. filed an interlocutory appeal against this ruling, which will be judged by the Superior Court of Justice on February 6, 2018. This appeal nonetheless does not suspend the main proceedings during which the judge in the court of first instance ordered EC-BR to continue to answer the case. After several unanswered notices served on EC-BR, the judge ordered the gathering of evidence phase to continue. This phase allows the Parties to gather the evidence they wish to introduce, including expert reports, witnesses etc. In answer to the ruling by the Court according to which it was not necessary to introduce further evidence as to whether the contract was legally terminated insofar as the Court of Appeal had already ruled on the question in the first judgment mentioned above, Europcar filed a request for the case to either be judged immediately or at least be postponed pending the result of the first case. The judge presiding over the case rejected this request and ordered the expert analyses to begin as requested by the plaintiffs.

On August 3, 2020 the Sao Paulo Court handed down a final ruling rejecting Rentax's and Horizon's claims against EUROPCAR. The judge acknowledged that Europcar International S.A.S.U could not be held liable for damages caused by EC-BR (a former ECI franchisee) to the plaintiff, as that matter had already been settled in the suit filed by Europcar against the master franchisee and sub-franchisee. In that suit, the court considered that Europcar International S.A.S.U. Had not violated the terms of the agreement, and that the sub-franchisee agreements automatically terminated with the termination of the master franchise agreement due to the breach of the EC-BR agreement. The firs suit was definitively closed and could not be appealed.

10.2.4 Fire in a parking lot in Paris: criminal proceedings and civil liability claims (insurance)

On November 12, 2014 a fire broke out in a Europcar garage located at 88, Rue de la Roquette, Paris. The fire destroyed all the 77 vehicles parked in the garage (1.1 million euros net damages cost already accounted) and damaged the structural integrity of the building. Public Prosecutor opened a criminal investigation (the criminal proceedings). At the same time, Europcar France and its insurer, AIG EUROPE Limited, sued the garage's owner, its insurer, the association of the building's co-owners and the French Association of Diabetics before the President of the PARIS Court to request the appointment of an expert to determine the cause of the fire and assess the prejudice suffered by each party (the civil proceedings).

The criminal proceedings was dismissed by the investigating magistrate on 24 November 2016. The decision to close these proceedings was based on the fact that the judicial inquiry failed to determine the cause of the fire and the expert assessment ordered by the investigating magistrate indicated that it is likely that the fire was caused by an electrical fault in a vehicle. The expertise ordered in the civil proceedings is still ongoing. Europcar France has initiated professional liability proceedings against the experts named in that procedure.

ALLIANZ I.A.R.D. brought a suit against Europcar France and AIG before the Nanterre Commercial Court on the basis of the law of February 5, 1985. Allianz is seeking a conviction and the payment of a 3,902,743.37 euro fine. Europcar and AIG have requested a stay of ruling pending the decision from the Court of Cassation in the dispute regarding the liability of experts. In 2020, Europcar's civil liability claim against the experts was dismissed by the Paris Judicial Court,. Europcar appealed the decision.

10.2.5 Excessive interchange commission applied by MasterCard and Visa

Following the opening of an investigation by the European commission into interchange commissions (commission that is received by banking organizations for a commercial transaction and justified by the mechanisms implemented by the banking institutions of the cardholder and trader for which the transaction is conducted), the European Union determined that the interchange commissions applied by MasterCard and Visa were too high, and established limits. Following this decision, a number of companies sued MasterCard in the English courts and in the (Competition Appeal Tribunal) and obtained damages for losses related to this practice going back to 1992. An additional claim was then filled by Sainsburys (an English Retailer) against Visa, this time in the High Court. The decisions in those cases were then referred to the Court of Appeal.

On September 16, 2016, Europcar Group UK filed a claim against Visa in the High Court seeking damages for losses incurred due to anti-competitive practices totaling £3 million for the periods 2010 to 2015.

On September 16, 2016, based on the ruling against MasterCard, Europcar Group UK Limited took legal action MasterCard in both the High Court (for the period 2010-2015) and in the Competition Appeal Tribunal ("CAT") (for the period 1992-2008) with a view to obtaining redress for the losses suffered as a result of anti-competitive practices during those periods, estimated at £7,000,000 (interest included).

All 3 cases were stayed pending the decision of the Court of Appeal on the Mastercard and Visa cases. The only exception was a request by Mastercard before the Competition Appeal Tribunal to exclude the claims made for the period 1992-1997 from the assessment of the damages on the grounds that they are time-barred.

In July 2018, the Court of Appeal decided to allow the merchant's appeals on the each of the 3 cases referred to it and declared that both the Visa and Mastercard MIFs were restrictive of competition and therefore unlawful. The Court of Appeal remitted all 3 cases to the CAT to consider whether any exemptions were applicable and to assess quantum. Mastercard sought leave to appeal the decision to the Supreme Court which was granted at the end of 2018.

Europcar Group UK and Mastercard have entered end of 2019 in a settlement agreement which ends the above action from Europcar group UK against Mastercard. The settlement agreement was concluded in June 2020, bringing to an end the above-mentioned suit by Europcar Group UK against Mastercard.

The dispute between Europcar Group UK and Visa was settled out of court in 2020.

10.2.6 Dispute regarding the commissions associated with the brokerage of the sale of the Robben & Wientjes assets

The German company Carpartner Nord GmbH was named as a defendant in a case brought before the District Court of Berlin by M.B. Mueller as the owner of the German company M & W Real Estate. The case concerns the alleged claim for a commission brought by the plaintiff for brokering the asset purchase transaction of August 8, 2017 for an amount of 4% of the purchase price of €3 million paid by the defendants to Robben & Wientjes oHG. Furthermore, the plaintiff wishes to obtain a brokerage commission of 150,000 euros for arranging the leasing of several commercial buildings. Charterline Fuhrpark Service GmbH, which purchased the vehicles of Robben & Wientjes OHG for €6.5 million as part of the asset sale has not yet been sued. It is, however, possible that the plaintiff will also sue Charterer Fuhrpark Service GmbH when the details of the asset sale become known. The plaintiff was originally only hired by the seller, Robben & Wientjes oHG. Carpartner Nord GmbH's defense against this lawsuit is that it did not enter into a brokerage agreement with the defendant. The defendant alleges that a 530,000 euro brokerage agreement was signed (4% of 9.5 million euros plus 150,000 euros). The Berlin Court on February 6, 2019 stated that a brokerage agreement has not been concluded and therefore the plaintiff have no claim to commissions out of the purchase of the Company. The court declared that it has no local jurisdiction and will refer the dispute to the competent court which is the Regensburg Regional court. The first hearing by the competent jurisdiction in Regensburg took place on October 29, 2019. At the date hereof, the proceedings are still ongoing.

10.2.7 Litigation against GEFION relating to Charterline's vehicle insurance coverage

In 2018, Charterline Fuhrpark Service GmbH entered into a fleet insurance agreement with GEFION (liability and damages) for more than 16,000 vehicles. Gefion has ceased to honor damage reimbursements. To date, more than 13,000 refund claims have yet to be honored. Charterline filed 321 claims for 620,000 euros in June 2019 before the Bad Kreuznach District Court.

In counterclaims, Gefion requested that the agreement be declared null and void and that all compensation received by Charterline be reimbursed.

On April 3, 2020, the Court dismissed all of Charterline's arguments, ruled that the framework agreement was null and void, and asked for the refund of all insurance claims paid. Charterline appealed the decision.The hearing before the regional high court of Koblenz initially scheduled for January 20, 2021 was delayed until March 31, 2021. At the date hereof, the proceedings are still ongoing.

10.2.8 Notification by the Bavarian DPA of a security breach on a Buchbinder server

Buchbinder was notified on January 20, 2020 by the Bavarian DPA of a security breach on one of the backup servers hosted and maintained by its service provider. The breach was identified and closed immediately. A new security test campaign was immediately launched, and customers were fully informed in the press on January 24, 2020.

At the date hereof, the company received a closing letter from the competent authority and is awaiting the decision of the European authorities as part of the consistency check mechanism.

Note 11 Related parties

Under IAS 24, related parties include parties with the ability to control or exercise significant influence over the reporting entity. All business transactions with non-consolidated subsidiaries are conducted at arm's length. Several members of the Group's management and Supervisory Board are members of the management bodies of companies with which Europcar Mobility Group S.A. has relations in the normal course of its business activities. All transactions with these parties are conducted at arm's length.

11.1 Transactions with companies over which Europcar Mobility Group exercises significant influence

As of December 31, 2020, the Group did not realized any significant transaction with companies over which Europcar Mobility Group exercises significant influence.

11.2 Compensation of key executives

In 2015, at the time of the Company's IPO, a new governance structure was implemented. Henceforth the Management Board has the authority and responsibility to plan, direct and control the activities of the Group. For this reason, the compensation of its members is detailed below.

In addition to their salaries, the Group provides non-cash benefits to executive officers and contributes to a post-employment defined benefit plan on their behalf. There were no significant transactions with any companies related directly or indirectly to key management members disclosed in the management report of the Europcar subsidiaries.

The senior executives of the Group were compensated as follows during the year. Employee salaries and short-term benefits include salaries, wages and payroll taxes.

(in thousands of euros)	**At December 31, 2020**	At December 31, 2019
Employee salaries and short-term benefits	2,142	1,857
Post-employment benefits	51	84
Termination indemnities	314	-
TOTAL	**2,507**	**1,941**

Note 12 Group Entities

Company name	Local HQ (city)	Country	Consolidation method [1]	% interest	% control
Parent company			**(FC/EM)**		
Europcar Mobility Group S.A.	Paris	France	FC		
1. Information on consolidated companies					
Europcar International S.A.S.U.	Paris	France	FC	100.0%	100.0%
EC 4 S.A.S.U.	Paris	France	FC	100.0%	100.0%
Europcar Holding S.A.S.	Paris	France	FC	100.0%	100.0%
Europcar Lab S.A.S.U.	Paris	France	FC	100.0%	100.0%
Europcar Lab UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
E-Car Holding Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Ubeeqo UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Ubeeqo International S.A.S.	Boulogne-Billancourt	France	FC	100.0%	100.0%
Ubeeqo France S.A.S.	Boulogne-Billancourt	France	FC	100.0%	100.0%
Ubeeqo BV	Zaventem	Belgium	FC	100.0%	100.0%
Ubeeqo GmbH	Düsseldorf	Germany	FC	100.0%	100.0%
Ubeeqo Limited	Leicester	United Kingdom	FC	100.0%	100.0%
Bluemove	Madrid	Spain	FC	100.0%	100.0%
Guidami	Milan	Italy	FC	100.0%	100.0%
Dos Palos Spain S.L.	Madrid	Spain	FC	100.0%	100.0%
Blue Sostenible S.L.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet Holding S.A.	Paris	France	FC	99.3%	8.30%
Securitifleet Holding Bis S.A.S.U.	Paris	France	FC	99.3%	0.0%
EC Finance Plc	London	United Kingdom	FC	0.0%	0.0%
FCT Sinople	Paris	France	FC	0.0%	0.0%
Europcar France S.A.S.	Paris	France	FC	100.0%	100.0%
Securitifleet S.A.S.U.	Paris	France	FC	100.0%	8.30%
SF Location S.A.S.U.	Rouen	France	FC	99.3%	8.30%
Parcoto Services S.A.S	Rouen	France	FC	100.0%	100.0%
Monaco Auto Location SAM	Monaco	Monaco	FC	100.0%	100.0%
Europcar International S.A.S.U. und Co OHG	Hamburg	Germany	FC	100.0%	100.0%
Europcar Autovermietung GmbH	Hamburg	Germany	FC	100.0%	100.0%
Securitifleet GmbH	Hamburg	Germany	FC	100.0%	5.41%
Buchbinder Holding GmbH	Regensburg	Germany	FC	100.0%	100.0%
Charteline Fuhrpark Service GmbH	Regensburg	Germany	FC	100.0%	100.0%
Carpartner Nord GmbH	Regensburg	Germany	FC	100.0%	100.0%
Car & Fly GmbH	Duisburg	Germany	FC	100.0%	100.0%
Terstappen Autovermietung GmbH	Duisburg	Germany	FC	100.0%	100.0%
Bayernmobile GmbH	Regensburg	Germany	FC	100.0%	100.0%
A. Klees Slovakia S.R.O	Bratislava	Slovakia	FC	100.0%	100.0%
ABC Autonoleggio s.r.l.	Bolzano	Italy	FC	100.0%	100.0%
CarPartner Leasing GmbH	Wels	Austria	FC	100.0%	100.0%
Megadrive Autovermietung GmbH	Wien	Austria	FC	100.0%	100.0%

Company name	Local HQ (city)	Country	Consolidation method [(1)]	% interest	% control
Ratisbona Consulting 2 GmbH	Regensburg	Germany	FC	100.0%	100.0%
Europcar S.A.	Zaventem	Belgium	FC	100.0%	100.0%
InterRent S.à.r.l	Luxembourg	Luxembourg	FC	100.0%	100.0%
Europcar IB S.A.	Madrid	Spain	FC	100.0%	100.0%
Securitifleet S.L.	Madrid	Spain	FC	100.0%	0.00%
Ultramar Cars S.L.	Palma de Mallorca	Spain	FC	100.0%	100.0%
LC EC Participations Investments S.L.U.	Madrid	Spain	FC	100.0%	100.0%
Car Rentals TopCo S.L.	El Prat de Llobregat	Spain	FC	100.0%	100.0%
Car Rentals ParentCo S.A.	El Prat de Llobregat	Spain	FC	100.0%	100.0%
Car Rentals Subsidiary S.A.U.	Alicante	Spain	FC	100.0%	100.0%
Goldcar Spain S.L.U.	Alicante	Spain	FC	100.0%	100.0%
Goldcar FleetCo Spain S.A.U.	Alicante	Spain	FC	100.0%	100.0%
Goldcar FleetCo Italy S.P.A.	Laives	Italy	FC	100.0%	100.0%
Goldcar FleetCo France S.A.R.L	Paris	France	FC	100.0%	100.0%
Goldhire FleetCo Portugal SU, L.D.A	Faro	Portugal	FC	100.0%	100.0%
Car Rentals Italy S.r.l.	Laives	Italy	FC	100.0%	100.0%
Goldcar Italy S.r.l.	Laives	Italy	FC	100.0%	100.0%
Goldcar France S.A.R.L	Vitrolles	France	FC	100.0%	100.0%
Goldcar Hellas A.E.	Koropi	Greece	FC	100.0%	100.0%
Goldcar Rental D.O.O.	Zagreb	Croatia	FC	100.0%	100.0%
Goldcar Oto Kiralama TICARET A.S.	Istanbul	Turkey	FC	100.0%	100.0%
Goldcar Ireland Ltd	Dublin	Ireland	FC	100.0%	100.0%
Goldcar Master S.L.U.	Alicante	Spain	FC	100.0%	100.0%
Goldcar Fleets Spain S.L.U.	Alicante	Italy	FC	100.0%	100.0%
Europcar Italia S.p.A.	Bolzano	Italy	FC	100.0%	100.0%
Securitifleet S.p.A.	Bolzano	Italy	FC	99.32%	13.80%
Europcar Lab Italia S.R.L	Milan	Italy	FC	100.0%	100.0%
Wanderio S.P.A	Rome	Italy	FC	100.00%	91.83%
Europcar Internacional Aluguer de Automoveis S.A	Lisbon	Portugal	FC	100.0%	100.0%
Europcar Services Unipessoal, LDA.	Lisbon	Portugal	FC	100.0%	100.0%
Europcar UK Limited	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental EMEA Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Provincial Assessors Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Pension Scheme Trustees Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Europcar Group UK Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
PremierFirst Vehicle Rental Franchising Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Group Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
A & A Prestige Chauffeurs Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Carriage Ltd	Leicester	United Kingdom	FC	100.0%	100.0%

Company name	Local HQ (city)	Country	Consolidation method [1]	% interest	% control
Brucar Group Holdings Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Brunel Corporate Facilities Ltd	Leicester	United Kingdom	FC	100.0%	100.0%
Euroguard insurance Company Pcc limited	Gibraltar	Gibraltar	FC	100.0%	100.0%
Europcar Holding Property Ltd	Melbourne	Australia	FC	100.0%	100.0%
Europcar Australia Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
G1 Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Holdings Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
CLA Trading Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Eurofleet Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
Delta Cars & Trucks Rentals Pty Ltd	Victoria	Australia	FC	100.0%	100.0%
SMJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
BVJV Ltd	Christchurch	New Zealand	FC	100.0%	100.0%
Europcar Inc.	Wilmington, New Castle, Delaware	USA	FC	100.0%	100.0%
Executive Trust Limited	Dublin	Ireland	FC	100.0%	100.0%
Irish Car Rentals Limited	Dublin	Ireland	FC	100.0%	100.0%
GoCar Carsharing Limited	Dublin	Ireland	FC	100.0%	100.0%
Interrent Oy	Oulu	Finland	FC	100.0%	100.0%
Interrent AS	Hovik	Norway	FC	100.0%	100.0%
Østergaard Biler A/S	Aarhus	Denmark	FC	100.0%	100.0%
Europcar Mobility Group USA LLC	Delaware	USA	FC	100.0%	100.0%
Fox Rent A Car Inc.	Tulsa	USA	FC	100.0%	100.0%
Fox Reservation System Inc.	Tulsa	USA	FC	100.0%	100.0%
Nordcar Finance A/S	Silkeborg	Denmark	FC	100.0%	100.0%
2. Information on non-consolidated companies					
Vehitel 2000 France S.A.S.	Suresnes	France	NC	20.0%	9.09%
Vehitel 2000 S.N.C.	Suresnes	France	NC	33.33%	33.33%
EIR Autonoleggio SRL	Rome	Italy	NC	100.0%	100.0%
EC 3 S.A.S.U.	Voisins-le-Bretonneux	France	NC	100.0%	100.0%

(1) FC: full integration; EM: equity method; NC: not consolidated.

Consolidated special purpose entities (SPEs)

As part of the securitization program for part of the fleet financing for Germany, France, Italy and Spain, SPEs have been incorporated under the name Securitifleet and Goldfleet in each of those countries and are either 100% owned or controlled (over 90%-controlled) by one of the following SPEs: "Securitifleet Holding S.A." or "Securitifleet Holding Bis S.A.S.," both registered in France. The Group consolidates all Securitifleet and Goldfleet entities, the five local Securitifleet companies, the four local Goldfleet companies (In France, Italy and Spain), as well as the two Securitifleet holding companies, which were created with specific purposes defined by Europcar Mobility Group.

The Group's operating subsidiaries located in France, Spain, the United Kingdom, Portugal, Belgium, Italy (from January 1, 2008) and Germany (from April 1, 2008) buy local automobile liability insurance policies with Chartis (formerly AIG) entities, which reinsure part of such risks with a reinsurance structure hosted by Euroguard, a protected cell reinsurance company. The Group owns a reinsurance cell[9] within Euroguard, which has been consolidated since January 2006. However, the local Europcar entities fund a significant portion of the risks through a Deductible Funding mechanism which is managed via another cell (0) within Euroguard that acts as a fund manager. The funds hosted in this cell are also consolidated.

PremierFirst Vehicle Rental Holdings Limited owns 100% of PremierFirst Vehicle Rental Insurances Guernsey Limited, a captive company based in Guernsey in the Channel Islands. This captive company has two types of business: roadside assistance (RAC) and Personal Accident Insurance (PAI). The profits from the RAC and PAI businesses can mostly be distributed by the captive company under strict rules. 90% of the profits must be distributed within 18 months of the year end.

Since January 2008, PremierFirst Vehicle Rental Limited has participated in the Group insurance scheme described in the first paragraph above.

Note 13 Group auditors' Fees

The EU legislation to reform the statutory audit market adopted by the EU Directive 2014/56/UE and transposed to the French law under an ordinance dated March 17, 2016, is applicable since June 17, 2016. This new legislation introduced the category of "Non-Audit services" instead of "other diligences and services directly related to the Statutory Auditors' role".

	Pricewaterhouse Coopers (PwC) Audit	PwC Network	**PwC**	Mazars SA	Mazars Network	**Mazars**	**Total**
(in thousands of euros)	2020	2020	**2020**	2020	2020	**2020**	**2020**
Audit of statutory and consolidated accounts	**626**	**948**	**1,580**	**427**	**660**	**1,087**	**2,667**
of which Europcar Group	*396*	*-*	*396*	*361*	*-*	*361*	*757*
of which fully consolidated subsidiaries	*230*	*948*	*1,184*	*66*	*660*	*726*	*1,910*
Non-audit services (1)	**276**	**223**	**434**	**276**	**2**	**278**	**712**
of which Europcar Group	*276*	*-*	*276*	*276*	*-*	*276*	*552*
of which fully consolidated subsidiaries	*-*	*223*	*158*	*-*	*2*	*2*	*160*
TOTAL	**902**	**1,171**	**2,014**	**703**	**662**	**1,365**	**3,379**
of which Europcar Group	**404**	**-**	**404**	**637**	**-**	**637**	**1,041**
of which fully consolidated subsidiaries	**232**	**1,171**	**1,403**	**66**	**662**	**728**	**2,131**

(1) Non-audit services mainly related to the Group's financing operations and the redesign of the digital service for the network.

(in thousands of euros)	Pricewaterhouse Coopers (PwC) Audit 2019	PwC Network 2019	PwC 2019	Mazars SA 2019	Mazars Network 2019	Mazars 2019	Total 2019
Audit of statutory and consolidated accounts	**566**	**948**	**1,514**	**316**	**610**	**926**	**2,440**
of which Europcar Group	*334*	*-*	*334*	*250*	*-*	*250*	*584*
of which fully consolidated subsidiaries	*232*	*948*	*1,180*	*66*	*610*	*676*	*1,856*
Non-audit services [(1)]	**70**	**223**	**293**	**70**	**24**	**94**	**387**
of which Europcar Group	*70*	*-*	*70*	*70*	*24*	*94*	*164*
of which fully consolidated subsidiaries	*-*	*223*	*223*	*-*	*-*	*-*	*223*
	636	**1,171**	**1,807**	**386**	**634**	**1,020**	**2,827**
TOTAL	**404**	**-**	**404**	**320**	**24**	**344**	**748**
of which Europcar Group	*232*	*1,171*	*1,403*	*66*	*610*	*676*	*2,079*
of which fully consolidated subsidiaries	*197*	*1,279*	*1,476*	*67*	*602*	*669*	*2,145*

(1) Non-audit services mainly related to the Group's financing operations.

This is a translation into English of the Statutory Auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This Statutory Auditors' report includes information required by European regulation and French law, such as information about the appointment of the Statutory Auditors or verification of the information concerning the Group presented in the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(For the year ended December 31, 2020)

To the shareholders
Europcar Mobility Group
13 *ter* Boulevard Berthier
75017 Paris

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Europcar Mobility Group for the year ended December 31, 2020.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as at December 31, 2020 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for Statutory Auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) No 537/2014 or in the French Code of Ethics (code de déontologie) for Statutory Auditors.

Justification of Assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited 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 the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

Liquidity risk management

Identified risk	Audit approach
As described in Note 1.2 of the consolidated financial statements, the Group has been significantly impacted by the world crisis related to Covid-19 pandemic, resulting in a sharp decline of revenues and uncertainties on its ability to generate sufficient cash flows. Since March 2020, the Group has implemented several measures to: i) put a plan to reduce costs, ii) get new financing facilities and iii) implement a financial restructuring plan. As of December 31, 2020, the Group consolidated financial statements present an equity amounting to €190 millions and financial debts amounting to €3 960 millions, balances that are not including the main effects of the financial restructuring plan that has been finalized on February 26, 2021. The finalization of the financial restructuration, occurred during the first semester 2021, allows the Group to reduce its debt and to benefit from fresh liquidity. Considering the uncertainties on the Group ability to generate sufficient cash flows, the material application of estimate and judgment in the cash flows forecast, and the materiality of the financial restructuring operation that took place, we considered the liquidity risk management to be a key audit matter.	Our procedures mainly consisted of: • inquiring with Europcar management on the liquidity positions and cash flows forecasts on a regular basis; • understanding the process used by management to prepare these cash flows forecasts; • assessing these cash flows forecasts notably by examining: i) the consistency of the assumptions used with the budget prepared by Management and approved by the Board of Directors, and with implemented measures, and ii) the impacts of the 2021 financing restructuration; • inquiring with Europcar management on the 2021 financing restructuration (including SFA) process until February 26, 2021; • obtaining and testing the legal documentation supporting the 2021 financing restructuration; • assessing the accounting treatment of the 2021 financing restructuration (including the related costs) and its impact on the equity position disclosed in the note 1.2.3. We also assessed the appropriateness of the disclosures in note 1.2 to the consolidated financial statements.

Goodwill and trademarks

Identified risk	Audit approach
Goodwill and trademarks (indefinite- useful life) are recorded in the consolidated balance sheet for a net carrying amount of respectively €998 million and €880 million as of December 31, 2020, i.e. 30% of total assets. Annual impairment test and/or specific test in the event of an indication of a loss in value are performed on Goodwill and trademarks. Their recoverable amount is determined based on the discounted future cash flow method performed for each Cash-Generating Units (CGU) defined by the management or another more appropriate method for the goodwill (note 5.1) and on the relief-from-royalty method for the trademarks (note 5.2). An impairment loss is recognized in the balance sheet when their net carrying amount exceeds their recoverable amount. Considering that goodwill and trademarks are significant, the high degree of estimation and judgment to allocate assets to CGUs and build models used, their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the recoverable amounts of the goodwill and trademarks to be a key audit matter.	Our procedures mainly consisted of: • understanding the process to prepare the business plans used by the management to determine the recoverable amounts of each CGU; • considering the main assumptions made by the management with business performance over the past years and assessing variances between previous years forecast and actual figures; • assessing the principles and methods to determine recoverable amounts of CGUs and trademarks; • challenging and corroborating, notably through interviews with management, the reasonableness of the main data and assumptions underlying the estimates such as future cash flow forecasts, long term growth rate, royalty rates and discount rates; • testing the arithmetical accuracy of the valuations used by the management on a sample basis; • performing our own sensitivity analysis, notably on the assumptions related to EBITDA forecast and activity recovery schedule. We assessed, with the support of our valuation experts: • the discount rates (WACC) used to determine the discounted cash flows; • the royalty rates; • the long term growth rate used to determine the terminal value. We also assessed the appropriateness of the disclosures in Notes 5.1 and 5.2 to the consolidated financial statements.

Investigations of the Leicester City Council Trading Standards Services in the United-Kingdom

Identified risk	Audit approach
As described in Note 10.2 of the consolidated financial statements, in the United Kingdom the Group is engaged in proceedings with Leicester City Council Trading Standards Services, in relation to allegations that Europcar UK levied charges for vehicle repairs without the consent of the holder; and/or charges in excess of the cost of the repairs in breach of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008. A provision of €43 million was booked as of December 31, 2017 and has been maintained as of December 31, 2020 for an exchange rate discounted amount of €42.3 million. We focused on this area as the eventual outcome of proceedings is uncertain and the position taken by the management is based on the application of material judgement and estimation. Accordingly, unexpected adverse outcome could significantly impact the Group consolidated financial statements.	Our procedures consisted of: • discussing the status of these proceedings with Europcar management, the in-house legal counsel of the Group; • obtaining and testing evidence to support the decisions and rationale for provision held, including written confirmations from external legal counsel; • examining management's assumptions to ensure their consistency with the documentation obtained from the external legal counsel. We verified the appropriateness of the related disclosures in the consolidated financial statements as of December 31, 2020.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by laws and regulations of the Group's information given in the management report of the Group.

We have no matters to report as to their fair presentation and their consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement required by Article L. 225-102-1 of the French Commercial Code (code de commerce) is included in the Group's management report, it being specified that, in accordance with Article L. 823-10 of this Code, we have verified neither the fair presentation nor the consistency with the consolidated financial statements of the information contained therein. This information should be reported on by an independent third party.

Report on Other Legal and Regulatory Requirements

Format of the presentation of the consolidated financial statements intended to be included in the annual financial report

In accordance with Article 222-3, III of the AMF General regulation, the Company's management informed us of its decision to postpone the presentation of the consolidated financial statements in compliance with the European single electronic format as defined in the European Delegated regulation No 2019/815 of 17 December 2018 to years beginning on or after January 1st, 2021. Therefore, this report does not include a conclusion on the compliance with this format of the presentation of the consolidated financial statements intended to be included in the annual financial report mentioned in Article L. 451-1-2, I of the French Monetary and Financial Code (code monétaire et financier).

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Europcar Mobility Group by statutes of incorporation dated as of March 9, 2006 for PricewaterhouseCoopers Audit and by the Annual General Meeting held on May 16, 2013 for Mazars SA.

As at December 31, 2020, PricewaterhouseCoopers Audit was in the 15th year of total uninterrupted engagement and Mazars SA was in the 8th year, which are 6 years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Managers.

Statutory Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Objectives and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

Report to the Audit Committee

We submit a report to the Audit Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee [ou autre terminologie retenue par la société] the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, April 8, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
Romain Dumont	Isabelle MASSA

3.5 ANALYSIS OF EUROPCAR MOBILITY GROUP SA'S RESULTS

Readers are urged to read the information below regarding the Group's financial income and position together with the separate financial statements for the fiscal year ended December 31, 2020, as reported in Section 3.6 of this Universal Registration Document.

3.5.1 Revenue of the Company

Europcar Mobility Group SA's reported revenue in 2020 amounted to €6,510 thousand versus €11,683 thousand, for the fiscal year ended December 31, 2019. The revenue breaks down as follows:

Revenue *(in thousands of euros)*	**12/31/2020**	12/31/2019
Management fees for services to subsidiaries (ECI)	4,499	9,265
Franchise fees on long-term trademark	2,012	2,417
TOTAL	**6,510**	**11,682**

3.5.2 Operating results of the Company

The Company reported an operating loss of €(25,987) thousand in 2020, compared with a loss of €(11,629) thousand for the previous fiscal year. The change of €(14.4) million is primarily the result of the decrease in services invoiced to the subsidiaries as well as the fees resulting from the Group debt restructuring.

3.5.3 Net financing income (costs)

The Company's net financing cost for 2020 amounted to €(206,341) thousand versus €1,720 thousand at December 31, 2019, a decline of €208,061 thousand. The deterioration in net financing income (cost) is primarily due to:

- the negative impact of the provision for impairment of equity interests at the end of fiscal 2020 for €130.4 million;
- the lack of dividends received in 2020 from its Europcar International subsidiary, compared with €100.1 million in 2019;
- the negative foreign exchange effect on financial transactions in US dollars for €11 million;
- the decrease in the interest paid on the notes for €10.3 million in 2020;
- the increase in the interest received on sums made available for €4.7 million;
- the net income from sales of marketable securities which was up €8.8 million from 2019;
- the payment of an exceptional penalty of €8.6 million in 2019 for the early redemption of the €600 million notes due in 2022.

3.5.4 Other information presented in the Company's separate financial statements for 2020

The Company's current result before tax at December 31, 2020 is a loss of €232,328 thousand, compared with a loss of €9,908 thousand in the previous fiscal year, i.e. a deterioration of €222,420 thousand.

The Company's non-recurring revenue at December 31, 2020 was a negative €10 thousand, compared with a loss of €(163) thousand for the previous year.

Income tax totaled €6,189 thousand for the year ended December 31, 2020, compared with €21,279 thousand at December 31, 2019.

Taking into account these items, the Company posted a net loss of €177,430 thousand for the fiscal year ended December 31, 2020, compared with a profit of €11,208 thousand at December 31, 2019. At December 31, 2020, the Company's statement of financial position totaled €1,884,881 thousand versus €2,357,770 thousand at December 31, 2019.

The Company had 9 salaried employees at December 31, 2020.

3.5.5 Proposed allocation of the result

In accordance with the terms of the State guaranteed loan, the Company may not pay dividend for years ended December 31, 2019 and December 31, 2020 subject to accelerated amortization of the financing. The net result of the period will be fully allocated to retained earnings.

3.5.6 Dividends paid for the last three fiscal years

A special distribution deducted from share premiums was paid out on May 29, 2018 in the amount of €24,228 thousand.

A special distribution deducted from share premiums was paid out on May 31, 2018, totaling €24,228 thousand.

A cash distribution deducted from distributable earnings was paid out on May 23, 2019 totaling €24,294 thousand.

A special distribution deducted from retained earnings was paid out on May 23, 2019 totaling €15,184 thousand.

3.5.7 Table of results for the last five fiscal years (Article R. 225-102 of the French Commercial Code)

	Year ended 12/31/2016	Year ended 12/31/2017	Year ended 12/31/2018	Year ended 12/31/2019	**Year ended 12/31/2020**
Duration of the fiscal year	12 months	12 months	12 months	12 months	**12 months**
Share capital at the end of the fiscal year					
Share capital (at the end of the fiscal year)	143,409,299	161,030,883	161,030,883	163,884,279	163,884,279
Number of ordinary shares	143,409,299	161,030,883	161,030,883	163,884,279	163,884,279
Operations and results					
Revenue excluding taxes	3,682,317	6,358,765	6,388,261	11,682,568	65,10,298
Profit/(loss) before tax, investment, amortization, depreciation and provisions	(29,931,556)	(5,137,222)	31,243,366	21,945,796	(63,697,925)
Income taxes	16,077,921	20,569,456	30,775,992	21,279,255	6,590,689
Net profit (loss)	(15,648,351)	(29,264,226)	48,146,509	11,207,882	(225,746,832)
Net profit/(loss) distributed	0	0	0	0	0
Profit (Loss) per share					
Profit/(loss) after tax, investment and before depreciation amortization, depreciation and provisions	(0.77)	(0.10)	(0.16)	0.39	(0.39)
Net profit (loss)	(0.84)	(0.11)	(0.18)	0.30	(1.37)
Dividend distributed	0	0	0	0	0
Personnel					
Average workforce	9	12	12	14	11
Payroll	1,0114,172	5,628,280	3,652,338	5,314,142	4,491,143
Amounts paid in benefits (social security, other staff benefits, etc.)	3,180,188	2,217,940	976,988	2,867,807	1,752,145

3.6 SEPARATE FINANCIAL STATEMENTS AT DECEMBER 31, 2020 AND STATUTORY AUDITORS' REPORT

Statement of financial position

ASSETS

(in thousands of euros)	Notes	Year ended 12/31/2020 Gross carrying amount	Amort. Prov.	Net	Year ended 12/31/2019 Net
Trademarks		28,500	-	28,500	28,500
Intangible assets		**28,500**	**-**	**28,500**	**28,500**
Investment securities		1,426,205	(130,355)	1,295,850	1,426,205
Loans	12	278,399	-	278,399	235,141
Other financial assets	12	21	-	21	21
Financial assets		**1,704,626**	**(130,355)**	**1,574,271**	**1,661,367**
Non-current assets	**11**	**1,733,126**	**(130,355)**	**1,602,771**	**1,689,867**
Advance payments on orders		527	-	527	106
Trade and other receivables	12	33,212	-	33,212	22,427
Other receivables	12	182,171	-	182,171	537,528
Marketable securities	15	64,900	(57,678)	7,222	36,374
Cash-in-hand and at bank		495	-	495	54,587
Prepaid and deferred charges		2 650	-	2 650	631
Deferred note issuance costs	16	38,382	(26,348)	12,034	15,381
Bond redemption premiums		3,116	(3,116)	-	-
Current assets		**323,853**	**(87,142)**	**238,711**	**667,035**
Foreign exchange differences – assets		7,026	-	7,026	867
TOTAL ASSETS		**2,066,005**	**(217,497)**	**1,848,507**	**2,357,770**

LIABILITIES

(in thousands of euros)	Notes	**Year ended 12/31/2020**	Year ended 12/31/2019
Share capital		163,884	163,884
Share, merger, contribution premiums		687,218	687,218
Legal reserve		16,388	16,388
Retained earnings (losses)		16,880	5,673
Net profit (loss) for the period		(225,747)	11,208
Regulated provisions		23,793	23,793
Shareholders' equity	19	**682,417**	**908,164**
Provisions for risks	20	7,282	867
Provisions for expenses		-	-
Provisions		**7,2826**	**867**
Other non-convertible notes	13	1,077,853	1,056,194
Borrowings from credit institutions	13	50,000	368,345
Current financial liabilities		**1,127,853**	**1,424,539**
Trade and other payables	13	23,970	12,007
Tax and social security liabilities	13	6,979	3,048
Other debt	13	7	8,193
Deferred income		-	-
Operating liabilities		**30,955**	**23,247**
Liabilities		**1,158,808**	**1,447,786**
Foreign exchange differences – liabilities		-	953
TOTAL LIABILITIES AND EQUITY		**1,848 ,507**	**2,357,770**

Income statement

(in thousands of euros)	Notes	**Year ended 12/31/2020**	Year ended 12/31/2019
Sales of services	3	6,510	11,683
Reversals of provisions, amortization and transfers of expenses		-	-
Other income	4	6,653	6,367
Total operating revenue		**13,163**	**18,050**
Other purchases and external expenses	5	(31,883)	(20,477)
Taxes, levies and similar payments		(194)	(1,450)
Wages and salaries		(4,491)	(3,952)
Social security contributions		(1,752)	(2,980)
Other expenses		(830)	(819)
Total operating expenses		**(39,150)**	**(29,679)**
OPERATING INCOME		**(25,987)**	**(11,629)**
From investments		-	100,100
From other marketable securities and receivables on non-current assets		14,302	9,613
Other interest and similar income		-	-
Reversals of provisions and transfers of financial expenses		30,212	-
Foreign exchange gains		5,937	-
Net revenue from marketable securities		200	136
Financial revenue	7	**50,651**	**109,850**
Interest and similar expense		(48,466)	(67,322)
Depreciation, amortization, impairment and provisions		(160,187)	(31,854)
Foreign exchange losses		(9,498)	-
Net expense on disposal of marketable securities		(186)	(8,953)
Financial expense	7	**(256,992)**	**(108,128)**
NET FINANCING COSTS		**(206,341)**	**1,721**
RECURRING PROFIT/(LOSS) BEFORE TAX		**(232,328)**	**(9,908)**
Non-recurring revenue from management transactions		9	-
Non-recurring revenue from capital transactions		-	-
Reversals of provisions, impairment and transfers of expenses		-	-
Non-recurring revenue	8	**9**	**-**
Non-recurring expenses on management transactions		(19)	(163)
Non-recurring expenses on capital transactions		-	-
Depreciation, amortization, impairment and provisions		-	-
Non-recurring expenses	8	**(19)**	**(163)**
NON-RECURRING PROFIT/(LOSS)		**(10)**	**(163)**
Income taxes	9	6,591	21,279
NET PROFIT (LOSS)		**(225,747)**	**11,208**

NOTES

Note 1 Significant Events

1.1 Overview and description of the activity performed by the Company

Europcar Mobility Group is one of the major operators in the mobility sector. The Group offers a wide variety of mobility solutions to serve all the needs of its clients. The Group operates under several brands, the main ones of which are Europcar®, Goldcar®, InterRent®, Buchbinder® and Ubeeqo®. The Group is active worldwide through an extensive network in 140 countries (18 owned subsidiaries in Europe, 1 in the United States and 2 in Australia and New Zealand, as well as franchisees and partners).

Europcar Mobility Group S.A. was incorporated on March 9, 2006 with initial share capital of €235,000 and was converted into a French joint stock company (*société anonyme*) on April 25, 2006. ECG changed its governance on February 24, 2015 to take the form of a joint stock company with a Management Board and a Supervisory Board.

Europcar Mobility Group's registered offices are located at 13 *ter* boulevard Berthier, 75017 Paris, France.

Europcar Mobility Group S.A. was first listed on the regulated market of Euronext Paris on June 26, 2015 (Compartment A; ISIN Code: FR0012789949; ticker: EUCAR).

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

At December 31, 2020, 29.89% of Europcar Mobility Group's capital was held by Eurazeo, and 70.11% by private and public investors.

In the notes to the parent company financial statements below, the terms "Europcar Mobility Group" and "the Group" define Europcar Mobility Group S.A. and its consolidated subsidiaries, the term "Europcar Mobility Group S.A." defines the parent company of the Group.

1.2 Significant events during the year

Impact of the Coronavirus crisis

The world economy was hit hard by the Covid-19 pandemic in February-March 2020, creating a systemic shock in all sectors of the economy, particularly in the travel and leisure sector in which Europcar Mobility Group operates: lockdown measures imposed worldwide, travel restrictions in many countries (quarantine, etc.), borders progressively reopened, then closed again. The pandemic resulted in an abrupt stop in the number of travelers, in international tourism initially, then in activity tied to domestic customers in a second phase.

Airlines thus drastically reduced their capacity (in number of seats) by more than 60% on average in the third quarter of 2020 (source: Official Aviation Guide application) between the countries where the Group's business is traditionally greatest.

The Group also suffered severely with a 70% drop in revenue over the second quarter and 50% over the third quarter, which traditionally represents one-third of its annual revenue.

To confront this unprecedented health crisis, the Group very rapidly implemented all health measures and social distancing necessary (rigorous cleaning of the vehicles between each rental with the systematic used of disinfectant products and a "zero contact" procedure between customers and employees).

Opening of new lines of financing

On May 3, 2020, the Company announced the implementation of a financing intended not only to secure its liquidity to cope with the crisis caused by the Covid-19 pandemic, but also to address the expected financing requirements of its fleet and the needs of the Group to ensure a rapid recovery of its activities. The main lines of financing established are:

- a €220-million loan, arranged on May 2, 2020 with the Group's leading French and international banks, backed by a French government guarantee for 90% of the loan through Bpifrance ("Prêt Garanti par l'État", "PGE"). The PGE consists of two tranches, the first for an amount of €130 million for Europcar International S.A.S.U. and the second for an amount of €90 million for Europcar Participations S.A.S;
- new financing lines for the Group's Spanish subsidiaries (Europcar Spain and Goldcar Spain), for a total of €101 million signed in the past two weeks with 5 banks backed by a Spanish government guarantee for 70% of the amount. These new financing lines will be valid for three years and will be used to finance the fleet and corporate requirements;
- an additional RCF tranche of €20 million (to raise this financing line from €650 to €670 million) provided by French banks, which obtained a guarantee from Eurazeo to underwrite their risk.

The Group also negotiated other government guaranteed loans in Italy.

Financial restructuring of the Company

For the purpose of readability, the note groups together the events over the year and events subsequent to year end.

Faced with the magnitude of the impact of Covid-19 on its short and medium-term activity level, the Group reacted very quickly to adapt its capital structure to its level of revenue, with a reduced corporate debt and an appropriate level of liquidity. The Group thus announced on September 7, 2020 its intention to initiate discussions with the creditors of its corporate debt with a view to restructuring the financing, while accelerating the implementation of its "Connect" transformation plan.

On November 26, 2020, the Group announced that it had taken a major step in its financial restructuring with the conclusion of an agreement in principle on a financial restructuring plan (the "Agreement in Principle"). The Agreement in Principle was concluded between the Company and a significant group of creditors known as "cross-holders", holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holders of interests in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company's Supervisory Board. It provides for the following in particular:

(i) massive corporate debt reduction, by reducing the Group's corporate debt by 1.1 billion euros through the conversion into capital of all of its 2024 Senior Bonds for 600 million euros, 2026 Senior Bonds for 450 million euros and the Credit Suisse Facility for 50 million euros;

(ii) a significant injection of new liquidity, with the capital contribution in the amount of 250 million euros (the "New Capital Liquidity") as well as the granting of new fleet financing in the amount of 225 million euros (together, the "New Liquidity");

(iii) the refinancing of the RCF.

The implementation of the Agreement in Principle was subject to several customary conditions precedent, including the adoption of the necessary resolutions by the General Meeting of shareholders of the Company and the obtaining of the required level of support from creditors in the pending proceedings in France.

As part of the implementation of its financial restructuring and the agreement in principle, Europcar Mobility Group announced on December 14, 2020 the opening of an accelerated financial safeguard procedure. All the conditions precedent as well as the validation of the plan by both the shareholders and the Commercial Court were validated in the months of January and February 2021.

The events below occurred subsequent to year end

In accordance with the decisions adopted on January, 20th, 2021 by the extraordinary General Meeting of the company's shareholders, the company new's form of governance entered into force and accordingly:

- the Company's governance and management structure has been modified to adopt a structure with a Board of Directors governed by Articles L. 225-17 à L. 225-56 of the French Commercial Code instead of the structure with a Management Board and a Supervisory Board; and
- the mandates of the members of the company's Supervisory Board and Management Board were determined.

On February 3, 2021, the Commercial Court of Paris approved the accelerated financial safeguard plan.

On February 4, 2021, the Group launched the capital increase, maintaining shareholders' preferential subscription rights for an amount of 50 million euros.

On 26 February 2021, the Group announced the finalization of its balance sheet restructuring, thanks to the successful completion of the final steps of the accelerated financial safeguard plan approved by the Paris Commercial Court on February 3, 2021. The main characteristics and impacts of the restructuring plan are described below.

The impacts of the financial restructuring are detailed in the Consolidated Financial Statements (please refer to note 1.2.3 Financial restructuring of the Group, part 3.4 of this document).

Continuity of operations and management of liquidity

The success of its restructuring plan announced on February 26, 2021 allowed the Group to massively reduce its debt, benefit from fresh liquidity, and accelerate the rollout of its "Connect" strategic plan, a strategy focused on the gradual resumption of national and international travel. After review of these elements, the annual financial statements have been prepared on a going concern basis.

Note 2 Significant accounting policies

The annual financial statements of Europcar Mobility Group S.A. are prepared in accordance with generally accepted accounting principles in France for separate financial statements pursuant to the French General Accounting Plan (ANC regulation No. 2016-07 of November 4, 2016 relating to the General Accounting Plan).

The accounting principles used in the preparation of the financial statements for the fiscal year ended December 31, 2020 are identical to those used for the fiscal year ended December 31, 2019.

They were prepared in accordance with the historical cost convention.

The figures in the Notes are in thousands of euros, unless otherwise stated.

2.1 Intangible assets

This item comprises the Europcar trademark for the "long-term" vehicle rental activity (over one year), as well as the InterRent trademark for the low-cost business segment.

2.2 Measurement of non-amortized non-current assets

At each balance sheet date, Europcar Mobility Group S.A. conducts an impairment test to ensure that the fair value of the trademarks at this date is higher than their net carrying amount.

Impairment is recognized when the carrying amount exceeds the greater of the fair value and the value in use.

2.3 Financial assets

Equity securities and related receivables

Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition.

Impairment tests on securities are carried out on the basis of the value in use of the investment shares. Value in use is determined using discounted future cash flows based on business plans established by Management of each investment and approved by Europcar's Management ("discounted cash flow" method).

In 2020, the Company prepared the impairment test in line with the growth and transformation assumptions made in its "Connect" strategy plan (2021-2023).Beyond 2024, the revenue assumption is cautious with a stable profitability rate.

If this value in use is lower than the net carrying amount of the securities, impairment is recognized.

Securities are recognized at their acquisition price of €1,426,205 thousand. They consist of:

- securities held in Europcar International SASU for €1,241,195 thousand, including incidental acquisition costs of €23,793 thousand, amortized on a straight-line basis over five years (fully amortized at December 31, 2020). The impairment test performed as of December 31, 2020 led to an impairment expense of €82,200;
- and other securities held in Europcar Participations for €185,010 thousand.The impairment test performed as of December 31, 2020 led to an impairment expense of €48,100.

2.4 Receivables and payables

Receivables and payables are stated at their nominal value. Impairment is recognized when a risk of non-recovery exists.

Unrealized foreign exchange gains are recorded as translation gains, whereas unrealized foreign exchange losses are recorded as translation losses and are subject to a provision for risks and expenses.

2.5 Liquidity contracts and treasury shares

Treasury shares are recorded at their acquisition price. When the acquisition value is higher than the average price for the last month of the fiscal year, the difference is subject to financial impairment. Capital gains or losses on disposals are recognized in financial income.

The value of treasury shares at December 31, 2020 amounted to €64.9 million, under the liquidity and share buyback contracts entrusted to specialized institutions. (Refer to Chapter 6, Section 6. 3 of the Group's 2020 Universal Registration Document.

2.6 Provisions

A provision is recorded in the statement of financial position when the Group has a present legal or implicit obligation as a result of a past event, it is probable that an outflow of resources with no counterpart will be required to settle the obligation, and the amount of this obligation can be reliably estimated.

If the effect is material, provisions are discounted on the basis of a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

2.7 Borrowings and bond issuance costs

Borrowings are recorded at their nominal repayment amount. They are not discounted.

For bonds or notes issued above par and redeemable at the nominal amount, the difference constitutes an issue premium.

For bonds or notes issued below par and redeemable at a higher amount, the difference constitutes a redemption premium.

The redemption premium is recorded in the statement of financial position under "deferred expenses" and amortized over the term of the borrowing.

The share premium is recorded in the statement of financial position under "Other notes" and amortized over the term of the borrowing.

2.8 Retirement and post-employment benefits

Europcar Mobility Group S.A. grants its employees end-of-service indemnities and supplementary pensions through defined-contribution or defined-benefit plans.

Europcar Mobility Group S.A. has opted not to record its employee benefit obligations. The Company's obligations are valued by independent actuaries and reported in the Notes (see Note 21).

2.9 Capital increase expenses

Europcar Mobility Group S.A. has opted for the preferential method of charging the costs related to the capital increase against the share premium.

Notes to the income statement

Note 3 Breakdown of revenue

Europcar Mobility Group S.A.'s revenue excludes amounts derived from the rebilling costs to subsidiaries (see Note 4), and can be analyzed as follows:

(in thousands of euros)	Amounts at 12/31/2020			Amounts at 12/31/2019
	France	**Excluding France**	**Total**	Total
Provision of services to subsidiaries	4,499		4,499	9,265
Franchise revenue	2,012		2,012	2,417
TOTAL	**6,510**	**-**	**6,510**	**11,682**

Note 4 Other income

Other income consists primarily of:

(in thousands of euros)	**Amounts at 12/31/2020**	Amounts at 12/31/2019
Rebilling of fees [1]	4,994	4,499
Rebilling of insurance	1,140	1,733
Rebilling of various expenses	479	10
Sales foreign exchange gains	40	-
TOTAL	**6,653**	**6,242**

(1) Fees reinvoiced in the amount of €4,994 thousand are primarily composed of the sums incurred over fiscal year 2020 in the acquisition of Fox Rent A Car US, executed by Europcar Participations (ECP), as well as the issue fees related to the loan guaranteed by the French State (SGL), signed with its principal bankers on May 2, 2020.

Note 5 Other purchases and external expenses

At December 31, 2020, external charges represent €3.1 million in fees, consisting of €0.9 million in the context of the acquisition of Fox Rent A Car US by Europcar Participations (ECP), and €2.2 million tied to the placement of the French State-guaranteed loan. These costs were rebilled and are recognized as transfers of expenses.

Note 6 Executive compensation

Members of the Management Board received the following compensation in 2020 and 2019:

(in thousands of euros)	**At 12/31/2020**	At 12/31/2019
Employee salaries and short-term benefits	1,998	1,598
Post-employment benefits		-
Termination indemnities	314	-
TOTAL	**2,312**	**1,598**

In fiscal year 2020, Europcar Mobility Group paid compensation of €642 thousand to members of the Supervisory Board as Directors' fees and other compensation (compared with €674 thousand in the previous year).

Note 7 Net financing costs

Net financing costs amounted to €(206,341) thousand, comprising:

(in thousands of euros)	**Amounts at 12/31/2020**	Amounts at 12/31/2019
Income from equity interests	-	100,100
Other interests & similar income, and receivables from non-current assets	14,302	9,613
Other interest and similar income	-	-
Provision for impairment of equity interests	-	-
Provision for impairment of marketable securities	29,345	-
Provision for foreign exchange risks	867	-
Net revenue from disposal of marketable securities	200	136
Other	5,937	-
Financial revenue	**50,651**	**109,849**
Interest on notes	(42,650)	(52,963)
Interest on the revolving credit facility	(4,799)	(4,644)
Interest on intra-group debt	-	-
Provision for impairment of equity interests	(130,355)	-
Provision for impairment of marketable securities	(57,678)	(24,380)
Provision for foreign exchange risks	(7,026)	(867)
Amortization of transaction costs	(3,782)	(6,606)
Net expense on disposal of marketable securities	(186)	(8,953)
Other	(10,515)	(9,716)
Financial expense	**(256,992)**	**(108,129)**
NET FINANCING COSTS	**(206,341)**	**1,720**

Note 8 Non-recurring profit/(loss)

Non-recurring income/(expenses) is primarily composed of:

(in thousands of euros)	**Amounts at 12/31/2020**	Amounts at 12/31/2019
Other non-recurring revenue	9	-
Non-recurring revenue	**9**	**-**
Other non-recurring expenses	(19)	(163)
Non-recurring expenses	**(19)**	**(163)**
NON-RECURRING PROFIT/(LOSS)	**(10)**	**(163)**

Note 9 Corporate income tax: breakdown and tax liabilities

Breakdown *(in thousands of euros)*	Profit/(loss) before tax, at 12/31/2020	Current tax	Net profit/(loss) at 12/31/2020	Net profit/(loss) at 12/31/2019
Recurring profit/(loss)	(232,328)	6,591	(225,737)	11,371
Non-recurring profit/(loss)	(10)	-	(10)	(163)
TOTAL	**(232,338)**	**6,591**	**(225,747)**	**11,208**

Note 10 Tax group

Europcar Mobility Group is the parent company of the French tax group comprising Europcar International, Europcar Lab, Europcar Holding, Europcar Participations, Europcar France, Parcoto, EC3, EC4, Goldcar France, Goldcar FleetCo France, Ubeeqo France and Ubeeqo International.

Europcar Mobility Group is the only entity liable for tax for the entire consolidated tax group.

Each consolidated company is placed in the position it would have been in as regards tax if it had been taxed separately. Tax income and expense on consolidated companies are recognized in the financial statements of Europcar Mobility Group.

As the parent company, Europcar Mobility Group recognizes the gains resulting from the effects of the tax group in its financial statements. Accordingly, Europcar Mobility Group recognized tax group income of €8,269 thousand in 2020.

Tax loss carry forwards for the scope of the tax group amounted to €764,751 million at December 31, 2020.

As the parent company, Europcar Mobility Group had no corporate income tax charge at December 31, 2020.

Notes to the statement of financial position

Note 11 Statement of fixed assets

(in thousands of euros)	Amounts at 12/31/2019	Increases during the period	Reductions during the period	**Amounts at 12/31/2020**
Trademarks [(1)]	28,500	-	-	28,500
TOTAL INTANGIBLE ASSETS	**28,500**	**-**	**-**	**28,500**
Investment Securities [(2)]	1,426,205	-	-	1,426,205
Loans and other financial assets [(3)]	235,163	385,398	(342,140)	278,421
TOTAL FINANCIAL ASSETS	**1,661,367**	**43,258**		**1,704,626**

(1) Intangible assets consist of the Europcar trademark for the "long-term" vehicle rental activity (more than one year) for €25,000 thousand and the InterRent trademark for €3,500 thousand.

(2) Investment securities correspond to the Europcar International SASU subsidiary which is wholly owned by Europcar Mobility Group, for €1,241,195 thousand, and the wholly owned subsidiary, Europcar Participations, for €185,010 thousand.
The investment securities of Europcar International SASU include incidental acquisition expenses (€23,793 thousand). These expenses were the subject of exceptional straight-line amortization over five years, and were fully amortized as of December 31, 2020.

(3) The loans represent amounts made available for the benefit of the subsidiary Europcar International SASU for €144,490 thousand euros and for the benefit of the US subsidiaries, Europcar Mobility Group USA LLC and Fox Rent A Car Inc for €133,909 thousand.

Since these assets have an indefinite life, they are not amortized.

Impairment was recognized on investment securities at December 31, 2020. (See note 2.3).

Note 12 Amounts and maturities of receivables

Receivables *(in thousands of euros)*	**Net amounts at 12/31/2020**	Up to 1 year	From 1 to 5 years	More than 5 years
Loans	278,399	278,399	-	-
Other financial assets	21	-	21	-
Trade and other receivables	33,212	33,212	-	-
Tax and social security receivables	-	-	-	-
Groups and Associates	182,572	182,572	-	-
Deferred note issuance costs	12,034	3,831	7,930	273
TOTAL	**506,239**	**498,014**	**7,952**	**273**

Note 13 Amounts and maturities of payables

Operating liabilities

Liabilities *(in thousands of euros)*	**Gross amounts at 12/31/2020**	Up to 1 year	Over 1 year
Trade and other payables (1)	23,970	23,970	-
Tax and social security liabilities	6,979	6,979	-
Other debt	7	7	-
Group and Associates	-	-	-
Deferred income	-	-	-
TOTAL	**30,955**	**30,955**	**-**

(1) The Trade and other payables consists exclusively of Intra-Group transactions.

Aging of trade payables at 12/31/2020 *(in thousands of euros)*	**Not due**	**Due**	**Due: <45 days**	**Due: 46<60 days**	**Due: >60 days**	**Total**
Suppliers within the Group	-	1			1	1
Suppliers outside the Group	299	3,717	2,327	336	1,054	4,016
TOTAL	**299**	**3,718**	**2,327**	**336**	**1,055**	**4,016**

Financial liabilities

Aging of financial liabilities *(in thousands of euros)*	**Gross amounts at 12/31/2020**	Up to 1 year	Over 1 year
Other non-convertible notes (1)	1,050,000	-	1,050,000
Issue premium	-	-	-
Accrued interest not due (1)	27,853	27,853	-
Borrowings from credit institutions (1)	50,000	50,000	-
TOTAL	**1,127,853**	**77,853**	**1,050,000**

(1) See note 1.2 Financial restructuring of the Company.

Note 14 Information on related companies

The following information on related companies corresponds to transactions with subsidiaries included in the scope of consolidation at December 31, 2020, of which Europcar Mobility Group is the parent company.

Gross values *(in thousands of euros)*	**Amounts at 12/31/2020**	Amounts at 12/31/2019
ASSETS		
Investments	1,426,205	1,426,205
Loans	278,399	235,141
Trade and other receivables	32,703	17,850
Other receivables	180,063	534,541
LIABILITIES		
Trade and other payables	4,448	3,464
Other debt	-	8,193
INCOME STATEMENT		
Operating revenue	13,124	18,059
Operating expenses	2,111	2,074
Non-recurring expenses		-
Financial expense	130,355	-
Financial revenue	14,302	109,713
Tax consolidation benefit	8,269	21,549

Note 15 Marketable securities

The number of treasury shares held can be analyzed as follows:

(in number of shares)	12/31/2019	Increase	Reduction	**12/31/2020**
Amafi liquidity agreement	135,000	3,607,135	(3,742,135)	-
Share buy-back agreement	8,827,279	-	(66,740)	8,760,539
TOTAL	**8,962,279**	**3,607,135**	**(3,808,875)**	**8,760,539**

The value of the treasury shares included in marketable securities was €64,900 thousand at December 31, 2020.

The shares were subject to the release of the 2019 provision for €29,345 followed by an impairment for the amount of €57,678 thousand for the 2020 provision.

Note 16 Deferred expenses and premiums on early redemption of notes

At December 31, 2020, "Deferred Note issuance costs" and "Premium on early redemption of notes" totaling €12,034 thousand included:

- the costs related to the renegotiation of the €350 million Revolving Credit Facility maturing in five years, which entered into effect in May 2015, in the amount of €0.2 million;
- the refinancing costs incurred on the issue of new Senior High Yield Notes in the amount of €600 million maturing in 2024, that were issued in November 2017, for a net amount of €4 million;
- the expenses related to the renegotiation in November 2017 of the €350 million Revolving Credit Facility maturing in 2022, for a net amount of €1.5 million;
- the refinancing costs incurred on the issue of Senior High Yield Notes in the amount of €450 million, issued in April 2019 and maturing in 2026, for a net amount of €4.4 million;
- expenses related to the amendment of the €650 million Revolving Credit Facility for a net amount of €1.5 million;
- expenses related to the amendment of the €650 million Revolving Credit Facility for a net amount of €0.4 million.

These expenses are amortized over the term of the borrowings.

Note 17 Accrued expenses

(in thousands of euros)	**Amounts at 12/31/2020**	Amounts at 12/31/2019
LIABILITIES		
Interest accrued on bonds and other borrowings	27,853	6,288
Loans and borrowings	**27,853**	**6,288**
Non-corporate suppliers	15,507	5,812
Corporate suppliers	4,447	3,465
Trade and other payables	**19,954**	**9,277**
Provisions for wages	-	-
Provisions – Other personnel expenses	500	-
Provisions on accrued social security charges	368	581
Withholding tax on wages	48	-
Other taxes payable	16	162
Other accrued expenses	-	-
Tax and social security liabilities	**932**	**743**
TOTAL ACCRUED EXPENSES	**48,739**	**16,308**

Note 18 Accrued income

(in thousands of euros)	**Amounts at 12/31/2020**	Amounts at 12/31/2019
ASSETS		
Accrued interest – Loans	2,844	930
Financial assets	**2,844**	**930**
Interco – Corporate	8,405	16,962
Miscellaneous income receivable	453	586
Other receivables		840
Trade and other receivables	**8,858**	**18,388**
TOTAL ACCRUED INCOME	**11,701**	**19,318**

Note 19 Shareholders' equity

Statement of changes in shareholders' equity

(in thousands of euros)	Share capital	Legal reserve	Share premiums	Retained earnings (losses)	Net profit (loss)	Regulated provisions	Shareholders' equity
Balance at January 1, 2020	**163,884**	**16,388**	**687,219**	**5,672**	**11,208**	**23,793**	**908,164**
Net profit/(loss) for 2020	**-**	**-**	**-**	**-**	**(225,747)**	**-**	**(225,747)**
Allocation of earnings Retained earnings	-	-	-	11,208	(11,208)	-	-
	163,884	**16,388**	**687,218**	**16,880**	**(225,747)**	**23,793**	**682 417**

Share capital and share premiums

As of December 31, 2020, the registered share capital of Europcar Mobility Group was €163,884,278 composed of 163,884,278 shares of €1 each, all of which correspond to ordinary shares.

The various movements occurring on capital since January 1, 2020 are as follows:

Date	Operation	Share capital *(€)*	Legal reserve *(€)*	Issue premium *(€)*	Retained earnings (losses)	Number of shares	Par value *(€)*
12/31/2019		163,884,278	-	687,217,731	5,672,569	163,884,278	1
6/12/2020	Appropriation of earnings for period ended December 31, 2019				11,207,882		
12/31/2020		163,884,278	16,388,428	687,217,730	16,880,451	163,884,278	1

As of December 31, 2020, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	Number of ordinary shares and voting rights	Number of category B preference shares	Number of category C preference shares	Number of category D preference shares	Total number of actions	% of ordinary shares and voting rights	% of share capital
Eurazeo SE	48,988,240	-	-	-	48,988,240	31.42%	29.89%
Dws Investment Gmbh	9,161,334	-	-	-	9,161,334	5.88%	5.59%
Merrill Lynch	8,282,744	-	-	-	8,282,744	5.31%	5.05%
Public	88,075,993	-	-	-	88,075,993	57.00%	53.74%
FCPE Europcar	615,428	-	-	-	615,428	0.39%	0.38%
Treasury shares	8,760,539	-	-	-	8,760,539	-	5.35%
TOTAL	**163,884,278**	**-**	**-**	**-**	**163,884,278**	**100%**	**100%**

As of December 31, 2019, the distribution of shareholders in the capital of the Company is as follows:

Shareholders	Number of ordinary shares and voting rights	Number of category B preference shares	Number of category C preference shares	Number of category D preference shares	Total number of actions	% of ordinary shares and voting rights	% of share capital
Eurazeo SE	48,988,740	-	-	-	48,988,240	31.50%	29.79%
CIAM	12,151,978	-	-	-	12,151,978	7.82%	7.39%
ECIP EC SARL	4,990,000	-	-	-	4,990,000	3.21%	3.03%
Morgan Stanley	13,330,226	-	-	-	13,330,226	8.57%	8.11%
Public	53,909,001	-	-	-	53,603,986	32.71%	32.78%
Executives and employees	4,912,358	-	-	-	4,644,698	3.16%	2.99%
INVESCO	8,546,706	-	-	-	8,546,706	5.50%	5.20%
Financière de l'Échiquier	8,666,165	-	-	-	8,666,165	5.57%	5.27%
Treasury shares	8,962,279	-	-	-	8,962,279	-	5.45%
TOTAL	**164,457,453**	**-**	**-**	**-**	**163,884,278**	**100%**	**100%**

This distribution was strongly impacted by the financial debt restructuring finalized by the Group in February 2021. See note 1.2.3 Group financial restructuring plan.

Regulated provisions

(in thousands of euros)	Amounts at 12/31/2019	Accruals during the period	Provisions reversed during the period (used)	Provisions reversed during the period (unused)	**Amounts at 12/31/2020**
Accelerated depreciation (See Note 2.3)	23,793				23,793
Regulated provisions	**23,793**	**-**	**-**	**-**	**23,793**

Note 20 Provisions

(in thousands of euros)	Amounts at 12/31/2019	Accruals during the period	Provisions reversed during the period	Reclass.	**Amounts at 12/31/2020**
Provisions for risks and expenses	867	7,282	867	-	7,026
Impairment	-	-	-	-	-
PROVISIONS	**867**	**7,282**	**867**	**-**	**7,026**

At December 31, 2020, Europcar Mobility Group S.A. recognized an unrealized foreign exchange loss on the loans granted to its US subsidiaries for €7,026 thousand, which was provisioned for risks and charges in the same amount.

Leicester City Council Trading Standards Services investigation

On June 23, 2017, the City of Leicester Trading Standards Services opened an inquiry into Europcar UK for violation of regulation 9 of the Consumer Protection from Unfair Trading regulations 2008, based on allegations that Europcar UK (i) had billed its customers, without their consent, for repair costs for damage caused to vehicles in cases where the damage was contested, and (ii) had billed excessive amounts, over and above the actual cost of the repairs. Europcar UK is cooperating with the authorities in charge of the inquiry. Europcar UK, along with the trade services investigation Department, established the list of documents that must be submitted by the Company and appointed Deloitte to fulfill this task. The results of the investigations conducted by Deloitte were presented to the Trading Standards Services in November 2018.

The Leicester Trading Standards Services inquiries are in progress and the Group continues to cooperate fully with the authorities.

In its financial statements as of December 31, 2017, the Group recorded a provision of £38 million (€43 million) in non-recurring expenses. This amount corresponded to the Group's best estimate, at that very early stage of the investigation, based on a number of assumptions, including an assumption that the charging practices would be found to be deceptive under regulation 9 of the Consumer Protection from Unfair Trading regulations 2008 and potentially inappropriate behavior when rebilling repair costs to customers.

A new review at the end of 2019 of the last risk estimate which was carried out on December 31, 2018 was carried out. On the basis of the items analyzed at that date, the Group decided to retain the provision of £38 million recognized the previous year. At the date hereof, no changes have occurred in the latest risk estimations and analyses, conducted in 2018 and reviewed in 2019. At December 31, 2020 the provision of £38 million still appeared in the Groups accounts.

Off-balance sheet items

Note 21 Off-balance sheet commitments

a) Guarantees

Pursuant to Article 4 of regulation 2010-02 of September 2, 2010 of the French Accounting Standards Authority, repealed and subsequently included in ANC 2014-03, amended by ANC regulation 2016-07 relating to related party transactions and transactions not recorded in the statement of financial position, the financial commitments of the Company, given and received, as of December 31, 2020 are as follows:

ENDORSEMENTS, GUARANTEES AND SURETIES GIVEN

To secure the Senior Revolving Credit Facility (RCF), dated July 13, 2017, as amended by amendments of December 21, 2018, May 29, 2019 and April 30, 2020, the following securities were established by the Company for the lenders and hedging banks:

- a joint and several guarantee of the obligations of the borrowers and debtors (Obligors);
- pledge of the Europcar International S.A.S.U. shares held by the Company;
- pledge of the shares held in certain direct or indirect subsidiaries of Europcar International S.A.S.U. (Europcar Holding S.A.S., Europcar France S.A.S., Europcar UK Limited, Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar IB S.A.U. and Europcar International S.A.S.U. & Co. OHG).

To secure the indenture governing the EC Finance Notes (notes issued with a principal of €500 million and bearing interest at 2.375%, due in 2022) dated November 2, 2017, the following guarantee was notably put in place by the Company: a joint and several guarantee of the obligations of EC Finance Plc in respect of the indenture and Notes.

To secure the indenture governing the 2024 Subordinated Notes (notes issued with a principal of €600 million and bearing interest at 4.125%, due in 2024) and the 2026 Subordinated Notes (notes issued with a principal of €450 million and bearing interest at 4.000%, due in 2026), dated November 2, 2017 and April 24, 2019, respectively, the following guarantee was notably put in place by the Company: a pledge over the Europcar International S.A.S.U. shares held by the Company (second ranking guarantee following the guarantee granted under the Senior Revolving Credit Facility).

GUARANTEES AND SURETIES RECEIVED

Asset and liability guarantee granted by the Volkswagen group

The Company was granted a vendor warranty by the Volkswagen group at the time of its acquisition of the Europcar Group in 2006. This warranty is expired and can no longer be implemented. However, the Company may still receive compensation in respect of actions already undertaken, subject to the completion of ongoing litigation or pre-litigation and in agreement with Volkswagen on the final amount of such compensations.

b) Employee benefit financial obligations

The legal and contractual retirement indemnities amounted to €159 thousand (€143 thousand in 2019) based on the valuation method prescribed by ANC recommendation No. 2013-02.

The Company has commitments with respect to defined employee pension plans (PIDR). This commitment is measured by an independent actuary using the projected units of credit. This method requires the use of the specific actuarial assumptions set out below. These actuarial valuations are carried out at each balance sheet date by estimating the present value of the amount of the future benefits acquired by employees in return for the services rendered during the current and previous fiscal years, and includes the impact of future salary increases.

The assumptions are:

- discount rate: 0.45%;
- long-term inflation rate: 1.70%;
- return on the fund: 0.70%;
- rate of increase in salaries: 3.50%.

The cost of services rendered in 2020 was €17 thousand, and the financial cost was €1 thousand.

c) Other commitments

None

Additional information

Note 22 Headcount

	Average headcount at 12/31/2019	
	Personnel employees	Personnel seconded to the company
Managers and similar	10.75	-
TOTAL	**10.75**	**-**

Note 23 Free share grants

The Company's Extraordinary General Meeting dated as of May 10, 2016, in its 12th resolution, authorized the implementation free performance shares award scheme, in favor of some employees or managers of the Group. This authorization was given for a 26-month period and was valid until July 8, 2018.

Europcar's Shareholders' Meeting of April 26, 2019, in its 32nd resolution, authorized the establishment of a free performance shares award scheme for certain employees and executives of the Group.

(i) "AGA 18"

On March 20, 2018, the Supervisory Board authorized the Management Board to implement a free share award scheme for executives and certain employees of the Group (the "2018 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal year ended December 31, 2018, December 31, 2019 and December 31, 2020, related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

Furthermore, following the three-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 901,781. At December 31, 2020, 762,181 free shares under AGA 18 are still being vested.

(ii) "AGA 19"

The Supervisory Board examined and authorized on March 20, 2019 the main terms and conditions for a free share grant plan to be implemented in 2019 for members of the Management Board, executives and certain other managers of the Group (the "2019 AGA Plan").

The acquisition of these performance shares, following a vesting period of three years, is subject to the beneficiary's continued employment with the Group on the vesting date, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021, related to (i) total Group Revenue, the average margin rate of Corporate EBITDA, and a relative TSR (Total Shareholder Return).

Furthermore, following the three (3)-year vesting period, no holding period is required for free shares.

The number of free shares initially granted was 968,000. At December 31, 2020, 936,000 free shares under AGA 19 are still being vested.

The details of the free share plans are as follows:

	Type of plan	Grant Date	Number of shares granted	Number of shares outstanding	Vesting period	Vesting period	Fair value of the shares *(in €)*[(1)]
AGA 18	Free shares	Saturday, July 28, 2018	658,981	591,981	3 years	Sunday, July 25, 2021	7.98
AGA 18	Free shares	Thursday, October 25, 2018	242,800	180,200	3 years	Monday, October 25, 2021	7.57
AGA 19	Free shares	Wednesday, May 22, 2019	573,000	573,000	3 years	Sunday, May 22, 2022	5.92
AGA 19	Free shares	Monday, November 4, 2019	395,000	387,000	3 years	Friday, November 4, 2022	2.90

(1) Fair value at grant date.

The 20% employer contribution for the AGA 18 and AGA 19 plans was calculated on a basis corresponding to the fair unit value of the shares as estimated at the grant date.

Movements related to the acquisition of free shares in 2019 and 2018, to which IFRS 2 standard "Share-based payments" applies, are as follows:

	Number of shares
Currently vesting as of January 1, 2019	**1,442,681**
Granted	960,000
Canceled	(227,280)
Delivered	(451,220)
Currently vesting at December 31, 2019	**1,732,181**
Granted	-
Canceled	(33,500)
Delivered	-
CURRENTLY VESTING AT DECEMBER 31, 2019	**1,698,681**

Significant assumptions used

The weighted average fair value of the allocated shares was determined on the grant date using the Monte Carlo simulation model.

For the AGA 18 and AGA 19 plans, the dividend rate was 3%. The fair values on the grant date were calculated by restating the amount of dividends discounted during the vesting period.

Note 24 Subsidiaries and affiliates

	Share capital	Percentage held	Gross value of shares	Loans, advances	Revenue
Corporate name	shareholders' equity	Dividends received	Net value equity	Guarantees	Net profit (loss)
SUBSIDIARIES (over 50%)					
Europcar International SASU (FRANCE)	110,000	100%	1,241,195	144,122	73,742
	84,932	-	1,158,986	-	(165,454)
EC Participations	18,510	100%	185,010	-	463
	(826)	-	136,864	-	(176,566)
Associates (10 to 50%)	**-**	**-**	**-**	**-**	**-**

This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to shareholders.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

(For the year ended December 31, 2020)

To the shareholders
Europcar Mobility Group
13 *ter* Boulevard Berthier
75017 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying financial statements of Europcar Mobility Group for the year ended December 31, 2020.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at December 31, 2020 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

Basis for Opinion

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

Independence

We conducted our audit engagement in compliance with independence requirements of rules required by the French Commercial Code (code de commerce) and the French Code of Ethics (code de déontologie) for Statutory Auditors, for the period from January 1, 2020 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5 (1) of regulation (EU) No 537/2014 or in the French Code of Ethics (code de déontologie) for Statutory Auditors.

Justification of Assessments – Key audit matters

Due to the global crisis related to the Covid-19 pandemic, the financial statements of this period have been prepared and audited 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 organisation and the performance of the audits.

It is in this complex and evolving context that, in accordance with the requirements of Articles L. 823-9 and R. 823-7 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

Liquidity risk management

Risque identifié	Notre réponse
As described in Note 1.2 of the annual financial statements, the Group has been significantly impacted by the world crisis related to Covid-19 pandemic, resulting in a sharp decline of revenues and uncertainties on its ability to generate sufficient cash flows. Since March 2020, the Group has implemented several measures to: i) put a plan to reduce costs, ii) get new financing facilities and iii) implement a financial restructuring plan. As of December 31, 2020, the annual financial statements present an equity amounting to €682 millions and financial debts amounting to €1 128 millions, balances that are not including the main effects of the financial restructuring plan that has been finalized on February 26, 2021. The finalization of the financial restructuration, occurred during the first semester 2021, allows the company to reduce its debt and to benefit from fresh liquidity. Considering the uncertainties on the Group ability to generate sufficient cash flows, the material application of estimate and judgment in the cash flows forecast, and the materiality of the financial restructuring operation that took place, we considered the liquidity risk management to be a key audit matter.	Our procedures mainly consisted of: • inquiring with Europcar management on the liquidity positions and cash flows forecasts on a regular basis; • understanding the process used by management to prepare these cash flows forecasts; • assessing these cash flows forecasts notably by examining (i) the consistency of the assumptions used with the budget prepared by Management and approved by the Board of Directors, and with implemented measures, and (ii) the impacts of the 2021 financing restructuration; • inquiring with Europcar management on the 2021 financing restructuration (including SFA) process until February 26, 2021; • obtaining and testing the legal documentation supporting the 2021 financing restructuration; • assessing the accounting treatment of the 2021 financing restructuration. We also assessed the appropriateness of the disclosures in note 1.2 to the annual financial statements.

Valuation of Investments

Identified risk	Audit approach
Investment securities are recorded at their purchase price, including costs directly attributable to their acquisition. Investment securities net book value amounts to €1,33 billion as of December 31, 2020, i.e. 71% of total assets. As indicated in note 2.3, annual impairment test is performed on securities. Value in use is determined using the discounted future cash flow method based on business plans prepared by the management of each entity and validated by the Group management. An impairment loss is recognised in the balance sheet when their net carrying amount exceeds their value in use. Considering investments securities are significant, the high degree of estimate and judgment to build models, and their sensitivity to changes in the data and assumptions underlying the estimates, particularly cash flow forecasts and discount rates used, we considered the valuation of investments to be a key audit matter.	Our procedures mainly consisted of: • understanding the process to prepare the three-year business plans used by the management to determine the recoverable amounts; • considering the main assumptions made by the management with business performance over the past years and assessing variances between previous years forecast and actual figures; • assessing the principles and methods to determine the value in use of securities in accordance with generally accepted valuation methods; • challenging and corroborating, notably through interviews with management, the reasonableness of the main data and assumptions underlying the estimates such as future cash flow forecasts, long term growth rate and discount rates; • testing the arithmetical accuracy of the valuations used by the management on a sample basis; • performing our own sensitivity analysis, notably on the assumptions related to EBITDA forecast and activity recovery schedule. We assessed, with the support of our valuation experts: • the discount rates (WACC) used to determine the discounted cash flows; • the long term growth rate used to determine the terminal value. We also assessed the appropriateness of the disclosures in Notes 2.3 and 11 to the annual financial statements.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verification required by French law and regulations.

Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors.

In accordance with French law, we report to you that the information relating to payment times referred to in Article D. 441-6 of the French Commercial Code (Code de commerce) is fairly presented and consistent with the financial statements.

Report on corporate governance

We attest that the Supervisory Board's report on corporate governance sets out the information required by Articles L. 225-37-3 and L. 225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (code de commerce) relating to remunerations and benefits received by the Directors and any other commitments made in their favour, we have verified its consistency with the financial statements, or with the underlying information used to prepare these financial statements and, where applicable, with the information obtained by your company from controlling and controlled companies. Based on this work, we attest the accuracy and fair presentation of this information.

With respect to the information relating to items that your company considered likely to have an impact in the event of a takeover or exchange offer, provided pursuant to Article L.22-10-11 of the French Commercial Code (code de commerce), we have verified their compliance with the source documents communicated to us. Based on our work, we have no observation to make on this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests and the identity of the shareholders and holders of the voting rights has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Europcar Mobility Group by the Annual General Meeting held on May 16, 2013 for Mazars and on status on March 9, 2006 for PricewaterhouseCoopers Audit.

As at December 31, 2019, Mazars was in the 7th year of total uninterrupted engagement and PricewaterhouseCoopers Audit was in the 14th year of total uninterrupted engagement, and 5 years since securities of the Company were admitted to trading on a regulated market, respectively.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its Internal Audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors' Responsibilities for the Audit of the Financial Statements

Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (code de commerce), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (code de commerce) and in the French Code of Ethics (code de déontologie) for Statutory Auditors. Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Courbevoie, April 8, 2021

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	MAZARS
Romain Dumont	Isabelle MASSA

3.7 INFORMATION ON PAYMENT TERMS OF SUPPLIERS AND CUSTOMERS OF THE PARENT COMPANY EUROPCAR MOBILITY GROUP SA

At December 31, 2020

	Invoices received but not settled at year-end and therefore past due					
(in thousands of euros)	**Due at 0 days**	**Due between 1 and 30 days**	**Due between 31 and 60 days**	**Due between 61 and 90 days**	**Due at more than 91 days**	**Total (1 day and more)**
A. Overdue tranche Number of invoices concerned	3	28	23	1	44	96
Total amount of invoices concerned excl. tax	120	1,052	703	2	220	1,978
Percentage of the total amount of purchases excl. tax for the year	0.004%	0.033%	0.022%	0.00%	0.007%	0.062%
Percentage of total revenue excl. tax for the year						
B. Overdue tranche Number of invoices excluded	0					
Total amount of invoices excluded	0					
C. Payment terms used to calculate payment delays Payment terms used to calculate payment delays	Contractual terms of 60 days from end of month of date of invoice					

At December 31, 2020

	Invoices issued but not settled at year-end and thus still due					
(in thousands of euros)	Due at 0 days	Due between 1 and 30 days	Due between 31 and 60 days	Due between 61 and 90 days	Due at more than 91 days	Total (1 day and more)
A. Overdue tranche Number of invoices concerned	0	3	0	0	3	6
Total amount of invoices concerned incl. tax	0	14 595	0	0	8	14 603
Percentage of the total amount of purchases excl. tax for the year						
Percentage of total revenue excl. tax for the year	0%	110.88%	0	0	0.00	110.94%
B. Overdue tranche Number of invoices excluded	0					
Total amount of invoices excluded	0					
C. Payment terms used to calculate payment delays Payment terms used to calculate payment delays	Contractual terms of 30 days from end of month of date of invoice					

3.8 OUTLOOK FOR FISCAL YEAR 2021

In view of the ongoing uncertainty and highly volatile situation in the territories where the group operates, it is too early for the group to provide guidance on its financial objectives for 2021. Greatly contrasting headlines, between the increase in the rate of vaccinated population and the penetration of the pandemic and its variants, leads countries to make rapid decisions about total or partial lockdowns that severely restrict activity. However, it should be noted that the group has adjusted its organization on the basis of reduced activity, as seen in the last quarter of 2020, and its range of longer duration products, as well as on the light commercial vehicle segment, which has proved resilient.

The group will be better placed to provide aspects of guidance after activity has effectively resumed.

3.9 INFORMATION ON MEDIUM-TERM TRENDS AND OBJECTIVES

The mobility sector still faces significant challenges in terms of use vs ownership and the search for needs-based and more environmentally friendly solutions using more digital and agile means. This is the challenge set out in the group's Connect transformation plan, which aims to bring revenue back up to around 2019 levels by 2023.

3.10 SIGNIFICANT CHANGE IN THE FINANCIAL OR BUSINESS POSITION

See Chapter 3.4 Consolidated Financial Statement of this Universal Registration Document, section 1.2.3 Main events of the period.

4

STATEMENT OF NON-FINANCIAL PERFORMANCE

4.1 INTRODUCTION

4.1.1 Europcar Mobility Group's value creation model

Europcar Mobility Group's value creation model is presented in the introduction to the Universal Registration Document.

4.1.2 Commit Together: the Corporate Social Responsibility program supporting the Group's Purpose as well as its Strategy

In 2017, our Group initiated a structured Corporate Social Responsibility (CSR) approach with the *Commit Together* program in order to share its commitments with all its stakeholders.

This program, which was approved by the Group's governance bodies, followed the consultation and an analysis of the CSR expectations of its principal stakeholders (employees, suppliers, customers, investors and franchisees) as well as an analysis of the related impacts, risks and opportunities.

Commit Together was revised in 2018 to bring it completely in line with the Group's Purpose:

- to offer attractive alternative solutions to vehicle ownership, responsibly and sustainably:

  Responsibly:

  - by contributing to the safe mobility of people and goods,
  - by making mobility flexible and accessible to all,
  - by providing a natural complement to public transport and micro-mobility solutions,

  Sustainably:

  - by being part of the solution for achieving a low-carbon world,
  - by being an integral part of companies' and organizations' value chain and by contributing to local economies.

The heart of our Group's DNA - through its historical business - is the desire to responsibly promote mobility for all. Through *Commit Together*, we have committed to a process for achieving progress by setting goals, making commitments and involving our employees in this momentum.

The objectives and commitments of the *Commit Together* program are integrated in the indicators of the Corporate Countries, with strong involvement by executives in directing the actions.

By focusing on four main priorities, the *Commit Together* program supports the Group's Purpose, as well as its strategy.

Make mobility accessible

We are convinced that mobility is a driver of social inclusion, and in this sense, we consider access to mobility as a key factor. This is why Europcar Mobility Group proposes a range of offers that is diversified enough to cover all customer needs and budgets and make mobility as widely accessible as possible.

The Group's efforts in terms of access to mobility are also directed at people with reduced mobility, people in unstable employment and young people from socially disadvantaged communities.

2020 highlights

Make mobility accessible to healthcare workers, in exceptional times: This is what Europcar Mobility Group sought to achieve in launching its "Together" program in March 2020, to support healthcare workers' mobility needs during the Covid-19 pandemic. Through the program, the Group provided healthcare workers, as well as other front-line workers in the fight against the pandemic, with access to vehicles for their occasional mobility needs, free of charge or without rental fees. More than 1,000 vehicles and some 100 employees were involved in the scheme in the countries where the Group operates through its subsidiaries.

Act for the environment

By the very nature of its activities, our Group contributes to achieving a low carbon world by offering attractive alternatives to car ownership, contributing in this way to the reduction of the number of cars on the roads and in our cities.

The Group has also structured its "CONNECT" transformation plan around its ambition to become a major player in sustainable mobility in the coming years. In pursuit of that goal, at the end of 2019 the Group launched its "ONE sustainable fleet" program, which includes plans to have more than a third of its fleet "green" (electric, hybrid and plug-in hybrid vehicles) by the end of 2023.

2020 highlights

The "ONE sustainable fleet" program focuses on directing efforts in several key areas, including working closely with car manufacturers to increase the number of "green" vehicles in the Group's fleet, educating customers, training employees, and developing attractive offers. One of the main drivers for the success of the program is the Group's ability to develop an electric-vehicle (EV) charging ecosystem.

In November 2020, Europcar Mobility Group entered into a partnership with NewMotion, one of Europe's leading suppliers of EV charging solutions. The partnership marks an important milestone for the "ONE sustainable fleet" program.

NewMotion will equip Europcar Mobility Group stations with smart, easy-to-use EV charging points. Customers who rent an electric vehicle from one of the Group's stations will receive an EV charging card, giving them access to Europe's largest roaming charging network (more than 170,000 charging points).

Be a responsible employer

As a *mobility service company*, the Group is well positioned to observe and respond to the social changes for which mobility is one of the main drivers.

Today, work and mobility are evolving rapidly. Driven, among other things, by the digital transformation and the impact of the Covid-19 public-health crisis, new frontiers are emerging, bringing with them new challenges in terms of organization, well-being in the workplace and skills development.

As these new frontiers emerge, the Group is convinced that its success will be closely tied to the commitment, diversity and development of its employees. Accordingly, the Group intends to continue directing its efforts in these three areas, while at the same time taking on Board the major social changes that are taking place.

2020 highlights

The Group has always sought to promote the adoption of new forms of work organization, where possible, to make work more flexible and improve the quality of working life for its employees. Accordingly, Europcar Mobility Group has been progressively introducing telecommuting arrangements for employees based at its corporate headquarters following the signing of a telecommuting agreement in 2019.

In 2020, these arrangements were generalized more widely. Thus, at the Group's and at its French headquarters, telecommuting was formally adopted through two agreements implementing 50% telecommuting for employees whose jobs are compatible with this change.

To support this policy and maintain social ties, several initiatives have been put in place, including the preparation and circulation of two practical guides for managers designed to help them support telecommuting employees, and also to conduct interviews with them to discuss their experience on returning to work post-lockdown.

Share our business ethics

We take pride in our values and constantly strive to adhere to our business ethics, which is a key factor for enhancing our customers' trust and loyalty.

Our customers' safety is our number-one priority, and their satisfaction is at the center of everything we do. These two core values are what drives us to constantly seek to improve performance in terms of both customer safety and satisfaction.

The Group also believes it is important for all its stakeholders to embrace its commitments, as set out in its Code of Ethics, and to involve them in its ongoing efforts. This belief is reflected in the policies and programs we implement to consolidate our business ethics, and in our regular awareness campaigns.

2020 highlights

The safety of our customers and employees is our number-one priority and we reaffirmed it during the Covid-19 crisis.

At the beginning of the pandemic, the Group launched its "Safety Program" with the aim of reinforcing cleaning and hygiene measures across all of its agencies and rental fleets to ensure the safety of its customers and employees. The program is based on the recommendations of the public-health authorities and incorporates best cleaning and disinfection practices in light of the public-health crisis.

In 2020, to consolidate its "Safety Program", the Group entered into a partnership with Bureau Veritas – the world leader in testing, inspection and certification services – covering all its agencies and rental fleets in 14 different countries. As a result of the partnership, the Group is able to better assess its processes and practices and can count on support for implementing standard sanitary protocols.

Commit Together's contribution to the United Nations SDGs (Sustainable Development Goals)

In 2005, the Group was the first operator in the vehicle rental sector to adhere to the principles of the United Nations Global Compact. Every year since then, the Group has reaffirmed its commitment to adhere to all 10 principles - based on the Universal Declaration of Human Rights, the ILO Declaration, the Rio Declaration on Environment and Development, and the United Nations Convention against Corruption - and to contribute to the achievement of the 17 United Nations Sustainable Development Goals (SDG).

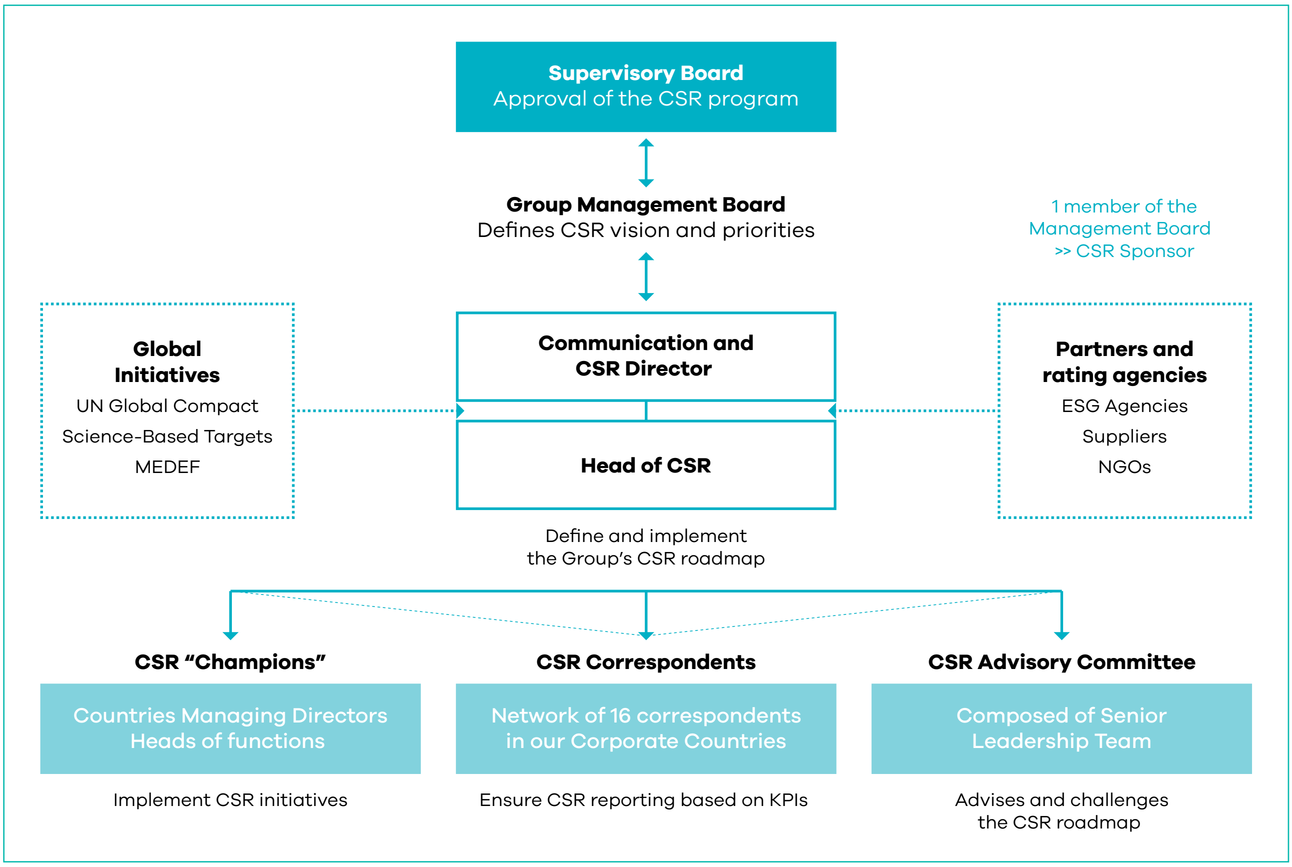
Specifically, the Group has committed to help achieve the following goals where it believes it can take relevant action:

Commit Together Program	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	8 DECENT WORK AND ECONOMIC GROWTH	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	13 CLIMATE ACTION	17 PARTNERSHIPS FOR THE GOALS
Make mobility accessible								
Offer a broad variety of mobility solutions that are alternatives to individual car ownership					■	■	■	
Ensure the accessibility of our offers, regardless of our customers' needs or budget					■	■	■	
Be a responsible employer								
Implement dynamic Human Resource Management practices		■		■				
Develop a labor policy to promote dialogue		■		■				
Make diversity an accelerator of the Group's transformation		■						
Attract talents, develop them and support employees' career paths	■			■				
Act for the environment								
Measure the Group's carbon footprint			■			■	■	■
Implement a full range of actions to reduce the Group's carbon footprint			■		■	■	■	■
Share our business ethics								
Propose a service that complies with the highest safety standards					■			■
Target a high level of customer satisfaction								
Source responsibly							■	
Exercise a duty of care				■				
Combat corruption				■				
Drive our business ethics				■				

4.1.3 CSR organization and governance

The *Commit Together* program draws on a dedicated organization structure and a form of governance that allows the Group to set the priorities of the program and manage its implementation.

In 2020, the Group's CSR governance structure was organized as follows:



- Decision-making bodies:
  - the **Supervisory Board**, which approves the CSR program. Once a year, a report on the CSR policy is included on the Supervisory Board meeting agenda, and is reviewed when the management report is reviewed for approval,
  - the **Group Management Board**, which defines the Group's vision and priorities in CSR-related matters. One of the members of the Management Board is the CSR Sponsor;
- operational entities:
  - the **CSR team**, which comprises the Group Communication and CSR Director and the Group Head of CSR, who are responsible for defining and implementing the Group's CSR roadmap,
  - this team is backed by:

    1) its **"Champions"**, composed of Corporate Country Directors and operational managers. Together, they implement the Group's CSR initiatives,

    2) its **network of CSR Correspondents**, composed of 16 members from the Group's Corporate Countries. They are tasked with providing *CSR Reports* based on key performance indicators (KPIs),

    3) the CSR **Advisory Committee**, composed of certain members of the senior management team. Its role is to enhance the CSR strategy through the business expertise of its members;
- lastly, the Group's CSR policy is implemented within a broader context governed by its stakeholders:

  1) the national and international organizations with which the Group is involved: UN Global Compact, the Science-Based Targets Initiative, MEDEF (the French employers' federation), etc.

  2) other partners, such as non-financial rating agencies, suppliers, NGOs, etc.

4.1.4 ESG ratings in 2020

In 2020, as a result of its ongoing implementation of the *Commit Together* program, the Group saw an improvement in its non-financial ratings.

	Description	Rating	2020 rankings
MSCI ESG RATINGS	MSCI ESG rates companies on a scale from "AAA to CCC" based on their exposure to ESG risks and the way in which these risks are managed, and how they stand compared to their peers.	AA Scoring scale from CCC to AAA	**Stable** regarding 2019 "Leader" status
vigeo eiris	Vigeo Eiris is an independent global provider of ESG research and services for investors, public and private organizations and NGOs. It provides support for financial and managerial decision-making, allowing its clients to make better informed investment decisions with a view to achieving medium- and long-term performance	61 Scoring scale on 100	Progress from **46 to 61**, with a 15-point increase regarding 2019 **4th out of 21 companies in the sector**
CDP DISCLOSURE INSIGHT ACTION	CDP is the largest environmental reporting platform dedicated to companies and cities. The rating scale from D- to A allows these actors to measure and manage their environmental impacts.	B Scoring scale from D- to A	Stable regarding 2019; Higher performance compared to sectorial average **Europcar Mobility Group implements sustained actions with respect to climate issues**
convictionsRH Le conseil engagé	Mandated by the Secretary of State for Gender Equality and the Fight against Discrimination, ConvictionsRH established the 7th edition of the Ranking for Female Representation on the Governing Bodies of "SBF 120" companies (the 120 companies with the most actively traded stocks on the Paris stock market).	59.22 Rated out of 100	Changed from **24th to 65th out of 119 companies**
SUSTAINALYTICS	Sustainalytics measures companies' ability to proactively manage the environmental, social and governance-related risks associated with their activities. Based on a structured, objective and transparent methodology, it provides an assessment on companies' ability to mitigate risks and capitalize on opportunities.	12.1 Rated on a scale from 40+ to 0 (inverted scale, where 0 = negligible risk and 100 = severe risk)	Up from **17.4 to 12.1**, i.e. a marked 5-point progression compared to 2019 **2nd out of 327** companies in the Transport sector **Group demonstrating better control of ESG risks**
ecovadis	EcoVadis proposes a full CSR rating service through a global SaaS (Software as a Service) platform. EcoVadis ratings focus on a wide range of non-financial management systems with particular emphasis on the following themes: Environment, Social & Human Rights, Ethics and Responsible Purchasing. Companies are rated on essential issues depending on their size, location and sector of activity.	70 Scoring scale on 100	**Up 6 points** compared to 2019 "Gold" medalist In the top 5% of rated companies In the top 3% of companies in its sector In the top 2% for environmental and social issues

	Description	Rating	2020 rankings
ISS ESG	ISS ESG ratings are used by investors to formulate and implement responsible investment policies and practices, to commit to responsible investment issues and to monitor portfolio companies' practices. They also provide climate data and research and advisory services to help financial-market players understand, measure and act on climate-related risks across all categories of assets.	C Scoring scale from D- to A+	**Stable** regarding 2019 "Medium " rating
Gaïa Rating	Gaia Rating is a rating agency run by EthiFinance. It is a meeting point for small and medium-sized companies and their investors. Their ratings are used by financial players to identify high-performing companies and to incorporate ESG criteria in their investment decisions.	75 Scoring scale on 100	**Up 1 point** compared to 2019 **52nd out of the 230** companies rated by Gaïa (all sectors, France) **39th out of the 81** companies in the "Over 500 million euros in revenue" category In the Gaïa 2019 index of the 70 most high-performing French companies on ESG issues

4.2 GROUP'S MAIN NON-FINANCIAL RISKS AND CHALLENGES

4.2.1 Introduction

The Group conducted its annual update of the map of its main non-financial risks and challenges in line with the legal provisions governing the disclosure of non-financial performance (French law No. 2018-898), the fight against corruption ("Sapin 2" – law No. 2016-1691), the duty of care (law No. 2017-399) and the United Nations Sustainable Development Goals.

To do this, a benchmark library of non-financial risks (questionnaires from ratings agencies, ISO certifications, etc.) was compiled and then refined to retain only those risks that might apply to the activities of Europcar Mobility Group. The Group then applied a methodological approach similar to the one used to identify "Group risks factors" in order to identify the Group's non-financial risks and challenges.

The non-financial risks were identified and classified by Group departments concerned with environmental, social, Human Rights and corruption issues.

- A strict and objective rating of the Group's non-financial risks is established every year. The rating was based on two business criteria that are also used in the classification of "Group risk factors":
  1) the frequency of the risk, which corresponds to the probability of occurrence of the risk or opportunity within a specified time scale,
  2) the severity of the risk for Europcar Mobility Group activities, which corresponds to the impact of the risk in terms of image, business, regulation or financial exposure;
- After the classification exercise, 7 risks and 2 opportunities were considered "main". These are presented in the table below, along with their associated policies and measures.

In 2020, the risk associated with the Covid-19 pandemic was incorporated in the list and the ratings were reviewed in light of the circumstances. The impact of the Covid-19-related risk on our business is discussed in Chapter 2 in the section on risks. No major changes to report compared to last year. It is to be noted, however, that "New customer practices and expectations", identified as an opportunity, was also incorporated as a risk in 2020.

For each one of the identified risks and opportunities, **Europcar Mobility Group has implemented a set of related policies, actions and performance indicators** to track the progress achieved. **These indicators are identified** throughout this Chapter with **the following symbol:** ★. They are grouped within the same *Commit Together* program cited above and described in greater detail in the following sections (Sections 4.3 et seq.). A cross-reference table is presented in Section 4.7 of this Chapter. The methodological details are presented in Section 4.8 of this Chapter.

4.2.2 Risks/opportunities dashboard

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2019 Results	2020 Results	Trend
Climate change and acceptability of mobile solutions	30% of global greenhouse gas emissions are related to the transport industry, which is also the most energy-intensive industry. Mobility services are a contributor, with a growing carbon footprint due to massive urbanization and the increasing movement of people throughout the world. Against this backdrop, citizens and customers are progressively seeking more environment-friendly mobility solutions. If the Group fails to position itself as a leading player in the transition to a low-carbon world by proposing suitable solutions, it could be seen as belonging to the "old world" and overtaken by competitors that made the transition to sustainable mobility in time.	Due to its historical involvement in the car rental sector, the Group can propose alternatives to individual vehicle ownership, and thereby contribute to reducing the number of vehicles on the road and in cities. The natural extension of the vehicle rental model is car-sharing, which is a solution that favors sharing as opposed to possession, in urban zones. These activities that are being developed by the Group are solutions that contribute to the transition to a low-carbon world. And as the Group incorporates more "green" vehicles in its fleet in the coming years, its positioning as a sustainable-mobility player will be reinforced.	**Integral part of the CSR program Commit Together - Act for the environment** Implement a comprehensive range of measures to reduce the Group's carbon footprint *One Sustainable Fleet* program	Greenhouse gas emissions ★	Scope 1: 20,521 t CO_2-eq Scope 2: 9,433 t CO_2-eq Scope 3: 1,961,543 t CO_2-eq	Scope 1: 14,905 t CO_2-eq Scope 2: 6,615 t CO_2-eq Scope 3: 1,626,904 t CO_2-eq	☺
				Average emissions of CO_2/km from vehicles (g/vehicle) ★	125g	130g	☹
				Proportion of operational subsidiaries that have initiated ISO 14001 certification ★	8 Corporate Countries	8 Corporate Countries	
				Average age of vehicles put on the market ★	9.7 months	10.7 months	☺
				Proportion of hybrid, plug-in hybrid and electric vehicles purchased during the year ★	2%	4%	☺
				Number of kilometers covered by hybrid, plug-in hybrid and electric vehicles during the year	84 million (i.e. <1% of kms traveled)	135 million km (i.e. 2% of kilometers traveled)	☺
Environmental footprint and regulatory pressure	Historically and currently, international laws and regulations seek to limit greenhouse gas emissions by setting caps/thresholds and taxing companies deemed to be responsible. In a sector such as the mobility sector, regulations tend to change at a dynamic pace. In the coming years, these rapid changes place further constraints on the Group's operations and impact its costs and operating income. For instance, regulatory agencies could set emission objectives for companies in the mobility sector, like the CAFE (Corporate Average Fuel Economy) which applies to automobile manufactures.		Implement a comprehensive range of measures to reduce the Group's carbon footprint	Proportion of vehicles washed without no water and no move	26%	7.4%	☹

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2019 Results	2020 Results	Trend
Human resources and talent management	The Group's core business is service. Every year, we serve more than 9.5 million customers and deliver more than 91 million rental days. To achieve this level of service, the Group implements specialized know-how in several areas, including the purchasing of vehicles, logistics, IT development, and the development of digital products. Seventy-five percent (75%) of the Group's revenue is generated through its digital platforms (web sites and applications). The Group's performance is therefore highly dependent on its ability to attract and retain people with specialized knowledge. Lastly, given the circumstances created by COVID-19 pandemic, the Group is even more attuned to protecting the health and safety of its employees by implementing measures such as providing protective equipment, telecommuting and psychological support services.		**Integral part of the CSR program Commit Together - Be a responsible employer** • Attract talents, develop them and support employees' career paths Values Program • Involve employees in the Company's performance through employee shareholding	Frequency rate of work-related accidents ★	17.86	12.72	☺
				Total workforce and breakdown of employees according to gender ★	10,434	9,233 Female** 3,952 Male** 5,278	
				Hires and departures ★	4,479 4,413	Hires: 1,034 Departures: 3,942	
				Compensation and changes in compensation ★	401 million euros	292.5 million euros	☹
				Percentage of employees trained ★	76%	72%	☹
				Portion of capital held by employees ★	2.77%	0.4%	☹
Corporate culture and buy-in of the Group's strategy	To provide a service on a large scale, throughout the world, yet with a fine-grained and highly personalized approach to each customer, the Group requires the commitment of its employees. In a mobility sector undergoing significant transformation, the Group needs to evolve quickly and constantly adapt its strategy to changes in its ecosystem. These rapid changes and adaptations may lead to misunderstandings on the part of the Group's employees and a decline in commitment. Lastly, to maintain process efficiency and optimal production lead times, the Group must regularly adapt its organizational structure and its governance. This must be solid and constantly adapted in line with acquisitions and the resulting reorganizations.		**Integral part of the CSR program Commit Together - Be a responsible employer** • Implement dynamic Human Resource Management practices • Develop a labor policy to promote dialogue • Make diversity an accelerator of the Group's transformation	Proportion of employees represented by the European Works Council ★ Appointment of two representatives for the Northern Europe & US Region, and the Southern Europe & Australia/ New Zealand Region in 2020	60%	80%	☺

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key perfor-mance in-dicators	2019 Results	2020 Results	Trend
Suppliers and supply chain	Given the nature of its business, Europcar Mobility Group makes the vast majority of its non-fleet purchases in the geographical regions where it operates (transporting the fleet, car washing, maintenance, etc.). • Changes in regulations affecting business relationships, and in particular the duty of care, require that the Group put in place actions and mechanisms designed to prevent breaches of ethical rules within its supply chain.		**Integral part of the CSR program Commit Together - Share our business ethics** • Source responsibly • Exercise a duty of care	Proportion of audited suppliers incorporating CSR issues ★	0%	0%	☹
Combating corruption and fraud	The Group is present (either directly or through franchises, agents and partners) in over 140 countries, with some 3,500 stations worldwide. As such, the Group is exposed to widely varying national conditions and subject to a highly diverse collection of laws and local, national and international regulations, especially where combating corruption and fraud is concerned. Despite the regulatory monitoring and oversight to which the Group is subject, changes in legislation, regulations, case law or in competent authorities' decision-making practices could expose the Group to liability risks in terms of compliance.		**Integral part of the CSR program, Commit Together - Share our business ethics:** • Share our business ethics • Combat corruption	Number of employees sensitized to/ trained in combating corruption and fraud ★	Not available	Not available	

Type of risk/ opportunity	Description of the risk	Description of the opportunity	Related policies	Key performance indicators	2019 Results	2020 Results	Trend
New customer practices and expectations	Customer satisfaction is one of the Group's foremost concerns. Globally, this risk is a recurring theme owing to the hyperconnected world we live in today, and the uncontrolled use of social media. Negative content could be widely disseminated and tarnish the Group's reputation. This risk is due to the complexity of Europcar Mobility Group's business model. The COVID-19 pandemic has heightened customer expectations and requirements in terms of health and safety: contact-free service offerings, disinfection of vehicles and safety standards must now be incorporated to remain competitive and secure customer loyalty.	In response to the phenomenon of urbanization, and the increase in urban congestion and pollution, new mobility practices are emerging, characterized by a trend towards the replacement of the individual-vehicle ownership model by other practices, such as car sharing or long-lease rentals. These new practices are driven by both environmental and economic factors. Furthermore, the COVID-19 pandemic has heightened certain customer needs and expectations in terms of mobility, such as an increase in the use of digital technologies, new safety and contact-free standards, an expectation for simple and flexible services, and a desire for more sustainable, environment friendly mobility solutions. The Group, by virtue of its mission and purpose, its assets and its diverse range of mobility solutions, and catering as it does to different use cases, is well positioned to accommodate these new practices and expectations.	**Integral part of the CSR program Commit Together - Make mobility accessible and share our business ethics Group actions as regards accessible mobility** : • Offer a wide variety of mobility solutions as alternatives to individual vehicle ownership; • Ensure the accessibility of our offers, regardless of our customers' needs or budget; • Target a high level of customer satisfaction.	Catalog of marketing offers ★			
				Catalog of mobility solutions ★			
				Net Promoter Score (NPS) ★	48.0	51.8[(1)]	☹

(1) Net Promoter Score for the Europcar brand is monitored historically as a key performance indicator. A change in the calculation method explains the updated 2019 results. The NPS for all of the Group's brands – excluding Fox and Buchbinder – was 44.1% in 2020 (see Chapter 1, Section 1.6.2 – Customer satisfaction).

4.3 MAKE MOBILITY ACCESSIBLE

4.3.1 Group convictions regarding accessible mobility

Make mobility accessible

We are convinced that mobility is a driver of social inclusion, and in this sense, we consider access to mobility as a key factor. This is why Europcar Mobility Group proposes a range of offers that is diversified enough to cover all customer needs and budgets and make mobility as widely accessible as possible.

The Group's efforts in terms of access to mobility are also directed at people with reduced mobility, people in unstable employment and young people from socially disadvantaged communities.

4.3.2 Group action as regards accessible mobility

4.3.2.1 Offer a broad variety of mobility solutions that are alternatives to individual car ownership

The Group is committed to offering a wide selection of mobility solutions, whatever the duration – rental by the hour or day through its car-sharing services; rental for a few days or weeks through its traditional rental services; and driver services for a few minutes, a few hours, etc. – which means that it can satisfy to a wide range of mobility uses and needs.

In formulating its strategy, the Group has factored in the exponential growth of cities over the next twenty years, and the accompanying growth in demand for mobility solutions.

To meet this challenge, the Group has invested in car-sharing services via the brands Ubeeqo (European leader in B-to-B and B-to-C round-trip car sharing), GoCar (leader in car-sharing services in Ireland), and E-Car (electric car sharing in the United Kingdom).

A diverse offering of mobility solutions ★

Mobility solution	Trademarks
Traditional car and light commercial vehicle rentals	**Europcar –** European leader for car and LCV rentals for private and business customers
	Goldcar – European leader in low-cost car rentals in the leisure segment
	InterRent – Car rentals in Europe, in the leisure segment in the mid-tier market
	Buchbinder – One of the largest players in car and LCV rentals in Germany.
	Fox Rent A Car – One of the leading players in the US car rental market, with an attractive value-for-money price positioning
Closed-loop car-sharing (BtoB and BtoC)	**Ubeeqo –** One of Europe's leading players in closed-loop (round-trip) car sharing for private and business customers
	GoCar – Leader in car-sharing services in Ireland
	E-Car – Electric-vehicles car sharing in the United Kingdom.
Driver services	**Brunel –** Specialists in B2B driver services in the United Kingdom.

The diversity of these service offerings is backed by the size and mix of the Group's fleet. Indeed, the Group considers itself as one of the largest purchasers of European vehicles and the largest in the European vehicle rental industry.

In the year to December 31, 2020, the Group took delivery of some 171,000 vehicles and operated a fleet with an average size of 247,000 passenger and LCV rental vehicles (including Fox Rent A Car and Urban Mobility). In fiscal 2020, the breakdown between passenger vehicles and light commercial vehicles was as follows: 83.5% of passenger vehicles and 16.5% of light commercial vehicles.

4.3.2.2 Ensuring the accessibility of our offers regardless of our customers' needs or budget ★

In addition to its wide range of services and vehicles, Europcar Mobility Group is keen to provide innovative offers that are accessible to all customer categories, whatever their needs and budgets.

Customers concerned	Offer details
Students	In France and Germany, Europcar has service offerings tailored specifically for students, with cheap rates for passenger- and light-commercial vehicle rentals to facilitate their frequent home relocations.
	The Europcar offers rental of scooters and bikes in some countries.
Families	In Spain and Italy, Europcar has developed a family rental offering that comes with a specially tailored package (insurance, baby seats, additional driver, GPS, and other features).
People with reduced mobility	In Portugal, Ireland, Germany, the United Kingdom and Australia, Europcar offers special vehicles or vehicles with manual gears on the steering wheel for people with reduced mobility.
	In the United Kingdom, Europcar offers a stick-shift option in automatic vehicles for customers with reduced mobility who can use their hands.
	In Australia, Europcar offers 6 vehicles that can up to 6 passengers, including one in a wheelchair.
	In 2019, Europcar Mobility Group France entered into a partnership with Wheeliz, a peer-to-peer car rental platform catering to people with reduced mobility.
Cost-sensitive customers	Goldcar, the leading player in low-cost vehicle rentals, proposes a very attractively priced rental experience aimed at budget-conscious families and individuals looking to balance their holiday budget.
	In 2019, the Group acquired the American brand Fox Rent A Car, to further enhance its offering with a "value-for-money" positioning.
	The Group also proposed a mid-tier rental offering – marketed through the InterRent brand in most European countries – designed to provide budget-conscious customers with mid-level rental price options featuring "*à la carte*" services.
	Through its Europcar brand, the Group regularly proposes "One Way" offerings starting at 1 euro for specific journeys. Through these one-way offerings, the Group is able to save the cost of transferring vehicles previously used for one-way trips back to their original station.

Together program

In response to the Covid-19 pandemic, Europcar Mobility Group introduced the Together program in France and across Europe. The program was launched on March 25, 2020, with the aim of providing healthcare workers, and more generally frontline workers in the fight against the pandemic, with accessible mobility solutions.

Through the program, the Group provided access to some 1,000 vehicles that could be used, free of charge or without rental fees, for those workers' occasional mobility needs. As a complement to the offering, and to support French hospitals, the Group's French subsidiary proposed a range of mid-term rental solutions for hospital workers.

All of the Group's subsidiaries were involved in the effort, and some 100 employees were specifically assigned to the program.

4.4 BE A RESPONSIBLE EMPLOYER

4.4.1 The Group's convictions on managing human resources

Be a responsible employer

As a *mobility service company*, the Group is well positioned to observe and respond to the social changes for which mobility is one of the main drivers.

Today, work and mobility are evolving rapidly. Driven, among other things, by the digital transformation and the impact of the Covid-19 public-health crisis, new frontiers are emerging, bringing with them new challenges in terms of organization, well-being in the workplace and skills development.

As these new frontiers emerge, the Group is convinced that its success will be closely tied to the commitment, diversity and development of its employees. Accordingly, the Group intends to continue directing its efforts in these three areas, while at the same time taking on Board the major social changes that are taking place.

4.4.2 Group action as regards human-resource management

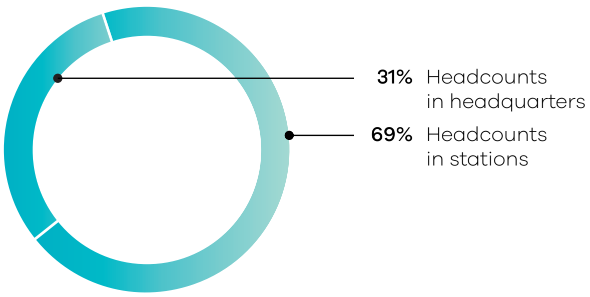
4.4.2.1 Implement dynamic Human Resource Management practices

Through subsidiaries within its scope of consolidation, Europcar Mobility Group is present in 18 European countries, as well as in Australia, New Zealand and the United States. At December 31, 2020, the Group had 1,900 stations, owned and operated directly or through franchisees. This presence means that it can have broad coverage of all commercial and tourist areas where it operates. Located mainly in railway stations, airports and major urban centers, Europcar Mobility Group's workforce is primarily concentrated in stations (accounting for approximately two-thirds of its workforce).

The following key applies to the tables and charts below:

* = permanent only.
** = permanent and non-permanent.

Workforce distribution headquarters/rental stations (Workforce at December 31, 2020)**



Employees of holding companies and the Shared Services Center have been included in the corporate headcount.

The Group must meet two major challenges in terms of workforce management. Firstly, it must be able to accommodate the annual and within-weekly (working week versus weekend) seasonality of its operations, which results in significant variations in its activity and accordingly requires optimal management of its teams to ensure a high level of service. Secondly, the Group must provide good coverage of the regions in which it operates, which requires having a substantial workforce within its network of stations.

With the emergence of the Covid-19 pandemic and the lockdowns imposed in the countries where Europcar Mobility Group conducts operations, leisure and business travel have been severely affected, with repercussions in terms of workforce management.

Distribution of workforce by country** (physical headcounts at December 31)

(Coverage rate: 97%)	2020	
TOTAL	**9,233**	**100%**
Europcar Mobility Group	332	4%
Shared Service Center	301	3%
Germany	2,057	22%
France	1,270	14%
United Kingdom	847	9%
Spain	1,336	14%
Italy	508	6%
Portugal	357	4%
Ireland	291	3%
Belgium	81	1%
Denmark	255	3%
Finland	188	2%
Norway	43	<1%
USA	857	9%
Australia	373	4%
New Zealand	39	<1%
Luxembourg	13	<1%
Other countries	85	1%

At December 31, 2020, 2,221 employees held the status of "Manager", representing 25% of the permanent employees across corporate headquarters and stations.

Workforce distribution managers/ non-managers* (Workforce at December 31)

(Coverage rate: 97%)	2020	
Managers	2,221	25%
Non-managers	6,690	75%

To ensure high quality standards of service irrespective of the intensity of the period and to cover the full schedule to meet our customers' needs at the stations, Europcar Mobility Group uses a variety of employment contracts (open-ended, fixed-term, seasonal, etc.) and different numbers of working hours per week (part- or full-time). Work in the Group is therefore organized depending on the local context and business needs of the Corporate Countries, but always complies with local regulations and obligations and the International Labor Organization Conventions. At December 31, 2020, 97% of the 9,233 employees were permanent (fixed-term or similar contracts) and 3% non-permanents (open-ended or similar contracts).

Due to the pandemic and the lockdown measures in the vast majority of the countries where Europcar Mobility Group conducts operations, the Group saw a decline in operations leading to the adoption of partial-unemployment (furlough) measures and a reduction in hires. At the height of the pandemic, in April and May 2020, 83% of station-based employees and 75% of headquarters-based employees saw a reduction in their work time.

The Group has always sought to promote new forms of work-time organization where possible, to make work more flexible and improve the quality of its employees' working life. As such, telecommuting arrangements for headquarters-based employees had already been introduced in previous years, e.g. at the Group holding company, in Germany, Spain and Belgium, at Ubeeqo, and in Italy and France.

In 2020, at the Group's and its French headquarters, 50% telecommuting was permanently implemented for employees whose jobs are compatible with this change.

Organization of work: key figures

(Coverage rate: 93%)	2020
Proportion of permanent part-time employees*	12%
Overtime during the year *(in hours)***	222,956

To accommodate the seasonality of its operations, the Group generally makes use of fixed-term or seasonal contracts. This implies a certain correlation between the fluctuation in its workforce and the fluctuation in its fleet over the year. Consequently, the decline in the number of seasonal employees in 2020 reflects the decline in Europcar Mobility Group's operations due to the Covid-19 pandemic.

4.4.2.2 Develop a labor policy to promote dialogue

Europcar Mobility Group's labor policy is based on four key principles that the Group seeks to adhere to wherever it conducts operations, i.e. employee relations, employee health and safety, skills and talent development, and well-being at work.

Operating in 18 European countries, as well as Australia and New Zealand and the United States through its brand portfolio, the Group must comply with a wide range of local labor laws. These are often more stringent than the directives of the International Labor Organization, which it complies with. This was reaffirmed in late 2016 with the publication of the Group's Code of Ethics & Commitments.

This year, aside from a few individual cases, the Group has not been penalized for breaches of labor laws in any of the countries where it operates.

Labor relations and collective bargaining

Labor relations at Europcar Mobility Group are maintained through constant dialogue between management teams, employees and employee representative bodies. The Group seeks to promote close relations between managers and their teams to ensure a calm and constructive climate at work.

In every country that has a legal framework for employee relations, Europcar Mobility Group complies with local law and regulations. This is the case, for example, in Germany, France, Spain, Italy, Belgium and Denmark, where labor relations are organized through employee representative bodies or works councils.

When it is not regulated, social dialogue is obtained through the organization of regular team meetings, conferences, employee surveys, or weekly or monthly newsletters.

Labor relation regarding transnational projects is ensured by a European Works Council (EWC). Only countries with a certain number of employees can have one or more representatives.

At December 31, 2020, 16 countries, corresponding to 80% of the Group's permanent employees, were represented by such bodies. In 2020, the new European Works Committee, represented by its 17 members, met seven times.

Across the Group's reported scope of consolidation, 88 collective agreements were in effect in 2020 in 14 Corporate Countries (63 collective agreements) and in 4 of its brands: Goldcar, Buchbinder, Ubeeqo and Fox Rent A Car (25 collective agreements).

These agreements cover the following topics:

- work time (leave, telecommuting, reduction in work time, etc.);
- compensation, savings and other benefits (quality of life at work: food, lunch vouchers, discounts);
- gender equality in the workplace;
- health and safety.

Health and safety policy

The Group is committed to protecting the health and safety of its employees wherever it operates, and to maintaining low workplace-accident frequency and severity rates.

WORKPLACE ACCIDENTS & ABSENTEEISM

(Coverage rate: 93-98%)	**2020**
Number of work-related accidents**	203
Number of days lost time due to work-related accidents**	3,863
Number of fatal work-related accidents in the year**	0
Work-related accident frequency rate** (1) ★	12.72
Work-related accident severity rate** (2)	0.24
Absenteeism rate	9.01%

(1) This is the number of non-working days for 1000 hours worked.
(2) This is the number of days off per 1000 worked hours.

While its operations do not generate specific occupational illnesses, Europcar Mobility Group is nevertheless aware of the potential health/safety risks and possible work-arduousness factors to which its employees could be exposed, whatever their profiles (psycho-social risks, musculoskeletal disorders, cold, noise, etc.). In all its Corporate Countries, the Group complies with local laws and regulations on occupational health and safety has created dedicated committees where required.

To anticipate and mitigate risk factors, the Group has introduced mandatory wearing of individual protective equipment in stations and has implemented the regulatory, standards-related and/or proactive measures and procedures listed below:

- regulatory measures: in every country where these issues are regulated by law, the Group complies with the requirement governing the organization of committees or other dedicated structures (frequency of meetings, reporting and sharing of data, etc.). These measures affect French and Belgian entities and cover about 20% of the Group's employees. In France, the Group's subsidiaries that are subject to these requirements are also required to keep an updated 'Single Risk Assessment Document' that includes an inventory, assessment details, and the actions taken to mitigate the potential risks associated with its operations;
- standards-related measures and third-party bodies: where these are not governed by local regulations, Europcar Mobility Group has established – depending on the country – either certification procedures or partnerships with third-party bodies to define its health and safety policies. For instance, Europcar Mobility Group Spain has opted for OSHAS 18001 certification,[1] while Europcar Mobility Group Portugal uses a specialist organization to assess risks, ensure compliance with work-space requirements, and raise awareness among employees;
- proactive measures: in all other Corporate Countries, dedicated procedures have been put in place to assess, analyze and mitigate occupational health and safety risks. In the UK, for instance, procedures are documented and disseminated in a House Book, and in Australia and New Zealand, regular inspections are carried out and training is provided to all employees upon joining the company.

With the emergence of the Covid-19 pandemic, several health-protection measures – including the distribution of face masks – have been implemented and all employees, both headquarters- and station-based, have been informed.

To help managerial staff cope with the exceptional circumstances caused by the pandemic, the Group's Human Resources Department has prepared and circulated two practical guides for managers designed to help them support their telecommuting subordinates, and also to conduct interviews with them to discuss their experience on returning to work post-lockdown.

Local initiatives have also been undertaken, such as virtual meetings to maintain social ties, the setting up of a psychological support unit for Group and France headquarters-based employees, and access to a telemedicine platform for virtual visits with doctors.

Compensation policy and social security

Europcar Mobility Group has structured its compensation policy in accordance with local regulations and collective bargaining agreements in each Corporate Country, basing compensation on conditions in the local job market. Where relevant, the Group also offers its employees a compensation package based on individual and group performance.

(1) The OHSAS is an international benchmark for the management of occupational health and safety.

The compensation policy provides for a fixed-pay component plus, where relevant, a variable-pay component – indexed on monthly, quarterly and annual individual performance depending on the country and job – plus a group compensation component based on the Group's performance.

For members of the Management Board, one of the three quality criteria taken into account to determine their variable-pay component is a CSR criterion. In 2020, the variable-pay component was based on the implementation of the Group's priorities for the criteria, "Make mobility accessible" and "Be a responsible employer".

In 2020, the Group's payroll costs amounted to 292.5 million euros, as opposed to 401 million euros in 2019. The decrease in payroll costs was due mainly to the impact of partial-unemployment arrangements across Europcar Mobility Group's territories. Procedures to report variable compensation differ from one country to another. As a result, the amount of wages and salaries may, depending on the country, include overtime pay.

Europcar Mobility Group complies systematically with all local regulations and obligations and with any internal and collective agreements on social security coverage, whatever the local award criteria (age, seniority, type of contract, etc.). Wherever required by law, the Group provides its employees with solutions that at least match, and where possible exceed, legal requirements to promote loyalty among its employees.

4.4.2.3 Make diversity an accelerator of the Group's transformation

Europcar Mobility Group has made the promotion of diversity one of its main commitments as a responsible employer.

To do so, Europcar Mobility Group works to promote a complementary workforce, without distinction of gender, age, disability, sexual orientation or origin.

To achieve its diversity objectives, Europcar Mobility Group has adopted a series of fundamentals that form the basis for its policy:

- **Code of Ethics**, which can be viewed on its Investors web page under the heading, ***Code of Ethics and Commitments***. This is a set of ethical, concrete and detailed principles that define the professional behaviors expected from all Group stakeholders. One of its primary objectives is the promotion of equal opportunity;
- Europcar Mobility Group is also a signatory to the corporate **Diversity Charter**, the purpose of which is to demonstrate its commitment to cultural, ethnic and social diversity within its organization;
- in 2005, the Group signed the **United Nations Global Compact**, one of the major international initiatives promoting the commitment to Human Rights, international labor standards, the environment and the fight against corruption. Four of its ten fundamental principles refer to international labor standards, including a specific commitment to eliminate any employment discrimination.

Gender equality

Europcar Mobility Group pays close attention to equality within its teams and monitors the accessibility of jobs to women and men alike, both at the recruitment stage and during their subsequent careers within the Group. This commitment is affirmed in and communicated through the Group's Code of Ethics & Commitments, which states that gender may not, under any circumstances, be a criterion for selection, promotion or compensation within Europcar Mobility Group.

Gender breakdown (Workforce at December 31)

(Coverage rate: 97 – 100%)	2020	
Men**	5,278	57%
Women**	3,952	43%
Male managers*	1,340	60%
Female managers*	881	40%
Men on the Management Board	2	67%
Women on the Management Board	1	33%
Men on the Supervisory Board	7	58%
Women on the Supervisory Board	5	42%

The Group has focused efforts on two drivers to leverage the inclusion of women in the company: the WoMob network and its policy on the inclusion of women in the Group's governing bodies.

WOMOB NETWORK

Europcar Mobility Group's all-female network, "Women in Mobility" was created in April 2019 and seeks to heighten awareness of gender issues among the Group's employees and to promote gender diversity:

- in 2020, the network launched a mentoring program to support 10 volunteers;
- on the occasion of International Women's Day, on March 8, the network hosted a communication challenge on the Group's collaborative platform, where the entire Europcar Mobility Group community was invited to post a picture on the theme, "Each For Equal";
- the WoMob network has mobilized its forces during the Covid-19 pandemic, having realized that women were in the front line of the fight against the pandemic-since a high percentage of healthcare workers are women-and that they were more likely to suffer the effects of social isolation and social distancing measures (particularly rise in cases of domestic violence). As such, the WoMob network set up a donations platform where employees could contribute to the UN *Women* donations program.

POLICY ON THE INCLUSION OF WOMEN IN GOVERNING BODIES

At the Compensation and Nominations Committee meeting of July 24, 2020, the executive management presented an action plan to formulate a policy on gender diversity in the company's governing bodies, pursuant to Articles 7.1 and 7.2 of the AFEP-MEDEF Code. The action plan provides for:

- an in-depth review of the current situation across all Group subsidiaries;
- the drafting of a policy on gender diversity establishing the fundamental principles of the Group's ambitions, and the heightening of awareness of diversity and inclusion issues among management;
- concrete actions to enable women to access senior management positions, including increasing the number of women in succession plans, and enforcing the requirement for recruitment firms to propose at least one female candidate in their shortlists.

In 2020, at the Group level, 9 women were appointed to senior management positions, either by promotion or as a result of a change in or extension of their scope of responsibility.

In 2020, 16 of the 55 members of the Group's Senior Leadership Team (29%) were women.

Europcar Mobility Group: winner of the "*Trophées de la Mixité 2020*" award in the category, "*Féminisation globale*"

In March 2020, on the occasion of the *"Trophées de la Mixité"* ("Diversity Trophies") awards, jointly organized by the association, WAVE (Women & Vehicles Europe), Ethics & Board and *Plateforme Automobile* (a grouping of automobile industry players, chaired by Luc Chatel), Europcar Mobility Group received the top award in the category, "*Féminisation globale*" ("Overall Presence of Women").

The Awards recognize companies committed to gender diversity in the automobile and mobility industries, which are traditionally highly male-dominant.

Europcar Mobility Group was selected for the "*Féminisation globale*" ("Overall Presence of Women") award based on 5 diversity criteria assessed by Ethics & Boards and applied across all levels of the company, including senior management, the Executive or Management Committee, Top 100, executives, and global headcount.

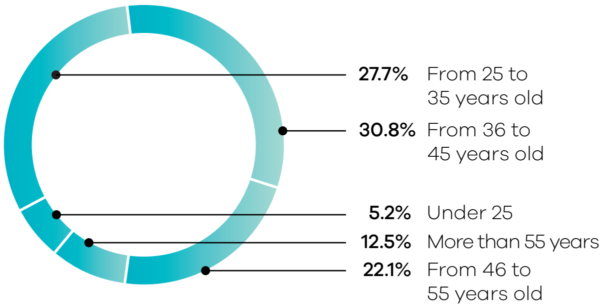
The award acknowledges the various initiatives implemented by the Group to promote gender diversity, including incorporating its commitments to promote diversity in its Code of Ethics, ensuring the diversity of its talent pools, and the launch of the all-female network, "WoMob" (Women in Mobility), which seeks to promote a more diverse and inclusive workplace, most notably through tackling unconscious bias.

Diversity in employee profiles

Europcar Mobility Group is convinced that diversity in its employee profiles is a key success factor in that it projects the image of a company whose workforce is representative of its customers.

AGE

Breakdown of workforce by age (physical headcount at December 31, 2020)*



More than half of the permanent workforce is between 25 and 45 years old. The average age of the workforce is 39 years old.

DISABLED

Disability is also an issue that is included in the desire for inclusion and diversity in Group profiles in which progress is expected. At December 31, 2020, the number of employees with disabilities accounted for 2% of the Group's total workforce.

Structuring initiatives are being tested at Group level. One of the first measures the Group implemented was to optimize sourcing of disable candidates through the agency, Cap Emploi, which was tasked with identifying suitable profiles for vacant positions. In addition, eligible job offers are disseminated across specialized platforms, with a message indicating that "this job is available for people with disabilities".

Goldcar has implemented an action plan to hire people with disabilities that seeks to raise awareness among the brand's senior management and employees through the dissemination of information snippets and e-learning courses.

ANTI-DISCRIMINATION

Everywhere it operates, Europcar Mobility Group agrees to comply with local laws and regulations to fight discrimination and prevent any form of provocation, harassment or intimidation.

In addition to the "Code of Ethics & Commitments", most of the Corporate Countries also have formal internal non-discrimination policies, and implement appropriate action plans.

For example, Goldcar has drawn up an *Equal Opportunities, Gender Diversity, Race and Culture Plan* that seeks to achieve real and effective gender diversity and combat discrimination.

Fox Rent-a-Car has implemented an anti-harassment and discrimination policy that provides for training on those issues.

Training on these issues are also offered by some Corporate Countries, and in Australia, New Zealand and the United Kingdom, e-learning modules on the themes of "Discrimination, Harassment and Bullying" and "Diversity Training" are mandatory for all employees.

Lastly, at the Group level, an anti-harassment officer was appointed at the end of 2019 to handle harassment-related issues.

In 2020, to further affirm its commitments, the Group articulated its Diversity/Inclusion program.

The aim of the program is to:

- structure Diversity/Inclusion initiatives by defining the main areas of focus and the resulting action plans;
- implement appropriate governance structures and processes to supervise and monitor these initiatives, through the setting up of a Diversity/Inclusion Committee;
- involve all employees so that they take ownership of the program.

Through the program, the Group will focus efforts in the following areas:

- gender equality in the workplace, including an action plan to include more women in the Group's governing bodies, which will be a priority in 2021;
- employee profile diversity.

The program was initially planned to be launched in 2020 but the launch was delayed by the Covid-19 pandemic and postponed to the beginning of 2021.

4.4.2.4 Attract talents, develop them and support employees' career paths

Talent attraction and management are considered by Europcar Mobility Group to be key performance drivers that will enable it to provide ever more innovative mobility solutions and a consistently high level of customer service wherever it operates.

In 2020, as a result of the public-health crisis, only 1,034 employees joined the Group (as opposed to 4,479 in 2019). 0.68% of them were hired after an internship or an apprenticeship period.

Hires and departures over the year** ★

(Coverage rate: 89-98%)	2020	
Hires	1,034	-
Number of voluntary departures	1,389	35%
Number of departures initiated by employer	1,786	45%
Number of departures for other reasons (end of contract, retirement)	767	19%
Internal mobility	786	-

In 2020, the Talent Department conducted a talent review among teams in the Fleet Department. It also continued to move forward with its high-profile management program. In 2021, annual talent reviews will be extended, with particular focus on the Group's recently incorporated countries, i.e. Norway, Finland and the United States.

The Group seeks to support employees throughout their careers and offer all of them the opportunity to develop their skills through dynamic training policies adapted to their needs. Through the formalization of one-on-one interview procedures in all Corporate Countries, the Group is able to collect information on employees' training needs and assess their level of commitment and professional development.

To allow employees to flourish professionally, Europcar Mobility Group develops training policies designed to reconcile three points:

- the needs and aspirations of employees, as determined at the start of each year through annual performance reviews;
- strategic developments within the Group and its markets that may require the mastering or developing new business skills;
- legal and standards-related requirements that may make it necessary and/or mandatory to provide employees with training on specific issues, particularly workplace health and safety.

There are a number of training topics adapted to each category of businesses, in stations and at headquarters. These include workplace health and safety issues (accidental spillages at stations, first aid, etc.), management, foreign languages, business skills (selling, e-commerce, marketing, etc.), IT and digital tools.

Most Corporate Countries have also formalized training plans and have set up dedicated teams, or appointed in-house trainers, as is the case in the United Kingdom, France and Belgium.

These training courses are offered in a variety of formats (face-to-face, e-learning, etc.) to ensure they are available to as many employees as possible.

In 2020, Group headquarters' and France's Human Resources departments made use of the *Fonds National de l'Emploi* (FNE – National Employment Fund) to secure 3,000 hours to provide 300 furloughed employees with remote training in languages, management, personal development, or in business-related skills, such as sales.

Training performed during the year

(Coverage rate: 85-88%)	2020
Number of employees trained**	5,716
Percentage of employees trained**	72%
Number of training hours**	30,673
Number of employees trained among the external and seasonal workforce	2,739
Number of training hours for seasonal workforce	5,505
Number of apprentices and interns recruited during the year	128

Discounting Buchbinder data.

In 2020, 72% of the Group's permanent and temporary employees completed at least one training course during the year ★.

The hiring of apprentices and interns is also one of the Group's commitments, as is the hiring of young people. This year, the Group hired 128 apprentices and interns and 5.47% were subsequently hired on permanent or fixed-term contracts.

4.4.2.5 Values Program

In 2017, the Group established the list of its values with a view to creating a common culture, termed "ONE Group". Definition of its values was the subject of a large internal consultation conducted by the Human Resources Department in all countries. In 2018, these values were refined by the work of the Group Executive Committee (GEC) to bring them in line with the Group's Purpose.

- *Customer-centric*: placing the customer at the center of everything we do.
- *Feeling Valued*: valuing the contribution of all employees.
- *Open Communication*: communicating openly between staff members.
- *Working Together*: encouraging a team spirit.

These values are shared and embodied by all employees every day in the performance of their duties. They are also evaluated during individual performance assessments.

In 2019, the Group also implemented a Values Promotion Program, with a focus on 3 facets:

- **Understanding** – Understand our Values;
- **Feeling** – Feel our Values;
- **Living** – Live our Values.

Each one of these facets engenders specific actions that seek to reinforce the Values through the use of different tools and approaches (e.g. training, Facebook Workplace in-house social media, employee awards, etc.). The aim is to adjust the actions each year so that they are consistent with the Group's business context and the progress achieved.

2020 was an unusual year for the Values promotion program as implementing certain actions was more complex due to the public-health crisis and telecommuting.

However, the Group's Values were taken fully on Board during the design and implementation of its different programs, be it in responding to the Covid-19 pandemic or preparing for post-crisis recovery:

- **Customer-centric** – "Connect" – the Group's new strategy roadmap – is one of the embodiments of the Group's *Customer Centricity*. It was developed based on customer feedback with a view to redirecting the Group's focus on its customers' new needs and expectations, which include more widespread use of digital technologies, new safety and contact-free standards, simple and flexible services, and more sustainable and environment-friendly mobility.
- ***Feeling Valued*** – Managing the crisis entailed mobilizing the entire workforce, be it to continue serving the Group's customers or to prepare for the post-crisis recovery. In some cases, employees were required to exercise a high degree of flexibility, whether it be to continue working while at the same time taking on Board new constraints (e.g. wearing of facemasks, lockdowns, etc.) or to adjust costs in line with the Group's operations (e.g. partial unemployment, voluntary salary cuts, etc.). Throughout the entire period, both the Group's in-house Workplace network and LinkedIn were used to acknowledge and promote employees' contributions to this collective effort. The members of the Executive Committee and Country CEOs were in the front line when it came to promoting "*Feeling Valued*". Additionally, the Group's Management Board and its senior managers accepted a reduction in compensation for 3 months as part of the effort to support the company, which was severely affected by the Covid-19 crisis. In the Group's companies in France, Management decided to donate a portion of their compensation to the companies concerned so that they could assist employees who had suffered a reduction in pay and consequently found themselves in financial difficulty.
- **Open Communication** – The impacts of the public-health crisis were both severe and rapid. In these unprecedented circumstances, communication was key. Arrangements were made to enable the regular and transparent communication of information to all employees, and included daily calls with Country CEOs, calls with Senior Leaders (the Group's Top 50) every 15 days, then every month, and regular Workplace video messages by the Chairwoman of the Management Board to update employees on the Group's situation. A special communication system was also introduced to provide easy-to-understand information on the financial reorganization of the Group, most notably through a handbook with definitions, key messages and FAQs for the Group's managers.
- ***Working Together*** – Through the "Connect " program, the Group reviewed its organizational structure. The Group is now organized around three Business Lines, each of which focuses on a different mobility use case: Leisure, Professionals, Local Service. The objective is to enhance service to B2B and B2C customers, but also to improve working together; the three Service Lines share several cross-structural teams (e.g., Sales teams, Brand Management teams, E-Commerce teams, etc.).

4.5 ACT FOR THE ENVIRONMENT

4.5.1 Group convictions on environmental responsibility

Act for the environment

By the very nature of its activities, our Group contributes to achieving a low carbon world by offering attractive alternatives to car ownership, contributing in this way to the reduction of the number of cars on the roads and in our cities.

The Group has also structured its "CONNECT" transformation plan around its ambition to become a major player in sustainable mobility in the coming years. In pursuit of that goal, at the end of 2019 the Group launched its "ONE sustainable fleet" program, which includes plans to have more than a third of its fleet "green" (electric, hybrid and plug-in hybrid vehicles) by the end of 2023.

4.5.2 Group actions as regards environmental responsibility

4.5.2.1 Measure the Group's carbon footprint

The Group's carbon footprint is accounted for by emissions arising directly as a result of the Group's operations – Scope 1 & 2 (administration, fleet transfers, in-station vehicle preparation and washing…), those of its subcontractors (repairs, vehicle preparation and washing by service providers…), and indirect emissions linked to the activities of its customers – Scope 3 (vehicle use, fuel consumption, etc.).

The carbon balance presented in the table below shows Europcar Mobility Group's greenhouse gas emissions broken down by source;

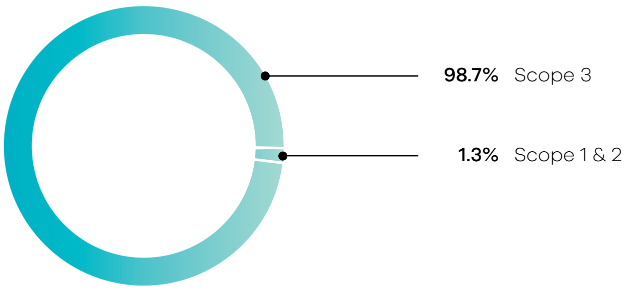
The Group's carbon balance

(In CO_2 teq)	2020	Coverage rate
Scope 1	14,905	78-87%
Scope 2	6,615	78-87%
Total scopes 1 & 2	**21,520**	**-**
Scope 3	1,626,904	59-97%

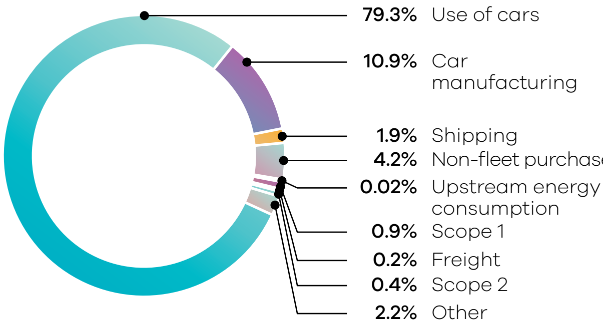
Compared to 2019, the Group has reduced its global carbon footprint. This is linked to three major factors:

- the reduction in the number of kilometers traveled and in associated fuel usage;
- a change in the way journeys are calculated; journeys are now calculated using actual data, whereas in the past estimations were used;
- reductions in energy consumption.

GHG emissions balance sheet (Scope 1, 2 & 3): breakdown by scope



GHG emissions balance sheet (Scope 1, 2 & 3): breakdown by source



As the main source of greenhouse gas (GHG) emissions, the use of vehicles by customers is seen as the Group's top priority to reduce its overall carbon footprint. Among the GHG emission sources identified, the combustion of fuel by vehicles used by the Group's customers accounts for around 79.3% of the Group's total GHG emissions.

The Group's CO_2 reduction target – *Science-Based Target*

By applying the method proposed by the *Science-Based Targets* initiative - which the Group joined in 2019 - Europcar Mobility Group was able to measure the reduction in its carbon footprint required to achieve compatibility with a sustainable future and goals of the Paris Agreement to limit global warming to +1.5°C.

This reduction target is variable with respect to the Group's direct emissions (Scope 1 and 2) – mainly its energy consumption levels and its indirect emissions (Scope 3) – mainly the use of vehicles by its customers.

The reductions required to achieve this target (by 2030, with 2019 as the baseline year) are ambitious:

- 46% for direct emissions (Scope 1 and 2);
- 13% for indirect emissions (Scope 3, emissions due to vehicle usage).

These values will be forwarded to the *Science-Based Targets* initiative in 2021 for approval, thereby formalizing Europcar Mobility Group's quantified commitment to a low-carbon future.

It should be noted that this reduction is expected to be achieved, despite the expected growth in operations between now and 2030.

Identified drivers to achieve this reduction are expected to be:

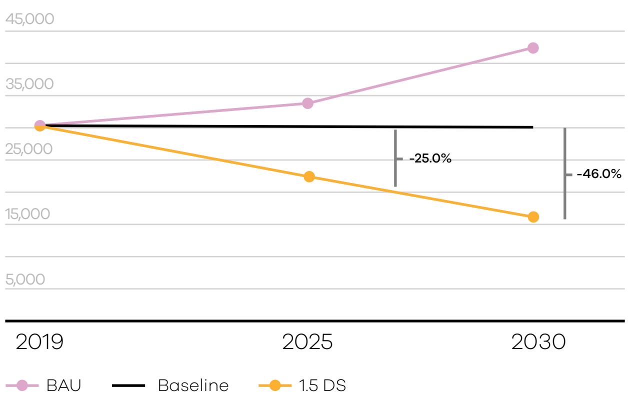
- technological changes: acquisition of a low-carbon fleet/electrification of the fleet;
- behavioral changes, such as environment-friendly driving practices, with limited potential for reductions.

The carbon trajectory, with details on all the reduction drivers, will be established in 2021 with input from all in-house stakeholders.

REDUCTION TRAJECTORY SCOPE 1 & 2: SCENARIO 1.5°C

Scenario 1.5°C
Baseline (2019): 29,950 t CO_2 eq
2025: 22,400 t CO_2 eq
2030: 16,100 t CO_2 eq

(tCO_2eq)

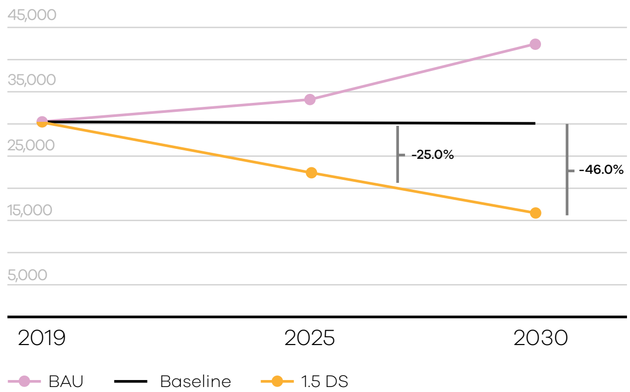


BAU: Scenario *Business As Usual*
2DS: Scenario 2°C
1.5DS: Scenario 1.5°C

REDUCTION TRAJECTORY SCOPE 3: SCENARIO 2°C

Scenario 2°C
Baseline (2019): 1,960,000 t CO_2 eq
2025: 1,800,000 t CO_2 eq
2030: 1,690,000 t CO_2 eq

(tCO_2eq)



BAU: Scenario *Business As Usual*
2DS: Scenario 2°C

4.5.2.2 Implement a full range of actions to reduce the Group's carbon footprint

Equip our fleet with the latest "CO_2-light" vehicles

Owing to its business model, which is essentially based on buy-back contracts (carmakers buy back their vehicles after a fixed period), Europcar Mobility Group's rental fleet is composed of recent models (★ used for an average duration of 10.7 months) equipped with the latest motor technologies and complying with the latest standards in terms of fuel consumption and GHG emissions. At December 31, 2020, "the average emission of CO_2/km for the fleet was 130 g (*Tank-to-wheel)*[(1)]as opposed to 125 g in 2019. This can be accounted for by the increase in kilometers traveled in the "Above Compact" and "Vans" categories during the Covid-19 pandemic, which saw successive lockdowns leading to an increase in the number of journeys requiring these types of vehicles.

(1) The term, "*Tank-to-Wheel*" (TTW) refers to a subrange in the energy chain of a vehicle that extends from the point at which energy is absorbed (charging point; fuel pump) to discharge (being on the move). As such, the term, TTW, describes the use of fuel in the vehicle and the emissions while the vehicle is being driven, while the term, *Well-to-Tank*" (WTT), refers to the subrange of fuel supply – from production of the energy source (gasoline, diesel, electricity, natural gas) to fuel supply (transport to the charging point or fuel pump).

Environmental contribution fee

On September 1, 2018, the "Worldwide Harmonized Light Vehicle Test" (WLTP) – a new procedure for measuring vehicles' CO_2 emissions – replaced the former NEDC standard, which was in use since the 1990s. The new procedure was established in the wake of the "Dieselgate" scandal to provide better estimates of vehicles' CO_2 emissions – based on realistic conditions of use – at a time of growing awareness of vehicles' negative impact on our planet.

As Europe's leading rental-vehicle provider, with an average fleet size of 248,000 vehicles, the Group is convinced that optimizing its environmental impact is a collective duty, incumbent on the Group, of course, but also on all the drivers its serves each day.

This is why, starting on January 1, 2019, the Group began applying an environmental contribution fee to all car rental transactions, for all drivers. The amount of the fee is set based on the level of taxation of CO_2 emissions and, in concrete terms, depends on the category of vehicle and the legislation in force in each country. The environmental contribution fee is used by the Group to support its fleet optimization program across all of its brands.

The Group's goal is to constantly maintain its fleet's CO_2 and particle emissions at the lowest levels possible by structuring its fleet around the latest and "cleanest" motor technologies proposed by car manufacturers.

Increase the proportion of "green" vehicles in our fleet

Europcar Mobility Group is one of the first international vehicle rental providers to propose electric vehicles to its customers. It has been doing so since 2011. In 2020, these vehicles represented close to 4% of the passenger vehicles acquired by the Group (6,637 hybrid and electric vehicles).

In 2019, the Group launched its "ONE sustainable fleet" program, in which it set itself the goal of having more than one-third of its fleet "green" (electric, hybrid plug-in and hybrid) by the end of 2023.

The program is available online along with the Group's Mission & Purpose statement: offer attractive alternative solutions to individual vehicle ownership, sustainably and responsibly. It is also one of the key building blocks of the CONNECT transformation plan, which aims to make the Group a leading player in sustainable mobility while at the same time strengthening its position of number-one player in Europe's car rental industry.

The current Covid-19 pandemic has heightened certain needs and expectations in terms of mobility, including more widespread use of digital technologies, contact-free services, new safety standards, greater flexibility, and more responsible and environment-friendly modes of travel.

Against this backdrop, Europcar Mobility Group continues to actively pursue the implementation of its "ONE sustainable fleet" program, with the intention of promoting, in cities and across its territories, mobility solutions that are environment-friendly – because "shared" (rental and car sharing) – and supporting private and business customers' transition towards "green" mobility, wherever the Group conducts operations.

The program provides for several areas of focus, including close collaboration with car manufacturers to increase the number of "green" vehicles in the Group's fleet, educating customers, training employees, and developing attractive offers to enhance the appeal of "green" vehicles.

One of the main drivers for the success of the program is the Group's ability to develop a dense network of easy-to-use electric-vehicle (EV) charging facilities. In pursuit of that goal, Europcar Mobility Group recently entered into a partnership with NewMotion, one of Europe's leading suppliers of smart EV charging solutions.

Propose and promote sustainable mobility offers and increase the awareness of our customers throughout their journey

- **Contribute to the development of car-sharing to reduce congestion and pollution in cities**

Given that an individual car is parked 95% of the time, owning a car in the city is not economically reasonable. Furthermore, adding cars to urban areas contributes to congestion and pollution. Car-sharing therefore represents an attractive and responsible solution.

Wherever the Group conducts operations, it intends to offer alternative solutions to individual vehicle ownership, particularly in the major European cities, where it already offers its Ubeeqo, GoCar and E-Car services.

These car-sharing services offer urban residents fleets that are mostly made up of electric or hybrid vehicles. The Group's goal, particularly with the Ubeeqo brand, is to provide a dense network in the cities, with vehicles available within 500m of customers' homes or workplaces, in order to maximize access to vehicles.

In addition, closed-loop (or "station-based") car-sharing model – a model adopted by the Group for all its urban car-sharing services – also significantly improves the quality of life in cities by reducing CO_2 emissions and urban congestion. Statistics show that each closed-loop car-share vehicle that is used reduces the number of individually owned cars by 9 to 12 vehicles.

On account of these benefits, Ubeeqo – through the City of Paris's Mobilib service – has been the leading car-sharing operator in Paris since 2019.

- **Promoting electric car rental services to our customers**

Our electric-vehicle, hybrid-vehicle and hybrid plug-in vehicle customers covered more than 135 million kilometers in 2020, i.e. close to 2% of the total number of kilometers covered.

To meet the challenge of the ecological transition, the Group has undertaken to increase the proportion of kilometers traveled using its electric and hybrid vehicles. The Group has set itself the goal to constantly improve the rate of use of these vehicles by running specific sales and marketing campaigns addressing the following areas of focus:

1) Promoting the benefits of renting electric vehicles over internal combustion vehicles, by:

- adjusting prices to offer customers all-inclusive rental packages (rental cost + usage costs) at a lower price than those for internal combustion vehicles, by capitalizing on the fact that the cost per kilometer with an electric vehicle is four to five times lower than with an internal combustion vehicle;
- improving communication on the benefits of electric vehicles during the reservation phase (cost of use, free parking, vehicles returns without having to "fill the tank", etc.);
- training sales personnel so they can advise customers on this new option.

2) Develop flexible rental service offering ranging from one month to two years long, so that companies can freely test the Group's electric vehicles before committing, or offer rental services tailored to the duration of companies' projects;

3) Introduce reinsurance services for customers:

- cards providing access to public terminals, with simple sign-up procedures and pay-per-use billing [1];
- a dedicated hotline for assistance in case of need. [1]

In the pipeline: a customer education web page, tutorials and simplified user guides.

Sensitizing and training our employees

Employee sensitization and training programs, with a focus on environmental issues and employees' individual responsibility to adopt simple gestures and best practices, are implemented in each country, in the form of in-person or e-learning sessions.

In Belgium, for instance, each new hire is made aware of environmental concerns during their Welcome Day. In some Corporate Countries, employees have dedicated e-learning modules – e.g. in Australia and New Zealand though Europcar University – whereas in others, such as Italy, Germany and France, tools are made available on local intranet sites. A best practices guide is also distributed to Goldcar employees to implement simple everyday actions.

At Goldcar, every employee of the brand is trained in best environmental practices. Additionally, twice a year, they receive recommendations and guidelines on how to improve environmental quality by themselves.

These local awareness and training actions are implemented by the HR and Communication departments in the countries, relying on the local CSR correspondents.

Developing responsible resource management

In addition to issues relating to greenhouse gas emissions caused by the use of vehicles, the Group is also taking action at all stages of its life cycle to reduce its direct environmental footprint, especially in stations, where its environmental impact is the most significant. Three environmental issues are being particularly targeted: water consumption, energy consumption and production and treatment of waste.

In terms of its ground footprint, the Group has areas used permanently for headquarters and the network, and parking lots are actively managed according to the activity. The sizes and types of premises occupied by the Group (underground or above-ground) are such that land occupation and use is not a significant issue for the Group in terms of environmental impact.

	2020	
Environmental Footprint	Consump-tion	Coverage rate
Water *(in m^3)*	463,468	87%
Total energy, excluding fuel *(MWH)*	43,541	78-86%
Including renewable energies *(MWH)*	3,538	78%
In-house fuel consumption *(L)*	4,554,498	84-86%

All of the figures shown above are for the Group's direct in-house consumption. They cover the Corporate Countries scope and do not include the franchise networks or suppliers (who are outside the scope of the annual CSR report).

The costs related to water and energy consumption are, for a number of stations, included in the premises' rental charges, and it is difficult to obtain more detailed information. As such, this results in a coverage rate that is less than 100%. The data presented above are for all head offices and for between 78% and 86% of the operations in Group-owned stations.

In 2020, the Group consumed 3,538 MWh of renewable energy across stations (80%) and head offices (20%) in all Corporate Countries. Europcar Mobility Group is fully aware of the issues raised as a result of the energy it consumes and the greenhouse gas emissions it generates, and constantly seeks to increase the share of renewable energy in its global energy consumption profile. Thanks to the supply of renewable energy for a growing portion of its sites in Italy, France and Germany, this proportion was around 8% of the Group's total energy consumption during the year.

In anticipation of a significant increase in electricity consumption due to the development of charging infrastructure in the years to come, a review of all contracts in its Corporate Countries was initiated in 2020 with the aim of launching a call for projects by the end of the year.

(1) Through its partnership with NewMotion.

Europcar Mobility Group also wants to optimize energy consumption within its network by encouraging best practices. Stations undergo regular energy audits, notably when qualifying for or renewing their environmental certifications.

As part of that process, Europcar Mobility Group United Kingdom has introduced a 5-year LED replacement program, which was suspended during the pandemic in 2020, but it expects to pursue through 2021. Goldcar has also begun replacing traditional lighting with LEDs in its stations.

WASHING OF VEHICLES: AN ENVIRONMENTAL PRIORITY FOR THE GROUP ★

Washing vehicles consumes large quantities of water as well as energy and chemical products. It is done either in-house by the Group's vehicle preparers when stations have dedicated facilities, or outsourced when there are no in-station car-wash facilities. The Group is not subject to special restrictions on water use, even though it operates in warm countries and/or countries subject to hydric stress. One exception is in Belgium, where a water restriction may be ordered by the governmental during exceptional situations. No penalty has been imposed on Europcar Mobility Group for its water use in 2020.

Europcar Mobility Group consumed 463,468m3 of water, 96% of which was in the stations, generally linked to car washing before each rental. To cut its water consumption, the Group streamlines the number of vehicles "going through" automatic vehicle washes. At the end of rental, an assessment determines whether the car needs a full wash or if a dry manual wash is sufficient.

With this system, the stations optimize their water and energy consumption and limit vehicle movements. At December 31, 2020, the program was implemented in many stations across Europe and, as a result ★ just over 7.4% of all rented vehicles across the Group were washed without water or without being moved (as opposed to 26% in 2019). The reduction is due to the adoption of new hygiene standards as a result of the Covid-19 pandemic.

This equated to a saving of 44,211 m^3 of water – the equivalent of 29,474,090 1.5-liter bottles of water – and 65 t CO_2 eq, which is equivalent to the emissions produced by 69,062 London double-decker buses.

Some stations are also equipped with water recycling systems to limit the water taken from the supply networks. Other local initiatives have also been undertaken: Goldcar (Spain) is now working with suppliers that use waterless car-wash techniques, and monitors water consumption at its offices and facilities.

The Group considers fuel storage as the main environmental risk factor. It pays particular attention to maintaining its tanks and warning systems (leak detectors, alarms) and to training its teams to prevent leaks and to respond in the event of an accidental spill. All Group facilities comply with local regulations on storing and operating fuel storage tanks. The deployment of ISO 14001 certification also strengthens prevention against the risk of leaks and training personnel in the event of an incident.

Europcar Mobility Group aims to promote environmental best practices wherever it operates, particularly when it comes to actions to reduce energy consumption and improve waste treatment.

	2020	
Waste treatment *(metric tons)*	**Consolidated Group data**	**Coverage rate**
Quantity of hazardous waste produced	659	61%
Quantity of hazardous waste recycled	593	61%

Waste produced by the Group can be classified into two categories (hazardous and non-hazardous). Classification and treatment depend on local regulations that the Group conscientiously complies with in each of its Corporate Countries through special local procedures and its environmental management systems such as ISO 14001.

Regarding waste classified as "hazardous", the Group basically generates waste sludge from its stations' hydrocarbon separators, batteries, IT waste, toners and neon tubes.

In 2020, "non-hazardous" waste was mainly office waste and paper.

Several pilot initiatives have been launched to constantly increase the recycling rate of waste produced by the Group and promote a circular economy for their treatment. To this end, the Europcar brand in France started sorting waste in its largest stations, which has allowed it to recycle most of the waste produced through dedicated channels.

CERTIFY OUR PROCESS ★

In order to encourage local initiatives in the Corporate Countries, Europcar Mobility Group strongly supports the deployment of ISO 14001 – Environmental Management. It is applying this management system to a scope of headquarters and stations in order to reduce its environmental impact. Implementing this system requires an operational plan followed by the performance of regular audits by external certification organizations.

At December 31, 2020, eight Corporate Countries had initiated ISO 14001 certification. Europcar Mobility Group Germany goes even further by renewing once again this year the ISO 50001 certification on energy management practices.

4.6 SHARE OUR BUSINESS ETHICS

4.6.1 The Group's convictions on business ethics

Share our business ethics

We take pride in our values and constantly strive to adhere to our business ethics, which is a key factor for enhancing our customers' trust and loyalty.

Our customers' safety is our number-one priority, and their satisfaction is at the center of everything we do. These two core values are what drives us to constantly seek to improve performance in terms of both customer safety and satisfaction.

The Group also believes it is important for all its stakeholders to embrace its commitments, as set out in its Code of Ethics, and to involve them in its ongoing efforts. This belief is reflected in the policies and programs we implement to consolidate our business ethics, and in our regular awareness campaigns.

4.6.2 Group actions as regards business ethics

4.6.2.1 Propose a service that complies with the highest safety standards

As a reminder, the Group is one of the largest purchasers of European vehicles and the leading player in the European vehicle rental industry. In the year to December 31, 2020, the Group took delivery of some 171,000 vehicles and operated a fleet with an average size of 248,000 passenger and LCV rental vehicles (including Fox Rent A Car and Urban Mobility). In fiscal 2020, the breakdown between passenger vehicles and light commercial vehicles was as follows: 83.5% of passenger vehicles and 16.5% of light commercial vehicles.

For the year ended December 31, 2020, the approximate average vehicle holding period by Europcar Mobility Group was 10.7 months (8.4 months only for vehicles covered by buyback or rental agreements). Nearly 84% were covered by "buy-back" contracts including a clause providing for the repurchase of vehicles at the end of a predefined period, most often less than 12 months. This allows Europcar Mobility Group to offer for rental a fleet of recent vehicles with all the latest safety standards and the latest technologies in equipment.

In addition, through its contracts with car manufacturers, the Group undertakes to comply with all maintenance requirements under the buy-back clauses. The vehicles are therefore subject to many specific written procedures that are posted in the preparation sites to ensure regular maintenance in accordance with the carmakers' standards.

Before any new rental, vehicles are inspected and verified by teams trained in-house to the Group's own standards and checkpoints (tire pressure, liquid levels, indicators and lights, etc.). If vehicles fail and need repairs, minor adjustments are carried out on-site, and more serious repairs are completed by approved independent firms.

Finally, each vehicle has essential safety equipment (high-visibility vest, reflector triangle, etc.) and additional equipment may be rented in the agency (child seats, snow chains, snow tires, etc.) to give customers an optimal level of safety and comfort behind the wheel, in compliance with local regulations.

If a vehicle has an accident or breakdown while rented out, the Group makes a 24/7 assistance service and constantly looks for the best solutions to ensure that its customers are taken care of efficiently.

Launch of the Group's "Safety Program" in March 2020

With the emergence of the Covid-19 pandemic, the Group decided to reinforce its cleaning and hygiene measures across all agencies and fleets to ensure the safety of its customers and employees. The Group's "Safety Program", implemented in March 2020, follows the recommendations of the public-health authorities and incorporates best cleaning and disinfection practices in light of the public-health crisis.

In 2020, to consolidate its "Safety Program", the Group entered into a partnership with Bureau Veritas – the world leader in testing, inspection and certification services – covering all its agencies and rental fleets in 14 different countries. As a result of the partnership, the Group is able to better assess its processes and practices and can count on support for implementing standard sanitary protocols.

4.6.2.2 Target a high level of customer satisfaction

Europcar Mobility Group wants to ensure a high level of satisfaction by offering customers high-quality mobility products and solutions that meet the ever-changing demands of the market.

To strengthen its leadership position, the Group has also adopted tools and implemented actions to foster dialog with customers so that it can respond to customer demands as fully as possible, and measure and track customer satisfaction.

Foster customer-Europcar Mobility Group dialogue

The Group provides its customers with a wide range of communication channels (telephone, email, FAQs, website, social media, etc.) enabling interactions and direct exchanges at every stage of the customer experience, whether before, during or after rental.

Customer requests and complaints are managed through a centralized software tool and processing procedures are formalized at the Group level, allowing it to handle the time it takes to resolve customer requests. Since 2017, the Group has reduced complaint processing times to no more than five days, as opposed to seven days in 2016.

Most Corporate Countries belong to their local tourism, insurance or vehicle rental trade associations as a way to make progress and continuously improve their practices and services.

A Group-wide customer satisfaction measurement tool: the *Net Promoter Score* ★

In 2011, the Group implemented a tool to monitor customer satisfaction, known as the *Net Promoter Score*. The tool uses a recognized methodology to establish a differential between the number of "promoters" and the number of "detractors" of a brand. Customers are asked to rate the likelihood that they would recommend one of our brands to their friends or family on a scale of 0 to 10. Scores below 6 are categorized as "detractors", while scores of 9 and 10 are categorized as "promoters". The *Net Promoter Score* is calculated by subtracting the percentage of detractors from the percentage of promoters.

All Group employees have an interest in this indicator as it is linked to a portion of their variable compensation. Rental stations' scores are reviewed weekly and action plans implemented based on these reviews:

- Europcar's NPS is calculated in the same way across all countries, subsidiaries and franchisees. This key performance indicator is constantly on the rise, and increased from 45 in 2015 to 51.8 in 2020 - data as of the year ended December 2020 - excluding Fox and Buchbinder -, based on the revised calculation method, standardized for all brands, which explains the "technical" decline between 2019 and 2020 - reflecting the efforts to transform the customer relationship management process coordinated by the Group's Commitments Department. See the box labeled, "*Palme de la Transformation par l'Expérience Client*" ("Prize for Transformation through Customer Experience") awarded by the French Customer Relationship Association (AFRC);
- Goldcar, InterRent and Ubeeqo have also implemented the Net Promoter Score. The measurements, which were standardized in January 2020, are now used to calculate an aggregate Group NPS score based on the results of the Group's different brands;
- the management of Goldcar's operations with reference to this indicator led to a 0.6-point increase between 2019 and 2020;
- the indicator will continue to be introduced across the Group in 2021, with Fox and Buchbinder being included in the indicator.

As the Covid-19 pandemic has brought with it a number of changes in customer behavior and in the responses we provide through our operations (see "Customer Journeys" – Section 1.6.2, Europcar Mobility Group brands and their service offerings), Europcar Mobility Group has updated its NPS questionnaire to better reflect how customers view these changes, by:

- updating the content of the NPS survey and asking customers how they feel about the specific cleaning and hygiene measures implemented by our agents to enhance customer safety;
- adding a "Pandemic" section to our semantic analysis tool to detect weak signals on the subject.

The results and the implemented action plans are analyzed by the Customer Engagement Department to identify and rapidly implement appropriate solutions.

Europcar Mobility Group: winners of the AFRC's "*Palme de la Transformation par l'Expérience Client*" award (October 2020)

Each year, the AFRC (French Customer Relationship Association) rewards the top-performing players and the most innovative measures in customer strategy.

In 2020, Europcar Mobility Group won the top award in the category, "Transformation through Customer Experience", based on the following criteria:

- customer orientation included in the Group's 4 core values;
- NPS (*Net Promoter Score*) progression targets set each year for all the Group's brands;
- areas identified for improvement in the customer experience, from the reservation phase to the return of the vehicles, including contact with Europcar's Customer Relationship centers during or after journeys;
- group's customers and employees involved in a co-constructive approach (70 workshops; more than 75 visits and interviews; 850 Europcar customers consulted, etc.);
- new operating procedures implemented: review of Customer Relationship services; appointment of "Customer Satisfaction champions" in the Group's various territories, and implementation of variables indexed on customer satisfaction for employees; introduction of new mobile applications; review of digital pathways in stations, etc.
- tools introduced to facilitate the development of employee agility and responsiveness: the CRM tool, SalesForce; chatbots; post-contact customer satisfaction surveys, etc.

4.6.2.3 Source responsibly

Favor local suppliers and sub-contractors

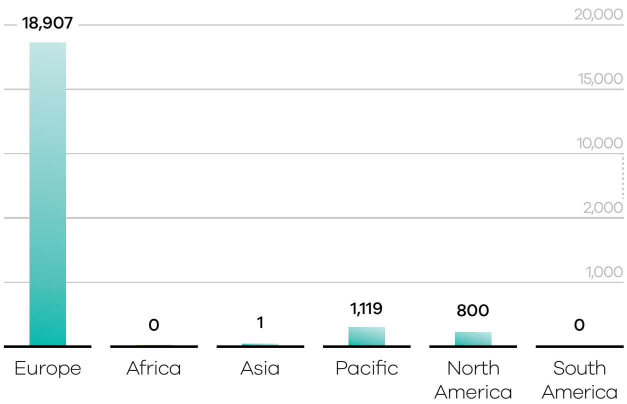
Purchases constitute one of the key vectors for Europcar Mobility Group to achieve its strategic objectives and in the quality of mobility solutions offered by the Group. The Group is committed to maintaining stable relationships with suppliers wherever it operates. It achieves this by promoting dialogue and by regularly assessing the proportion of the supplier's revenue from the Group to avoid any dependency risk.

Europcar Mobility Group has organized its purchases into two broad categories. On the one hand, the Fleet management Department manages vehicle purchases from recognized manufacturers as well as the expenses related to putting them in service (registration, insurance, etc.). These aspects are addressed in Chapter 1, Section 1.6.6.

On the other hand, the Group Purchasing Department, through its network of Group buyers and local buyers in each of the Corporate Countries, meets current purchasing requirements and fulfills the operational needs associated with vehicle maintenance and care throughout the network of stations. They concentrate a large portion of the potential risk factors related to Europcar Mobility Group's supply chain. A dedicated policy has been formalized for these risk factors.

By the nature of its business, Europcar Mobility Group makes the vast bulk of its non-fleet purchases (96% of its suppliers) in the geographical regions where it operates, making it a major provider of local employment. Few purchases are made outside the Group's direct operations: No purchases are made in South America, and only 0.52% are made in Asia, thereby limiting the potential social risks associated with those regions.

NUMBER OF DIRECT SUPPLIERS PER GEOGRAPHICAL ZONE



Non-fleet purchases represent approximately one fourth the Group's annual consolidated revenue. Many of the Group's suppliers are under contract (close to 20,827 at December 31, 2020). Selecting local suppliers is part of the Group's CSR policy: from an economic and social point of view, prioritizing short-circuit supply chains allows the Group to create value with our local stakeholders, and from an environmental point of view, to contribute to reducing transport-related GHG emissions.

Responsible purchasing policy

The Group wants to be a creator of shared value with its commercial partners by focusing particular attention on their appreciation of the social and environmental aspects and issues in their businesses. Europcar Mobility Group is fully aware of the many regulatory and legal changes to which it must respond, and takes immediate action to comply with them.

The Group began a review of its responsible purchasing policy in 2020, with input from its Group Purchasing Department and its CSR Department. This exercise will also be expanded to the Fleet this year.. Beyond meeting its legal and regulatory obligations, the objective of this approach is to anticipate and minimize the risks that can arise in the Europcar Mobility Group value chain and to assist suppliers to move to better consideration of the CSR criteria in their practices and offers.

In all of its contracts, the Group includes a clause on compliance with the principles described in its Code of Ethics. This is a set of ethical, concrete and detailed principles that define the professional behaviors expected from all Group stakeholders. These measures and the actions implemented are described in greater detail in Sections 2.7 "Ethics and Compliance Program" and 2.8.1 "General organization of internal control".

4.6.2.4 Exercise a duty of care

As an extension of the responsible purchasing policy, Europcar Mobility Group implements actions and initiatives to comply with its obligations in respect of companies' duty of care (law No. 2017-399) as part of a continuous improvement process.

As part of its regulatory watch operations, the mapping of purchasing risks was updated in 2020, highlighting the principal processes in place to manage them and the progress points to be implemented this year (see Section 4.2 – Principal non-financial risks and challenges of the Group).

An invitation to tender was issued in 2020 for the acquisition of a Group-wide tool to digitize our duty-of-care, supplier surveillance and compliance processes (at December 31, 2020, no supplier audits reporting CSR issues were forwarded by the Group's subsidiaries ★).

Lastly, new suppliers continue to be added to the Group's Approved Supplier List, which was established in 2020. All suppliers in the list are subject to due diligence audits.

The Group's P2P (Purchase to Payment) purchasing processes are currently being reviewed with a view to standardizing them across the Group.

Further to the launch of the *Product & Tech Transformation* program to accelerate the integration of multiple information systems into a single standardized system, a study is now being conducted to assess the feasibility of introducing a single purchasing management tool within the Group.

As mentioned above, the Group systematically includes its "Code of Ethics & Commitments" statement with invitations to tender and supplier agreements. Finally, depending on the type of service, a specific clause is included in contracts to inform suppliers of the Group's CSR requirements.

A whistle-blowing mechanism is also being rolled out across the Group.

4.6.2.5 Combat corruption

The fight against corruption is also a Group priority. This work, which is in line with the Group's compliance program, enabled Europcar Mobility Group to build a set of rules and formalize a specific organization to anticipate and effectively combat all forms of corruption. To facilitate their dissemination, the Group has created a dedicated intranet space for all employees, starting with its management bodies (Top 100 managers) at the end of 2018.

In addition to its Compliance program and anti-corruption Guide, Europcar Mobility Group oversees, through the Group Internal Audit Department, identification and fraud prevention procedures across the entire scope of its business.

These measures and the actions implemented are described in greater detail in Sections 2.7 "Ethics and Compliance Program" and 2.8.1 "General organization of internal control".

4.6.2.6 Share our business ethics

Europcar Mobility Group intends to promote business ethics in all the stages of its value chain and in all its commercial (customer, supplier, franchisee, BtoB customer) and social (employee) relationships. Accordingly, the Group has thus developed an "Ethics program" (or "Compliance program") supported by a dedicated organizational structure (composed of Compliance officers and a Compliance Committee) and a multi-annual action plan. These procedures are described in detail in Section 2.7-"Ethics and Compliance Program" of this Universal Registration Document.

In 2016, the Group published its commitments through the communication of its Code of Ethics & Commitments, which is available online to ensure uniformity and consistency among the practices of its employees, suppliers and franchisees and the Europcar Mobility Group's expectations regarding business ethics.

Forty-eight (48) commitments and 12 objectives are listed in this documents, which formalizes the Group's requirements. These commitments and objectives relate, in particular, to compliance with national and international regulations and laws, respect for human dignity and Human Rights, protection of the health and safety of its employees, preservation of the environment, protection of personal data, the fight against conflicts of interest, and support for all internal and external initiatives that promote social and environmental progress. These key principles are based on a certain number of laws and international references, such as the Universal Declaration on Human Rights, international labor conventions (Nos. 29, 87, 105 and 138, among others), the United Nations Global Compact, and the OECD directives for multinational companies.

An anti-bribery guide has been prepared in addition to the "Code of Ethics & Commitments" to make all Group employees aware of anti-corruption issues.

At end-2017, a whistle-blowing procedure was added to this arsenal, enabling employees to anonymously report any practices that might be a violation of the law or the Group's principles. Its roll-out was completed at the end of 2020. This program enables the Group to comply with the French anti-corruption requirements of the Sapin 2 law.

The Group also takes its tax obligations very seriously, including matters relating to the fight against tax evasion.

Lastly, where the protection of personal data is concerned, Europcar Mobility Group has embarked upon a process to achieve compliance with the European General Data Protection regulation (GDPR), and has now appointed a Group Data Protection officer and introduced a governance structure and procedures relating to the protection of data. A dedicated e-learning program was launched to train Group employees on the issues at stake and associated aspects.

4.7 CROSS-REFERENCE TABLE OF SPECIFIC INFORMATION EXPECTED IN THE STATEMENT OF NON-FINANCIAL PERFORMANCE

The reporting indicators shown in this Chapter correspond to the issues and risks identified under the law on Non-Financial Performance Reporting (DPEF – law No. 2018-898). They also allow the Group to demonstrate its commitment to the Ten Principles (Pr.) and Sustainable Development Goals (SDG) of the United Nations Global Compact relevant to Europcar Mobility Group.

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
General information on Europcar			**102-1**	**6.1**
Name, legal form, location			102-2 102-3 102-4 102-5	
Business model and presentation of activities	**4.1.1**		**102-2**	**4.1.1**
Products, services, brands, markets	4.1.1		102-6 102-7 102-9 102-10	1.3 1.4 1.6
Declaration of the highest executive body			**102-14**	
Corporate Social Responsibility policy			**102-15**	**4.1.2**
Materiality analysis			**102-21**	**4.2.1**
Mapping of non-financial risks	**4.2.2**			
Social consequences of the activity	**4.4**		**102-8**	**4.4**
Attract talents, develop them and support employees' career paths	4.4.2.4	SDG 4		SDG 8
Involve employees in the Company's performance through employee shareholding	4.2.2			
Implement dynamic Human Resource Management practices	4.4.2.1	SDG 5 SDG 8 SDG 10		
Values Program	4.4.2.5			
Develop a labor policy to promote dialogue	4.4.2.2	SDG 5 SDG 8 SDG 10		
Make diversity an accelerator of the Group's transformation	4.4.2.3	SDG 5		
Social information: key performance indicators (★) and other social data				
Employment				4.4.2.1
Total workforce and breakdown of employees ★			102-7 102-8 401-1	4.4.2.1
Hires and departures			202-2 401-1	4.4.2.4

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Compensation and change			102-35 102-36 102-38 102-39	4.4.2.2
Management of human resources		Pr.4		4.4.2.1
Working time organization				4.4.2.1
Absenteeism			403-2	4.4.2.2
Employee share ownership				4.2.2
Portion of share capital held by employees ★	4.2.2			4.2.2
Employee Relations			402-1	4.4.2.2
Organization of labor relations		Pr.3	402-1	4.4.2.2
Overview of the collective bargaining agreements	4.4.2.2		403-4	4.4.2.2
Proportion of employees represented by the European Works Council ★	4.4.2.2			4.4.2.2
Health and safety				
Health and safety conditions at work			403-2	4.4.2.2
Summary of the agreements signed relating to health and safety at work	4.4.2.2			4.4.2.2
Work-related accidents and occupational illnesses	4.4.2.2		403-2 403-3	4.4.2.2
Frequency rate of work-related accidents ★	4.4.2.2			4.4.2.2
Training		SDG 4		4.4.2.4
Percentage of employees trained ★	4.4.2.4			
Training policies			102-27 404-2 404-3	4.4.2.4
Total number of training hours			404-1	4.4.2.4
Equal treatment		Pr.6		4.4.2.3
Measures taken to promote gender equality	4.4.2.3	SDG 5	401-3 405-1	4.4.2.3
Measures taken to promote employment and inclusion of disabled persons	4.4.2.3	SDG 10	405-1	4.4.2.3
Anti-discrimination policy	4.4.2.3	SDG 5	405-1 406-1	4.4.2.3
Promotion and respect for the provisions of the ILO's fundamental conventions		Pr.1 and 4 SDG 8		4.4.2.3
Respect for the freedom of association and right to collective bargaining			407-1	4.4.2.2
Elimination of discrimination in matters of employment and occupation		SDG 5	406-1	4.4.2.3
Elimination of forced or compulsory labor			409-1	N/A. See Note on metho-dology
Effective abolition of child labor			408-1	N/A. See Note on metho-dology

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Environmental consequences of the activity				
Implement a full range of actions to reduce the Group's carbon footprint	4.5.2.2	SDG 11 SDG 13 SDG 17		
Group actions as regards environmental responsibility	4.5.2	SDG 6 SDG 11 SDG 13 SDG 17		
Develop responsible resource management	4.5.2.2	SDG 6 SDG 13		4.5.2.2
Environmental information: key performance indicators (★) and other environmental data				
General Environmental Policy	4.5.1	Pr.7 to 9 SDG 13	102-14	4.5.1
Company organization to take environmental questions into account	4.5.2.2			4.5.2.2
Training and information regarding environmental protection	4.5.2.2			4.5.2.2
Resources dedicated to environmental risk and pollution prevention				4.5.2.2
Amount of environmental risk provisions and guarantees			201-2	4.5.2.2
Proportion of operating subsidiaries ★hat have embarked upon ISO 14001 certification	4.5.2.2			4.5.2.2
Pollution and Waste Management				
Prevention, reduction or remediation measures for air, water, and soil discharges severely affecting the environment	4.5.2.2		306-3	4.5.2.2
Average age of vehicles put on the market ★	4.6.2.1			4.6.2.1
Proportion of hybrid and electric vehicles purchased during the year ★	4.5.2.2			4.5.2.2
Number of kilometers covered by hybrid and electric vehicles during the year ★	4.5.2.2			4.5.2.2
Prevention measures, recycling and waste elimination			306-2 306-3 306-4	4.5.2.2
Taking noise pollution and any other form of pollution specific to an activity into account				N/A. See Note on metho-dology
Sustainable Use of Resources				
Water consumption and water supply depending on local constraints	4.5.2.2	SDG 6	303-1 303-3 306-1 306-3 306-5	4.5.2.2
Consumption of raw materials and measures taken to improve the efficiency of their use			301-1 301-2	N/A. See Note on metho-dology
Energy consumption, the measures taken to improve energy efficiency and use of renewable energy			302-1 302-2 302-4 302-5	4.5.2.2

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Ground use			304-1	4.5.2.2
Proportion of vehicles washed without no water and no move ★				4.5.2.2
Climate change	4.5.2	SDG 11 SDG 13		4.5.2
Greenhouse gas emissions ★	4.5.2.1		305-1 305-2 305-3 305-5	4.5.2.1
Vehicles' average CO_2 emissions per km ★	4.5.2.2			
Adapting to the consequences of climate change				N/A. See Note on metho-dology
Protection of Biodiversity				
Measures taken to protect and increase biodiversity			304-1 304-2 304-3 304-4 306-5	N/A. See Note on metho-dology
Respect for Human Rights, combating corruption, and customer satisfaction	**4.6**			
Responsible purchasing policy	4.6.2.3	SDG 8		
Exercise a duty of care	4.6.2.4	SDG 8		
Promote business ethics	4.6.2.6	SDG 8		
Combat corruption	4.6.2.5	SDG 8		
Offer a broad variety of mobility solutions that are alternatives to individual car ownership	4.3.2.1	SDG 11 SDG 13		
Propose a service that complies with the highest safety standards	4.6.2.1			
Ensure the accessibility of our offers regardless of our customers' needs or budget	4.3.2.2	SDG 10 SDG 17		
Target a high level of customer satisfaction	4.6.2.2			
Societal information: key performance indicators ★ and other societal data				
Territorial, economic and social impacts of the Company's activity			204-1 413-1	4.4.2.1 4.6.2.3
Regarding employment and regional development			413-1	4.4.2.1 4.6.2.3
On neighboring or local populations				4.4.2.1 4.6.2.3
Relationships maintained with persons or organizations interested in the Company's activity				
Conditions for dialogue with these persons or organizations	4.6.2.2		102-21 102-43	4.6.2.2
Partnership or sponsorship initiatives	4.3.2.2		203-1	4.3.2.2
Sub-contractors and suppliers				

	Statement of Non-Financial Performance (SNFP)	Global Compact Principles (Pr.)/ Sustainable Development Goals (SDGs)	GRI	Section
Taking account of social and environmental issues in the purchasing policy	4.6.2.3	Pr.1, 2 and 5 SDG 8	308-2 408-1 412-1 414-1 414-2	4.6.2.3
Importance of sub-contractors and consideration of suppliers' and sub-contractors' corporate social responsibility (CSR)	4.6.2.3		102-9 308-1 308-2 408-1 412-1 414-1 414-4	4.6.2.3
Proportion of audited suppliers incorporating CSR issues ★	4.6.2.4			4.6.2.4
Fair trade practices				
Action taken to prevent corruption	4.6.2.5	Pr.10	102-16 102-17 205-1 205-2 205-3	4.6.2.5
Customer safety and protection measures	4.6.2.1		102-2 416-1	4.6.2.1
Combating tax evasion	4.6.2.6			4.6.2.6
Customer satisfaction				
Net Promoter Score (NPS) ★	4.6.2.2			4.6.2.2
Catalog of mobility solutions ★	4.3.2.1			4.3.2.1
Catalog of marketing offers ★	4.3.2.1			4.3.2.1

4.8 METHODOLOGICAL NOTE

Period and Scope of the CSR Reporting

The CSR Reporting period is the 2020 calendar year 2020 (from January 1, 2020 to December 31, 2020).

For information purposes, in this Chapter, and unless otherwise indicated, 2020 figures are for Corporate Countries held between January 1, 2020 and December 31, 2020.

The scope of the CSR reporting covers the Holding companies, the Shared Services Center and the operational subsidiaries: Corporate Countries (France, Germany, United Kingdom, Italy, Spain, Portugal, Belgium, Ireland, Denmark, Finland, Norway, Luxembourg, Australia and New Zealand) as well as the Goldcar, Ubeeqo and Buchbinder.

E-Car and Brunel services are included in Europcar Mobility Group United Kingdom.

The published data are consolidated at Group level, apart from the data on workforce distribution by country. They do not include the franchisee networks.

Note:

- the scope of publication is not exhaustive for all indicators, in particular for key performance indicators;
- the fleet indicators cover 94.6% of the vehicles purchased in 2020, with the exclusion of Buchbinder;
- the scope of coverage of social and environmental information is specified in the Statement of Non-Financial Performance.

Organization of the CSR reporting campaign

The organization of the CSR reporting campaign is detailed in a protocol showing all the processes and methodologies of the CSR reporting campaign. This protocol was distributed to each contributor in the form of an explanatory document and presented at a kick-off meeting.

Data collection

CSR reporting is organized and coordinated by the Group Head of CSR in collaboration with the CSR correspondents of the holding companies and the Corporate Countries. At the level of each subsidiary, data collection is managed by the responsible teams, and mainly concerns Human Resources, Operations, Fleet and Management Audit teams.

Collection tool

To collect and consolidate the data, and ensure the traceability of the data and processes, Europcar Mobility Group used Sirsa's online non-financial information collection software, Reporting 21. This software was rolled out across all the entities subject to CSR Reporting requirements, and has helped around a hundred contributors to input CSR Reporting data.

Audit and consolidation of the data

Internally

In each entity, data are checked by the teams responsible for reporting the information. Automatic consistency checks are carried out by the collection software and then manually by the team charged with analyzing and consolidating data at Group level: comparing data between countries, comparing against historical data, localized control ratios (such as on the price of resources). Checks are also carried out by both head office teams and by service provider SIRSA, throughout the campaign and at each key stage. This verification work entails numerous exchanges with the Corporate Countries to ensure the consistency and robustness of the information communicated.

Verification of the data by an independent third party organization

Mazars, one of the Company's Statutory Auditors, has been appointed as Independent Third-Party by Europcar Mobility Group to issue a report on the Statement of Non-Financial Performance published in the management report presented in this Universal Registration Document pursuant to the law on Non-Financial Performance Reporting (DPEF in French; law No. 2018-898).

Choice of indicators

To produce its CSR reports, Europcar Mobility Group has defined a list of indicators based on its main risks and opportunities.

This list contains quantitative and qualitative indicators, broken down into five major categories: Environment, Fleet, Social, Societal and Supply Chain. As such, all the Group's material issues in terms of compliance and dialog with stakeholders are covered, and baseline information can be collected in order to define and steer a CSR strategy.

With respect to combating corruption, the key performance indicator is not available for 2019 and 2020 as the employee situation made it difficult to implement the program effectively. Nevertheless, a positive step has been taken within Europcar Mobility Group with the appointment of a Group Compliance officer at the end of 2019 to implement a multi-year compliance program.

Coverage rate

Given the decentralized structure of the Group (more than 1,900 stations in eighteen Corporate Countries), data collection and standardization is a complex exercise.

To consolidate the data and communicate unbiased information, the Group has introduced the concept of coverage rate in its CSR Reporting. This concept enables data to be consolidated solely across the scope where they are available, indicator by indicator, and allows entities (mainly stations) to be excluded from an indicator where the data is not available or not homogenous with the rest of the Group.

- the coverage rate is calculated for all the indicators in the social, environment and supply chain categories, based on the reference indicators:
  - permanent and non-permanent headcounts at December 31, 2020, for the social indicator,
  - total number of rentals during the year, for the environment indicator,
  - total purchasing volume during the year, or the supply chain category.

For each indicator in these categories, the contributors provided the scope actually covered by the indicator's value, and the value consolidated at Group level is therefore shown with the exact consolidated coverage rate for each indicator.

For the Chapter as a whole, the coverage rates of the social and environmental information are presented in detail in the Statement of Non-Financial Performance. All non-financial KPIs are included in the scope of consolidation.

Notes on methodology and main limiting factors

The entities within the scope of CSR Reporting are in countries with substantially different laws and practices.

The choice of indicators and their definitions are discussed upstream with the different contributors from the various entities to produce indicators that are as closely tailored as possible to circumstances on the ground.

Notes on the definitions of certain indicators

- Unlike the workforce productivity data monitored by the Group, the workforce data in the CSR reports includes employees on long-term leave;
- the absenteeism rate does not include employees on maternity and paternity leave;
- the energy and water indicators do not include consumption for vehicle washing by external service providers;
- training indicators include employees who left the company during the year;
- the key performance indicator, "average age of vehicles" was renamed "average vehicle holding duration" for clarification purposes.

Notes on the greenhouse gas emissions footprint

The GHG emission assessment is an update of the assessment drawn up by the specialist consultancy firm, Quantis, and now has been automated in Reporting 21. It was produced based on available data collected during the 2020 CSR reporting campaign. No extrapolation has been performed.

For scopes 1 and 2, which cover only consumed energy and fuel, the coverage rate ranges from 78% to 87%.

For scope 3, the coverage rate ranges from 59% to 97%.

Compared to 2019, the Group has reduced its global carbon footprint. This is linked to three major factors:

- the reduction in the number of kilometers traveled and in associated fuel usage;
- a change in the way journeys are calculated; journeys are now calculated using actual data, whereas in the past estimations were used;
- reductions in energy consumption.

For CO_2 emissions, the Group's internal consumption of energy (mainly electricity and gas) and fuel (diesel and gasoline) were considered. Carbon emission factors specific to each country were applied for electricity consumption, and identical factors were applied for other items. When available, the emission factors used come from the ADEME (French Environment and Energy Management Agency) database. The other emission factors come from *CO_2 Emissions from Fuel Combustion*, © OECD/IEA, 2015 (marginal).

In the absence of details on the type of renewable energies used by the Group, the most penalizing emissions factor among the renewable energy emissions factors has been used, namely the emissions factor related to solar power production.

Notes on the exclusion of certain data required by the law on the statement of non-financial performance

- in view of its activity as a vehicle rental and mobility solutions provider, Europcar Mobility Group has excluded the indicators and data relating to:
  - the circular economy,
  - the fight against food waste,
  - the fight against food insecurity, respect for animal welfare, and responsible, fair and sustainable food.

4.9 REPORT BY THE INDEPENDENT THIRD PARTY (ITP)

Report by the Independent Third Party on the consolidated statement of non-financial performance included in the management report

Year ended December 31, 2020

To the shareholders,

In our capacity as an independent third-party, a member of the Mazars network, and Statutory Auditor of the financial statements of Europcar Mobility Group, accredited by COFRAC Inspection under number 3-1058 (scope of accreditation available on the website www.cofrac.fr), we are submitting to you our report on the Statement of Non-Financial Performance for the year ended December 31, 2020 (hereinafter the "Statement"), presented in the management report pursuant to the legal and regulatory provisions of Articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code.

Company's responsibility

The Board of Directors is responsible for issuing a Statement in accordance with the legal and regulatory provisions that includes a presentation of the business model, a description of the main non-financial risks, a presentation of the policies applied with regard to these risks and the results of these policies, including key performance indicators.

The Statement was prepared by applying the Company's procedures (hereinafter the "Guidelines"), the significant elements of which are presented in the statement and available on request at the Company's head office.

Independence and quality control

Our independence is defined by the provisions of Article L. 822-11-3 of the French Commercial Code and the profession's Code of Ethics. Furthermore, we have implemented a quality control system that includes documented policies and procedures aimed at ensuring compliance with ethical rules, professional standards and applicable regulations and legislation.

Responsibility of the Independent Third Party

Based on our work, our role is to formulate a reasoned opinion expressing moderate assurance as to:

- the Statement's compliance with the provisions of Article R. 225-105 of the French Commercial Code;
- the truthfulness and fairness of the information provided in application of paragraph 3 of Sections I and II of Article R. 225-105 of the French Commercial Code, namely the results of the policies, including key performance indicators, and the actions in respect of the main risks (hereinafter the "Information").

However, we are not responsible for giving an opinion on the Company's compliance with any other applicable legal and regulatory provisions, particularly those concerning the combating of corruption and tax evasion, or the conformity of products and services with applicable regulations.

Nature and scope of our work

Our work as described hereunder was carried out in accordance with the provisions of Articles A. 225-1 et seq. of the French Commercial Code, the professional standards of the National Association of Statutory Auditors regarding this type of assignment, and the ISAE 3000 international standard[1]:

- we reviewed the operations of all the entities within the scope of consolidation, as well as the statement on the main risks;
- we assessed the appropriateness of the Guidelines as regards their relevance, exhaustiveness, reliability, neutrality and comprehensibility, taking into account, where applicable, best practices in the sector;
- we ascertained that the Statement covers each category of information as provided for in Section III of Article L. 225-102-1 on social and environmental matters, as well as the information provided for in Subparagraph 2 of Article L. 22-10-36 on the respect of Human Rights and the fight against corruption and tax evasion;
- we ascertained that the Statement contains the information provided for in paragraph II of Article R. 225-105, when such information is relevant in light of the main risks, and contains, where applicable, an explanation as to why the information required under subparagraph 2 of paragraph III of Article L. 225-102-1 is absent;
- we ascertained that the Statement presents the business model and a description of the main risks associated with the operations of all the entities within the scope of consolidation, including, where relevant and proportionate, the risks engendered by business relations, products or services, and policies, actions and results, including key performance indicators;

(1) ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

- we have consulted supporting documents and conducted interviews to:
  - assess the procedures for selecting and validating the main risks, and the consistency of the results, including the key performance indicators used with regard to the main risks and policies presented, and
  - corroborate the qualitative information (actions and results) presented in Appendix 1 that we considered the most important. For certain risks (fight against corruption and fraud, the Group's corporate culture and ownership of the Group's strategy, suppliers and supply chain, and customers' new practices and expectations), we focused our attention on the consolidating entity. For the other risks, attention was focused on the consolidating entity and a selection of entities[1];
- we ascertained that the Statement covers the consolidated scope, i.e. all the companies included in the scope of consolidation pursuant to Article L. 233-16 of the French Commercial Code, with the limits specified in the Statement;
- we reviewed the internal control and risk management procedures implemented by the entity, and assessed the collection procedure that was implemented to ensure the completeness and veracity of the Information;
- for the key performance indicators and the other quantitative results that we considered to be the most significant[2], we implemented:
  - analytical procedures to ascertain the accurate consolidation of collected data and the consistency of changes to them,
  - detailed sampling tests to ascertain the proper application of definitions and procedures, and to reconcile data with supporting documents. This work was conducted with a selection of contributing entities[3] and covers between 29% and 100% of the consolidated data selected for these tests;
- we assessed the overall consistency of the Statement with regard to our knowledge of all the entities within the scope of consolidation.

We consider that the work we performed using our professional judgment allows us to formulate a conclusion of moderate assurance; a higher level of assurance would have required more extensive verification work.

Means and resources

Our work required the skills of seven people, and was performed from October 2020 to February 2021, over a total duration of four weeks.

We conducted four interviews with the individuals responsible for preparing the Statement, and notably from the Communications & CSR, Risks, and Compliance departments.

Conclusion

Based on our work, we did not observe any significant misstatement that causes us to believe that the Statement of Non-Financial Performance does not comply with the applicable regulatory provisions, or that the Information, taken as a whole, is not presented in a true and fair manner, in accordance with the Guidelines.

Comments

Without qualifying the conclusion expressed above, and pursuant to the provisions of Article A. 225-3 of the French Commercial Code, we draw attention to the following comments:

- the scope of publication is not homogeneous for all key performance indicators, since certain site or country data are excluded, which impacts, among other things, the comparability of data. This is notably the case for Buchbinder, for which certain indicators are not available. The scope of publication of the key social performance indicators covers between 85% and 100% of the Group's total workforce at December 31, 2020. The scope of the key environmental performance indicators covers between 78% and 87% of the Group's rentals. The scope of the key fleet performance indicators covers 95% of the vehicles purchased in 2020. Differences in scope are explained, indicator by indicator, in the Statement;
- in the Group's compliance and anti-corruption program, the performance indicators still need to be defined.

Paris-La Défense, on 02/04/2021
The Independent Third Party
Mazars S.A.S.

Isabelle MASSA Associate	Edwige REY Partner, CSR & Sustainable Development

(1) See Appendix 1.
(2) See Appendix 1.
(3) See Appendix 1.

Appendix 1: most relevant information

Qualitative information (initiatives and results) related to main risks

- climate change and air emissions;
- environmental footprint and regulatory compliance;
- human resources and talent management;
- corporate culture and ownership of the Group's strategy;
- suppliers and supply chain;
- combating corruption and fraud;
- new customer practices and expectations.

Quantitative indicators including key performance indicators

Themes	Key performance indicators and other information	Audited scope
Fleet	Proportion of hybrid and electric vehicles purchased during the year	Europcar France Europcar UK Goldcar Spain, Italy, France, Portugal and New Zealand Buchbinder
	Number of kilometers covered by hybrid, plug-in hybrid and electric vehicles during the year	
	Average CO_2 emissions per km (sold during the year)	
	Proportion of vehicles washed without no water and no move	
Environment	Greenhouse Gas emissions generated by energy fuel consumption	Europcar France Europcar UK Goldcar Spain, Italy, France, Portugal and New Zealand Buchbinder
	Number of Corporate Countries that have initiated ISO 14001 certification	Group
HR	Total workforce and breakdown of M/F employees	Europcar France Europcar UK Goldcar Spain, Italy, France, Portugal and New Zealand Buchbinder
	Hires and departures	
	Frequency rate of work-related accidents	
	Proportion of employees represented by the European Works Council	Group
Societal	Proportion of suppliers audited including CSR issues	Group

5

CORPORATE GOVERNANCE

Part of this Chapter corresponds to the Board of Directors' report on Corporate Governance as set out in Article L. 225-37 of the French Commercial Code (see Chapter 7.6 of this Universal Registration Document "Concordance table with the annual financial report and the management report") and includes in particular information relating to the composition of the Board and conditions for the preparation and organization of its work, the organization of governance and the compensation policy for corporate officers.

It is reminded that during 2020 the Company was a joint stock company (French *société anonyme*) with Supervisory Board and Management Board.

The Combined Shareholders' Meeting of January 20, 2021 concerning the implementation of the Safeguard Plan approved the establishment of a new form of governance, implemented on February 26, 2021. Since that date, the Company has been a joint stock company under French law (*société anonyme*) with a Board of Directors governed by Articles L. 225-17 to L. 225-56 and Articles L. 22-10-1 to L. 22-10-78 of the French Commercial Code, in place of the previous structure with a Management Board and Supervisory Board.

The purpose of this Chapter is to present the new governance established on February 26, 2021 as a result of the Safeguard Plan, as well as the governance which the Company applied in 2020.

Presentation of changes that occurred in 2020 and up to the date of this document

Effective date	Changes
General Meeting of June 12, 2020	Expiration of the term of office of Amandine Ayrem on the Supervisory Board
	Expiration of the term of office of Kristin Neumann on the Supervisory Board
	Appointment of Martine Gerow as a member of the Supervisory Board for a four-year term that expires at the end of the Annual General Meeting called in 2024 to approve the financial statements for the fiscal year ended December 2023
	Appointment of Sophie Flak as a member of the Supervisory Board for a four-year term that expires at the end of the Annual General Meeting called in 2024 to approve the financial statements for the fiscal year ended December 2023
June 17, 2020	Resignation of Albéric Chopelin from his seat on the Management Board on June 17, 2020, and accepted by the Board of Directors at its meeting of July 1, 2020
Supervisory Board meeting of August 28, 2020	Acknowledgment by the Supervisory Board on August 28, 2020 of the appointment of Alessandro Ricciotti by the European Works Council, at its meeting of July 29, 2020, as a member of the Supervisory Board of the Company representing the employees, for a term of office of four years that expires at the end of the Annual General Meeting called in 2024 to approve the financial statements for fiscal year 2023
	Resignation of Eric Schaeffer from the Supervisory Board
	Cooptation of Mr. Antonin Marcus as a member of the Supervisory Board to replace Mr. Eric Schaeffer for the remainder of Mr. Eric Schaeffer's term of office, i.e. until the end of the Shareholders' Ordinary General Meeting called in 2022 to approve the financial statements for fiscal year 2021
General Meeting of January 20, 2021	Approval of the cooptation of Antonin Marcus as a member of the Supervisory Board
	Modification of the structure of the company by adoption of the form of a joint stock company (French société anonyme) with Board of Directors
	Appointment of Jean-Paul Bailly to serve as Director
	Appointment of Caroline Parot to serve as Director
	Appointment of Virginie Fauvel to serve as Director
	Appointment of Martine Gerow to serve as Director
	Appointment of Carl Leaver to serve as Director
	Appointment of Paul Copley to serve as Director

Effective date	Changes
Board of Directors' meeting of February 26, 2021	End of the terms of office of the members of the Supervisory Board
	Acknowledgment of the resignation of Jean-Paul Bailly as a member of the Board of Directors
	Acknowledgment of the resignation of Paul Copley as a member of the Board of Directors
	Cooptation of Mr. Alexandre de Juniac as a director, to replace Mr. Jean-Paul Bailly, for the remainder of Mr. Jean-Paul Bailly's term of office, i.e., until the end of the Shareholders' Ordinary General Meeting called in 2022 to approve the financial statements for fiscal year 2021
	Cooptation of Mr. Simon Franks as a director, to replace Mr. Paul Copley, for the remainder of Mr. Paul Copley's term of office, i.e. until the end of the Shareholders' Ordinary General Meeting called in 2025 to approve the financial statements for fiscal year 2024
	Due notice by the Board of Directors of the appointment of Adèle Mofiro by the European Works Council, at its meeting of February 11, 2021, as a member of the Supervisory Board of the Company representing the employees, for a term of office of four years that expires at the end of the Annual General Meeting called in 2025 to approve the financial statements for fiscal year 2024
	Appointment of Alexandre de Juniac as Chairman of the Board of Directors
	Appointment of Caroline Parot to serve as Chief Executive Officer
	Appointment of Fabrizio Ruggiero as Deputy Chief Executive Officer

5.1 PRESENTATION OF GOVERNANCE AS AT THE DATE OF THIS DOCUMENT

5.1.1 Board of Directors and Committees

Summary presentation of the members of the Board of Directors and its Committees

	Personal Information				Experience	Position on the Board				
	Age	Gender [5]	Nationality	Number of shares	Number of offices in listed companies	Independence	Initial date of appointment as Director	End of term of office	Seniority on the Board	Participation in Committees
Alexandre de Juniac	58 years	M	French	0	3	✓	02/26/2021	2021 Financial Statements	0	✓
Caroline Parot	49 years	F	French	149,057	2	Chief Executive Officer	01/20/2021	2022 Financial Statements	0 [1]	✓
Virginie Fauvel	46 years	F	French	500	3	✓	01/20/2021	2022 Financial Statements	0 [2]	✓
Martine Gerow	60 years	F	French and American	500	1	✓	01/20/2021	2023 Financial Statements	0 [3]	✓
Carl Leaver	53 years	M	British	0	1	No	01/20/2021	2024 Financial Statements	0	✓
Simon Franks	49 years	M	British	0	1	No	02/26/2021	2024 Financial Statements	0	✓
Adèle Mofiro	53 years	F	French	0	0	No	02/26/2021	2024 Financial Statements	0 [4]	✓

(1) Ms. Caroline Parot joined the Group in 2011, and was appointed Chief Executive Officer of the Company for the first time on July 22, 2016. At the General Meeting on January 20, 2021, she was appointed as a member of the Board of Directors, before being reappointed Chief Executive Officer by the Board of Directors on February 26, 2021.
(2) Ms. Virginie Fauvel was appointed for the first time at the General Meeting of February 24, 2015 as member of the Supervisory Board.
(3) Ms. Martine Gerow was appointed for the first time at the General Meeting of June 12, 2020 as member of the Supervisory Board.
(4) Adèle Mofiro was first appointed as a member of the Supervisory Board representing employees during the meeting of the European Works Council held at the end of 2018. This appointment was noted by the Supervisory Board during its December 21, 2018 meeting.
(5) This is a presentation of the balanced representation between women and men.

The separation of the offices of Chairman of the Board of Directors and Chief Executive Officer

The Board of Directors decided on February 26, 2021 to separate the offices of the Chairman of the Board of Directors and Chief Executive Officer of the Company.

As a result, in addition to the appointment of Ms. Caroline Parot to serve as Chief Executive Officer and Mr. Fabrizio Ruggiero to serve as Deputy Chief Executive Officer, Mr. Alexandre de Juniac was appointed Chairman of the Company's Board of Directors. Article 13 of the Company's by-laws defines the appointment procedures and the powers of the Chairman of the Board of Directors. The Chairman of the Board chairs the meeting of the Board of Directors and establishes its agenda. He or she organizes and directs the work of the Board and reports that work to the Shareholders' Meeting. The Chairman ensures the correct operation of the Company's bodies and ensures that the Directors are able to perform their mission.

A Board of Directors composed of seven members with balanced representation by women and men

The Combined Shareholders' Meeting of January 20, 2021 approved the appointment of the following persons to be members of the Board of Directors. Article 12 of the Company's by-laws defines and specifies the composition and operation of the Board of Directors. On the date of this document, the Company's Board of Directors is composed of three women and three men, excluding the member representing the employees:

- Independent members: Mr. Alexandre de Juniac, Ms. Virginie Fauvel, Ms. Martine Gerow;
- Chief Executive Officer: Caroline Parot;
- Directors representing certain shareholders: Carl Leaver, Simon Franks;
- Member representing employees: Adèle Mofiro.

Profile, experience and expertise of Board members

Age and nationality
58 years – French

Business address
13 *ter* boulevard
Berthier, 75017 Paris

Date of appointment
Board of Directors' meeting of
February 26, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2021

Number of shares held directly in the Company
0

MR. ALEXANDRE DE JUNIAC (INDEPENDENT MEMBER)

Chairman of the Board of Directors
Chairman of the Strategic Committee and the Compensation and Nominations Committee
Member of the Audit Committee

Positions and offices held

Offices and positions currently held outside companies controlled (1) by the Company

- Director of Edenred (2)
- Director of Arkema (2)

Other positions and offices held over the last five years

- Chairman and Chief Executive Officer of Air France KLM from 2013 to 2016
- Member of the Supervisory Board of Vivendi from 2013 to 2017

Management experience

- Alexandre de Juniac is a graduate of the École Polytechnique de Paris and of the École Nationale de l'Administration (ENA).
- Alexandre de Juniac started his career with the French Council of State between 1988 and 1993, where he successively held the positions of Auditor, Legal Adviser and then Deputy Secretary-General. Between 1993 and 1995, he was Technical Adviser and then Deputy Director to the Office of Nicolas Sarkozy, Minister of the Budget.
- In 1995, he joined the Thomson SA Group (later Thalès) as Head of Development and Planning. In 1997, he was appointed Head of Sales at Thalès Avionics, then Secretary-General of Thalès (1999-2004), Deputy Chief Executive Officer of Thalès Air Systems (2004-2008) and Chief Executive Officer for Asia, Africa, the Middle East and Latin America in May 2008.
- Between June 2009 and September 2011, he was Chief of Staff to Christine Lagarde, the Minister for the Economy, Finance and Employment.
- Between 2011 and 2013, he was Chairman and Chief Executive Officer of Air France then, until July 2016, Chairman and Chief Executive Officer of Air France-KLM. Alexandre de Juniac was also a member of the Supervisory Board of Vivendi between 2013 and 2017.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
49 years – French

Business address
13 *ter* boulevard
Berthier, 75017 Paris

Date of appointment
Shareholders'meeting
of January 20, 2021

Date of renewal
N/A

Expiration of term of office
Shareholders'meeting called to approve the financial statements for fiscal year 2021

Number of shares held directly in the Company
149,057

MS. CAROLINE PAROT

Chief Executive Officer
Member of the Board of Directors and Member of the Strategic Committee

Positions and offices held

Positions and offices currently held:

(i) within the Europcar Group

- Chief Executive Officer of Europcar Mobility Group

(ii) Excluding companies controlled[1] by the Company

- Member of the Board of Directors and the Audit Committee of Worldline S.A.[2]

Other positions and offices held over the last five years

- Chairwoman of the Management Board of Europcar Mobility Group
- Member of the Board of Directors of Car2Go Europe GmbH
- Chairwoman of Europcar Services, Unipessoal, Lda (Portugal)

Management experience

- Caroline Parot is Chief Executive Officer of Europcar Mobility Group
- She joined Europcar Mobility Group in 2011 and was appointed Chief Financial officer in March 2012 and then appointed General CFO.
- Previously, she had held the positions of Group Controller (2009-2011) and member of the Executive Committee (2010-2011) with the Technicolor Group, and was responsible for the restructuring of Thomson-Technicolor's debt. She also served as Technicolor's Chief Financial officer for the Technology sector (2008-2009) and as controller in the Department of Intellectual Property and License Management (2005-2008).
- Until 2005, she was an auditor with Ernst & Young, where she began her career in 1995.
- Ms. Parot holds a DEA in Mathematical Economics from the Panthéon-Sorbonne Paris I University and a Master's in Finance from the École Supérieure de Commerce de Paris. She also holds a DESCF (an accounting and financial diploma).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
47 years – French

Business address
13 *ter* boulevard
Berthier, 75017 Paris

Date of appointment
Shareholders'meeting
of January 20, 2021

Date of renewal
N/A

Expiration of term of office
Shareholders'meeting
called to approve the
financial statements
for fiscal year 2022

Number of shares held directly in the Company
500

MS. VIRGINIE FAUVEL (INDEPENDENT MEMBER)

Member of the Board of Directors
Member of the Strategic Committee, the Audit Committee
and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Member of the Management Board of Euler Hermes [2]
- Director and member of the Nominations Committee of Neopost [2]
- Director of Creadev
- Chief Executive Officer of Harvest

Other positions and offices held over the last five years

- Director and member of the Executive Committee of Allianz France (Germany)

Management experience

- A engineering graduate of the École des Mines in Nancy, Virginie Fauvel began her career in 1997 at Cetelem as Head of Global Analytics CRM and Risk, before becoming Group Chief Digital officer in 2004 and then Head of French Business Unit e-business.
- She later joined BNP Paribas's retail bank in France in 2009, where she directed and developed online banking before becoming Head of on line banks in Europe in 2012. In this position, she launched "HelloBank!" in 2013, the first 100% mobile European bank in Italy, France, Belgium and Germany.
- She then joined Allianz France in July 2013 as a member of the Executive Committee in charge of the Digital Transformation, Big Data, Communications and Market Management. In this position, she contributed significantly to the transformation of the company by placing digital innovation at the center of its strategy.
- She became a member of the Management Board of Euler Hermes in January 2018, in charge of the Americas region and Group transformation.
- In September 2020, she became the Chief Executive Officer of Harvest S.A., a publisher of software specializing in the businesses of financial and wealth advising

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
61 years – French and American

Business address
13 *ter* boulevard Berthier, 75017 Paris

Date of appointment
Shareholders'meeting of January 20, 2021

Date of renewal
N/A

Expiration of term of office
Shareholders'meeting called to approve the financial statements for fiscal year 2023

Number of shares held directly in the Company
500

MS. MARTINE GEROW (INDEPENDENT MEMBER)

Member of the Board of Directors
Chairwoman of the Audit Committee and Member of the Strategic Committee

Positions and offices held

Offices and positions currently held outside companies controlled [1] by the Company

- Executive Vice-President Finance at American Express Global Business Travel (USA)

Other positions and offices held over the last five years

- Executive Vice-President of Carlson Wagonlit Travel (USA)
- Chairman of the Audit Committee of Bpifrance Participations S.A.
- Member of the Audit Committee of HSBC France
- Chairman of the Audit Committee of Keolis

Management experience

- Martine Gerow joined Pepsico in the United States in 1989, before being appointed interim CFO at BN in France in 1995, then becoming Chief Financial officer of Pepsico France in 1998. In 2002, she joined the Danone Group as CFO of the Beverages division before becoming Financial Controller for the entire Group in 2005.
- In 2005, Ms. Gerow joined Campofrio Food Group in Madrid as Chief Financial officer before returning to France in 2010 to become Deputy CEO for finance at Solocal Group (PagesJaunes). After spending three years as Executive Vice-President and Chief Financial officer at Carlson Wagonlit Travel, Martine Gerow went to London to serve as Executive Vice-President Finance at American Express Global Business Travel, a position she holds today.
- Martine Gerow has solid experience as a Chair and/or member of the audit committees of major companies, including Keolis, Bpifrance Participations and HSBC. Her international background, her financial expertise and her experience in digital transformation at Solocal and in the transport sector at Keolis would be strong assets for the Supervisory Board of the Company.
- Martine is a graduate of HEC Paris and of Columbia University in New York City.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
53 years – British

Business address
13 *ter* boulevard Berthier
75017 Paris

Date of appointment
ASM of January 20, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
0

CARL LEAVER

Member of the Board of Directors
Member of the Strategic Committee and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled (1) by the Company

- Chairman of the Board of Directors of TOPHAT ENTERPRISES Ltd (since 2019)
- Chairman of the Board of Directors of LEBARA Group BV (since 2019)

Other positions and offices held over the last five years

- Chairman of the Board of Directors of EIRCOM Group and EIRCOM Ltd
- Chairman of the Board of Directors of C1 2014 Ltd
- Executive Vice-Chairman and Group CEO of LADBROKES Coral Group and GALA Coral Group

Management experience

- Carl is Chairman of Lebara, a telecommunications company controlled by private equity firms Alchemy and Triton, and Chairman of TopHat Enterprises, a manufacturer and developer of modular housing majority-owned by Goldman Sachs. He was previously Chairman of Eircom Group in Ireland, which he helped to sell in April 2018, and Carluccio's.
- Carl's most recent executive role was as Group Chief Executive of Gala Coral, where he led a turnaround of the business before merging with Ladbrokes plc in November 2017, delivering substantial returns for its private equity shareholders. Subsequent to the merger, as Executive Deputy Chairman, he took responsibility for integrating the two businesses realising cost synergies of over £160m per annum, before negotiating headline terms for the sale of the combined business to GVC plc as he left the Company.
- Prior to Gala Coral, Carl was Director of International, Home and Direct at Marks & Spencer, CEO of De Vere Group plc (which he sold to private equity) and Managing Director of Travel Inn, now Premier Inn. Before this he held a number of positions in the hotel industry and traded equity derivatives at Nomura, having started his career on the Mars graduate programme.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
49 years – British

Business address
13 *ter* boulevard Berthier
75017 Paris

Date of co-option
Board of Directors' meeting of February 26, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
0

MR. SIMON FRANKS

Member of the Board of Directors
Member of the Strategic Committee and the Compensation and Nominations Committee

Positions and offices held

Offices and positions currently held outside companies controlled[1] by the Company

- Redbus Group Limited, Redbus Outdoor (Malls) Limited, Redbus Media Limited, Redbus Ventures Ltd, Redbus On demand Limited, Redbus Productions Limited Redbus Television Limited
- Polygram Group Ltd, Polygram Pictures Ltd, Polygram Ltd
- Longleat Estate Holdings Ltd
- 18-24 Ltd
- 7 APP Ltd
- Heath Street Ltd
- NGS Foundation
- The Ruit Foundation
- Shahnaz Foundation
- Franks Family Foundation

Other positions and offices held over the last five years

Not applicable

Management experience

- Simon Franks has founded a number of successful companies, including the first online motion picture distribution company in Europe and Redbus Film Distribution "RFD", (now Lionsgate) the British company with the fastest growth between 1999 and 2003, for which he was awarded the Sunday Times Fast Track award.
- Following the acquisition of RFD by Lionsgate Inc., Simon Franks spent three years as a special adviser to the CEO and supervised mergers and acquisitions in Europe and Australia.
- Simon Franks was a co-founder of LoveFilm, later bought by Amazon Inc, and was the founder of Redbus Ventures, one of the most active startup backers in the United Kingdom.
- In 2013, Simon Franks was selected as one of the world's 100 top innovators in the "BA Ungrounded" Campaign for the G8 summit.
- Since 2009, Simon Franks has also focused on philanthropy, creating the Franks Family Foundation. The FFF carries out health education and pediatric health initiatives in Cambodia, Laos and Nepal. The FFF's New Generation Schools program was promoted by the OECD as one of the most efficient educational interventions in developing countries. Simon is a member of the Cambodian Government Board overseeing NGS schools in Cambodia, where he is also the International Chairman of The Lake Clinic.
- Simon Franks is also an advisor to Tilganga Hospital in Kathmandu and co-founder of the only modern and free pediatric hospital unit in Laos.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
53 years – French

Business address
13 *ter* boulevard Berthier
75017 Paris

Date of appointment
Board of Directors' meeting on February 26, 2021 following the appointment by the European Works Council on February 11, 2021

Date of renewal
N/A

Expiration of term of office
GM called to approve the financial statements for fiscal year 2024

Number of shares held directly in the Company
0

MS. ADÈLE MOFIRO

Member of the Board of Directors representing the employees
Member of the Compensation and Nominations Committee

Positions and offices held

Positions and offices currently held

(i) within companies controlled [1] by the Company

Not applicable

(ii) Excluding companies controlled [1] by the Company

Not applicable

Other positions and offices held over the last five years

Not applicable

Management experience

- After university studies and a Master's degree in International Business law, Adèle Mofiro joined a Paris-based law firm as a legal and administrative assistant.
- In 2000, she joined Europcar France through one of its core businesses, the central reservation service. Adèle Mofiro then joined Customer Service, then the Credit Department in 2002, where she managed foreign tour operators.
- In 2007, she joined the Insurance Department as a Customer Remedy Analyst.
- After spending 10 years with Europcar France, Adèle Mofiro obtained a Master 2 in insurance law, before being appointed Damages Supervisor, then the advisor for complex cases in 2017.
- At the end of November 2018, Adèle Mofiro was elected to the Company's Supervisory Board as a member representing employees and her term ended with the change in the corporate structure of the Company at the beginning of 2020.
- In February 2021, Adèle Mofiro was elected to the Company's Board of Directors as a member representing the employees.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

A Board of Directors assisted by three Committees

Article 16 of the Company's by-laws stipulates that the Board of Directors may form committees within the Board responsible for looking into matters that it or its Chairman submit for their examination and opinion. It determines the composition and remit of these committees which carry out their duties under its supervision.

The Board of Directors, at its meeting of February 26, 2021 decided to create a Strategic Committee, an Audit Committee, and Compensation and Nominations Committee. It determined the members of the Strategic Committee. Then the Board of Directors, at its meeting on April 6, determined the members of the Nominations and Compensation Committee.

Summary presentation of the members of the Committee

	Board of Directors	Strategic Committee	Audit Committee	Compensation and Nominations Committee
	Composition	Composition	Composition	Composition
Alexandre de Juniac	Chairman	Chairman	✓	Chairman
Caroline Parot	✓	✓		
Virginie Fauvel	✓	✓	✓	✓
Martine Gerow	✓	✓	Chairman	
Carl Leaver	✓	✓		✓
Simon Franks	✓	✓		✓
Adèle Mofiro	✓			✓

5.1.2 Chief Executive Officer and Deputy Chief Executive Officer

Chief Executive Officer

Article 14 of the Company's by-laws defines the appointment procedures and the powers of the Chief Executive Officer. The CEO is vested with the broadest powers to act under any circumstances in the name of the Company. He exercises these powers within the limitations of the corporate purpose and subject to the powers expressly attributed by law to Shareholders' Meetings and to the Board of Directors. He represents the Company in its relations with third parties.

CAROLINE PAROT

Chief Executive Officer

Date of appointment: Board of Directors' meeting of February 26, 2021

Date of renewal: N/A

Expiration of term of office: indefinite

For more information, the reader is invited to refer to Chapter 5.1.1 Board of Directors and Committees.

Deputy Chief Executive Officer

Article 14 of the Company's by-laws defines the appointment procedures and the powers of the Deputy Chief Executive Officer who is tasked with assisting the Chief Executive Officer. The scope and duration of the powers granted to Deputy Chief Executive officers are determined by the Board of Directors in consultation with the Chief Executive Officer. The Deputy Chief Executive Officer has the same powers as the Chief Executive Officer with respect to third parties.

Age and nationality
51 years – Italian

Business address
13 *ter* Boulevard Berthier
75017 Paris

Date of appointment
Board meeting of
February 26, 2021

Date of renewal
N/A

Expiration of term of office
indefinite

Number of shares held directly in the Company
71,136 ordinary shares

MR. FABRIZIO RUGGIERO

Deputy Chief Executive Officer

Positions and offices held

Positions and offices currently held

(i) within the Europcar Group

- Sole Director of Europcar Lab Italy Srl
- Director of Europcar Italia S.p.A.
- Director of GoCar Carsharing Limited

(ii) Excluding companies controlled [1] by the Company

Not applicable

Other positions and offices held over the last five years

- President of ANIASA – National Association for Companies operating in Car & Van Rental and Automotive services
- Director of Wanderio S.p.A.

Management experience

Fabrizio Ruggiero joined the Europcar Mobility Group in May 2011 and was named Managing Director of Europcar Italia S.p.A. and Head of Mobility for the Group.

From 2007 to 2011, he served as General Manager of the Italian company Leasys, a company controlled by Fiat Group Automobiles and Crédit Agricole and a leader in "long-term commercial" rentals in Italy.

Also at Leasys, he served as Director of Sales and Marketing from 2005 to 2007 and as Director of Operations from 2004 to 2005. Mr. Ruggiero had previously been a manager of Bain & Company Italy (Rome office) from 2000 to 2004 and a consultant with Accenture (Rome office) from 1997 to 2000.

He holds a Master's in business management from the MIP Politecnico di Milano (1999) and a management diploma from the Università degli Studi di Roma (1995).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

5.1.3 Executive Committee and Investment Committees

To assist her in her management, the Chief Executive Officer decided to create a Group Executive Committee to provide operational support in the preparation and implementation of the decisions and strategies defined by the Board of Directors. An Investment Committee also ensures control of financial projects.

Group Executive Committee

The role of the Group Executive Committee is to roll out the Group's strategy throughout the organization.

The Group Executive Committee is led by Caroline Parot.

As of the date of this Document, the Group Executive Committee comprises managers from each of the organizational entities and certain managers of operational functions of the Group as described below:

Name	Position within the Group
Caroline Parot	Chief Executive Officer
Olivier Baldassari	Deputy Chief Executive Officer
Fabrizio Ruggiero	Deputy Chief Executive Officer
Damien Basselier	Group IT Director and Group Chief Product Officer
José Blanco	Group Chief Sales officer
Aurélia Cheval	Group Director of Strategy
Xavier Corouge	Group Chief Service Lines officer
Jose-Maria Gonzalez	Managing Director, Southern Europe, Australia and New Zealand
Denis Langlois	Group Human Resources Director
Yvonne Leuschner	Director of the Vans & Trucks Business Unit
Luc Péligry	Group Chief Financial officer
Franck Rohard	Secretary General and Group Legal Director
Gary Smith	Managing Director, Northern Europe and USA

Investment Committee

The Investment Committee meets as often as required. Its key missions are to analyze, structure, control and subsequently validate the economic and financial terms of commitments struck with the main partners and major Group investment proposals (main commercial stakeholders, including customers and partners), with regard to the policy defined by the Chief Executive Officer and the Board of Directors.

This committee is supported by the Group's PMO (project management officer), management control and operating functions.

5.1.4 Corporate governance

5.1.4.1 Corporate Governance Code

At its meeting of February 26, 2021 the Board of Directors indicated that the Company refers to the recommendations of the AFEP-MEDEF Code as revised in January 2020. After a review of these recommendations, the Board indicated that the Company was in compliance with the recommendations, including the recommendation on the policy of gender balance within executive bodies (Art. 7.1 and 7.2) and the recommendation on the non-compete agreement (Art. 24.4).

In effect, on July 24, 2020, the executive management presented to the Compensation and Nominations Committee the measures for implementing these objectives, with an action plan and the time horizon within which these actions will be carried out. Executive management shall inform the Board each year of the results achieved. In the report on corporate governance, the Board shall describe the gender balance policy applied to the governing bodies as well as the objectives of this policy, the implementation measures and the results achieved in the previous fiscal year including, as applicable, the reasons why the objectives have not been achieved.

5.1.4.2 Declarations relating to corporate governance

The Board of Directors is required to prepare the report provided for in Article L. 225-37 of the French Commercial Code on corporate governance. Part of this Chapter corresponds to the Board of Directors' report on Corporate Governance as set out in Article L. 225-37 of the French Commercial Code and includes information provided in Articles L. 225-37-3 to L. 225-37-5 of the French Commercial Code.

1. Absence of family ties

As of the date of this Universal Registration Document, to the Company's knowledge, there are no family ties between any members of the Company's Board of Directors and members of the Company's executive management.

2. Absence of convictions

To the Company's knowledge during the last five years, concerning the members of the Company's Board of Directors:

(i) no conviction for fraud has been ruled against one of the persons cited above;

(ii) none of the aforementioned persons has been associated with a bankruptcy, seizure, liquidation, or placement of a company under judicial administration;

(iii) there have been no claims and/or official public sanctions ruled against one of the aforementioned persons by statutory or regulatory authorities (including designated professional bodies); and

(iv) none of the aforementioned persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or business performance of an issuer.

3. No conflicts of interest

To the Company's knowledge, and subject to the relationships described in Section 7.2 "Related Party Transactions" of this Universal Registration Document, on the date of the Universal Registration Document, there are no potential conflicts of interest between the duties regarding the Company of the members of the Board of Directors and senior management and their private interests and/or other duties.

To the Company's knowledge, there are no service contracts linking one of the members of the Board of Directors with the Company or one of its subsidiaries and granting benefits.

When a conflict of interest arises, the internal rules of the Board of Directors dictate that the member of the Board must inform the Board, as soon as he or she becomes aware of any conflict of interest, even a potential conflict, and abstain from discussions and votes on related matters.

The internal rules of the Board of Directors also stipulate that, when one of the members of the Board has a conflict of interest, or potential conflict of interest, concerning a subject to be discussed by the Board, the Chairman shall ensure, on the recommendation of the Compensation and Nominations Committee which will have already examined the conflict of interest, that the information on this subject is not communicated to said member, without prejudice to the obligations of said member.

To the Company's knowledge, as of the date of this Document, there is no agreement or undertaking of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Board of Directors or senior management of the Company was named to such position.

On the date of this Document, there are no restrictions accepted by the members of the Board of Directors and/or the members of senior management concerning the assignment within a certain period of time of all or part of their stake in the Company's capital, with the exception of (i) certain legal provisions, (ii) certain provisions set forth under the terms of the general regulations on performance share award plans of which the members of the senior management were beneficiaries, (iii) the rules related to the prevention of insider trading as set forth in the General Regulations of the French financial markets authority ("AMF"); and (iv) the recommendations of the AFEP MEDEF Code.

4. Independence of the members of the Board of Directors

At its meeting of April 6, 2021, in accordance with the provisions of the AFEP-MEDEF Code to which the Company refers, and the internal rules of the Board of Directors, the Board reviewed the situation of each of its members with respect to the criteria for independence, based on the analysis carried out by the Compensation and Nominations Committee on April 1, 2021. All of the criteria recommended by the AFEP-MEDEF Code were used to evaluate the independence of the members of the Board of Directors. The application of all of these criteria led the Board of Directors to retain the following as independent members:

- Alexandre de Juniac;
- Virginie Fauvel;
- Martine Gerow.

As of the date of this Universal Registration Document, the Board of Directors has seven members, three of whom are independent, representing 50% of the members of the Board (excluding the member representing employees) and one member representing employees. In accordance with Article 9.3 of the AFEP-MEDEF Code, the member representing employees is not counted for calculating the percentage of independent members on the Board of Directors.

Each member of the Board of Directors is asked to submit an annual declaration to the Company in respect of each of the independence criteria. Under the AFEP-MEDEF Code, the Board of Directors may consider that a member who meets the independence criteria set forth in Article 9.5 of the AFEP-MEDEF Code, nevertheless does not qualify as independent or, conversely, that a Director who fails to meet said criteria may be considered independent.

Table of the criteria for independence of the members of the Board of Directors

	Not be an employee or an executive corporate officer	No cross-directorships	No business relationships	No family ties	Not be a current or a past auditor	Not have been a Director for more than 12 years	Not receive any variable compensation or compensation related to the Company's or the Group's performance	Not represent a shareholder with more than 10% of the stock	Independent
Alexandre de Juniac	✓	✓	✓	✓	✓	✓	✓	✓	✓
Caroline Parot		✓	✓	✓	✓	✓		✓	
Virginie Fauvel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Martine Gerow	✓	✓	✓	✓	✓	✓	✓	✓	✓
Carl Leaver	✓	✓	✓	✓	✓	✓			
Simon Franks	✓	✓	✓	✓	✓	✓			
Employee representative		✓	✓	✓	✓	✓			

5. Diversity policy in the composition of the Board of Directors

The Board of Directors pays particular attention to its composition and in particular to the diversity of its members based on different criteria such as independence, gender, age, nationality, expertise and professional experience.

The objective of the composition of the Board of Directors is to strengthen the Group's strategy through the expertise of its members, particularly in management and knowledge of mobility and tourism, customer experience, digitization and transformation.

The Company also ensures that executive corporate officers implement a policy of non-discrimination and diversity, notably with regard to the balanced representation of women and men in the governing bodies.

On the date of this Document, the Board of Directors is composed of seven members, including three women, or 50% of members of the Board of Directors, excluding the employee representative, which is in accordance with the provisions the French Commercial Code.

In terms of international representation, as of the date of this Document, the Board of Directors includes three foreign members, British and American, i.e. 50% of the members of the Board (without counting the employee representative). Three members of the Board have developed real international experience during their careers, which strengthens the internationalization of the Board.

The average age of the members of the Board of Directors is 54 on the date of this Document.

These points are summarized in the tables below.

Summary of the expertise of the members of the Board of Directors on the date of this Document

	Mobilities & Tourism	International	Leadership & Management	Finance & Mergers-Acquisitions	Customer experience	ESG	Transformation & Digital
Alexandre de Juniac	✓	✓	✓	✓	✓		
Caroline Parot	✓	✓	✓	✓			
Virginie Fauvel		✓	✓		✓	✓	✓
Martine Gerow	✓	✓	✓	✓			✓
Carl Leaver	✓	✓	✓	✓	✓		✓
Simon Franks		✓	✓		✓	✓	✓
Adèle Mofiro	✓					✓	

The skills matrix was prepared in order to reflect, without being an exhaustive list of skills, the seven essential skills that must be brought together on the Board of Directors. This matrix is intended to serve as a tool for shareholders in order to assess the Board of Directors as a whole and to ensure that it is well-balanced. The number of skills must be sufficiently large to reflect diversity of thought and experience as well as the nationality, geographical location and gender of Board members. The following table shows the methods used to determine whether a member of the Supervisory Board has an essential skill, what this skill can bring to the Company, as well as the Company Committee(s) for which each essential skill is required.

Essential skills	How the essential skill is acquired	How the skill is used by the Board or Board committees	Board Committees requiring this essential skill
Industry (Mobility and Tourism)	Must have worked for a competitor and/or in a business segment that is linked to the Company's business (travel, leisure and mobility)	Board members who have experience in this industry can assess whether the Group strategy is being properly implemented	Compensation and Nominations Committee Strategic Committee
International	Must have international professional experience and/or must have worked and/or lived in a foreign country	Board members with international experience can assess risks, international growth opportunities and the deployment of the international strategy	Compensation and Nominations Committee Audit Committee Strategic Committee
Leadership & Management	Must be or must have been in a managerial position as a member of a management body, senior executive, Managing Director or senior manager, including P&L experiences	Board members with management and leadership skills are able to assess the leadership of the Management Board, the implementation of the strategy and the management of the Company's talent	Compensation and Nominations Committee
Finance & Mergers & Acquisitions	Must have worked mainly in the finance or mergers and acquisitions sector and be a financial expert	Board members with finance/mergers and acquisitions skills are able to assess the Management Board's objectives, review performance and financial statements and assess merger and acquisition opportunities	Audit Committee Strategic Committee
Customer Experience	Must have worked for a company that prioritizes the customer experience	Implementation of the best possible strategy Identification of the most effective ways to grow the Company Assessment of the risks and opportunities linked to constantly changing customer expectations	Audit Committee Strategic Committee
ESG (Environment, Social and Governance)	Must have skills in the following areas: environmental (carbon impact, pollution and pollutant emissions, water consumption, etc.), social (human resource talent management and global integration, labor law, succession plans, compensation, etc.), governance (corporate governance, compliance, personal life, ethics, corruption, etc.)	Identification and anticipation of non-financial risks and opportunities that could have a material and concrete impact on the Company's businesses	Compensation and Nominations Committee Audit Committee Strategic Committee
Transformation & Digital	Must have headed a company or acquired experience in a constantly changing industry or been a member of a new management body of a new technology company (hardware, software, e-commerce, cybersecurity, etc.)	Implementation of an effective strategy adapted to the challenges in a fast-changing sector, in particular with respect to new technologies	Strategic Committee

5

6. Representation of employees and employee shareholders in the Board of Directors

Ms. Adèle Mofiro was appointed by the Group Committee as a member of the Board of Directors of the Company representing employees, in accordance with the Company's by-laws and pursuant to Article L. 225-79-2 of the French Commercial Code. Ms. Mofiro has been a member of the Company's Board of Directors, with voting rights since February 26, 2021. She also joined the Compensation and Nominations Committee by decision of the Board of Directors on April 6, 2021.

7. Terms of office of the members of the Board of Directors

The terms of office of the members of the Board of Directors are staggered in order to allow for the rolling renewal of the Board members, in accordance with the recommendations of the AFEP-MEDEF Code.

8. Main provisions of the Company's by-laws and the Supervisory Board's Internal regulations

The Internal regulations of the Board of Directors are in line with the recommendations in place designed to guarantee compliance with the basic principles of corporate governance, particularly those set out in the AFEP-MEDEF Code.

The International regulations were adopted by the Board of Directors of the Company on February 26, 2021. It complements the Company's by-laws as well as the laws and regulations in force by specifying the duties, composition and operation of the Supervisory Board and its committees, the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee, and their interactions. The internal regulations of the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee are attached as an Appendix to the rules of Supervisory Board's internal regulations.

The Board's Internal regulations may be amended at any time by a decision of the Supervisory Board.

5.2 PRESENTATION OF GOVERNANCE IN 2020

It should be noted that, from March 9, 2015 until February 26, 2021, the Company was a French *société anonyme* with Management Board and Supervisory Board. Before that date, the Company was a limited company with a Board of Directors.

5.2.1 Supervisory Board and Committees

Profile, experience and expertise of Board members

During the 2020 fiscal year, and until February 26, 2021, the Supervisory Board was composed of the following members:

Age and nationality
74 years – French

Business address
38 rue Gay-Lussac,
75005 Paris, France

Number of shares held directly in the Company
500 ordinary shares

MR. JEAN-PAUL BAILLY (INDEPENDENT MEMBER)

Chairman of the Supervisory Board – Chairman of the Strategic Committee

Date of 1st appointment: Shareholders' Meeting of June 8, 2015

Date of renewal: Shareholders' Meeting of April 26, 2019

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2022

Positions and offices held

Offices and positions currently held outside companies controlled[(1)] by the Company

- Director and member of the Audit and Risk Committee and Chairman of the Investment Committee of Edenred[(2)]

Other positions and offices held over the last five years

- Director and member of the Audit Committee and Chairman of the Governance and CSR Committee of Accor Hotels

Management experience

- Jean-Paul Bailly has devoted his entire career to public service, by participating in the management and running of two major public companies, the RATP and then La Poste.
- He began his career in 1970 at the Régie Autonome des Transports Parisiens (RATP). In 1978, he became head of Coopération Technique Française in Mexico.
- He joined RATP again in 1982, where he notably served as Director of Bus Rolling Stock, Director of the Metro and RER, and Personnel Director. In 1990, he was appointed Deputy CEO and then Chairman and CEO from 1994 to 2002.
- He was Chairman and CEO of La Poste from 2002 to 2006, and then Chairman of the Supervisory Board of La Banque Postale from 2006 to 2013. He has served as its Honorary Chairman since October 2013.
- He has also been President of Entreprise et Personnel, Vice-President of Confrontations Europe, Chairman of ANVIE and member of the Conseil Économique, Social et Environnemental from 1995 to 2015.
- He sits on the Board of Directors of St. Joseph's hospital.
- Jean-Paul Bailly is a graduate of the École Polytechnique and MIT. He is an officer of the French Legion of Honor and a Commander of the French National Order of Merit.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

MS. VIRGINIE FAUVEL (INDEPENDENT MEMBER)

Member of the Supervisory Board
Member of the Strategic Committee and Audit Committee

Date first appointed: February 24, 2015

Date of renewal: Shareholders' Meeting of May 10, 2017

Date term of office ends: Shareholders' Meeting called to approve the financial statements for fiscal year 2020

(see Section 5.1.1 for more biographical information)

MS. MARTINE GEROW (INDEPENDENT MEMBER)

Member of the Supervisory Board
Chairwoman of the Audit Committee

Date first appointed: Shareholders' Meeting of June 12, 2020

Date of renewal: N/A

Date term of office ends: Shareholders' Meeting called to approve the financial statements for fiscal year 2023

(see Section 5.1.1 for more biographical information)

Age and nationality
64 years – French

Business address
49 bis, route de
Montesson,
78110 le Vesinet

Number of shares held directly in the Company
3,500 shares

MR. PASCAL BAZIN (INDEPENDENT MEMBER)

Member of the Supervisory Board
Chairman of the Compensation and Nominations Committee
Member of the Audit Committee

Date of 1st appointment: Shareholders' Meeting of June 8, 2015

Date of renewal: Shareholders' Meeting of May 17, 2018

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2021

Positions and offices held

Positions and offices currently held in companies not controlled [(1)] by Europcar Mobility Group

- Chairman of PB Consulting Other positions

Offices held over the last five years

- Director of Belvédère SA [(2)]
- Director of Darty Plc
- Director of Belron SA
- Director of Alcopa NV SA
- Director of Modacin France

Management experience

- From June 2014 until the transformation of the Company's governance structure to a public limited company with a Management Board and a Supervisory Board, Mr. Bazin was the representative of PB Consulting on the Board of Directors of the Company.
- Pascal Bazin is the found and Chairman of PB Consulting, a consulting firm specialized in professional and strategic coaching.
- In recent years, he served as a Director of companies where customer experience and digital transformation have been at the core of their strategic planning.
- Pascal Bazin was Managing Director of Avis Europe Plc from January 2008 to December 2011, where he successfully managed the Company's recovery and led the development of the Group into new markets like China and new mobility solutions such as car sharing. He left his position at the end of 2011, following the transfer of his activity to Avis Budget group, Inc.
- He had joined Avis Europe in 2005 after leaving Redcats, the third largest direct selling group in the world, where he was Managing Director of the specialized brands division and Vice-President of Development/Strategy for the Group. His previous positions include Managing Director of several divisions of the cosmetics group Yves Rocher in Southern Europe and North America.
- He began his career in the management consulting firm Peat Marwick Mitchell. Pascal Bazin graduated from France's École Polytechnique.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

MS. PETRA FRIEDMANN (INDEPENDENT MEMBER)

Member of the Supervisory Board
Member of the Strategic Committee and the Compensation and Nominations Committee

Date of 1st appointment: Shareholders' Meeting of May 17, 2018

Date of renewal: N/A

Expiration of term:Shareholders' Meeting called to approve the financial statements for fiscal year 2021

Age and nationality
66 years – French and German

Business address
5 rue de Béarn
75003 Paris

Number of shares held directly in the Company
500 shares

Positions and offices held

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Vice-Chair of Humanium (NGO)
- Director of Boursorama

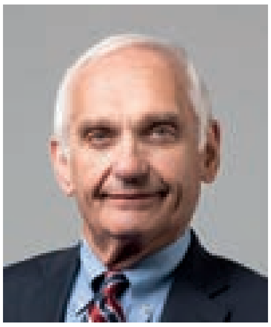
Offices held over the last five years

N/A

Management experience

- Petra Friedmann started her career in 1978 as a researcher in Economics and Sociology at the Institut für Sozialforschung of Cologne and at the Bremen University.
- In 1985, she created a travel agency, then in 1988, a medium-haul tour operator.
- In 1992, she moved to France and joined the Marmara-TUI group. As Marketing Director, she decided from 1998 to develop the online offering for the Group which was one of the first to offer online booking.
- Passionate about this e-commerce experience, in 1999 she joined the European online auction site Tradus (QXL.com Plc) as France Managing Director.
- From 2002, Petra Friedmann took over as Managing Director of Opodo in France, launching and developing the brand and making it one of the first online travel agencies in France in just a few years.
- In 2009, HomeAway, holiday leasing global leader, entrusted her with the structuring and expansion of its European operations as EMEA Chairwoman.
- In 2015, she became Vice-President of the Swiss NGO Humanium, dedicated to the defense of children's rights.
- Since 2012, she has served as an independent Director of Groupe Boursorama.
- Petra Friedmann holds a sociology degree from Bielefeld University and a Doctorate in Political Science & Economics from Bremen University.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.



MR. SANFORD MILLER (INDEPENDENT MEMBER)

Member of the Supervisory Board

Date of 1st appointment: Shareholders' Meeting of June 8, 2015

Date of renewal: Shareholders' Meeting of April 26, 2019

Expiration of term:Shareholders Meeting called to approve the financial statements for fiscal year 2022

Age and nationality
68 years – American

Business address
444, Seabreeze Blvd Ste. 1002, Daytona Beach, FL 32118, USA

Number of shares held directly in the Company
500 shares

Positions and offices held

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Advisory Board member of Center State Bank of Florida, LLC
- Founder and Managing Partner of Basin Street Partners LLC
- Chief Executive Officer of Carey International

Offices held over the last five years

- Vice Chairman of the Board & Founding Member of Gateway Financial Holdings of Florida, Inc.

Management experience

- Sanford Miller has large experience in the transportation and tourism industries and strong knowledge of the vehicle rental market.
- Sanford is currently the Chief Executive Officer of Carey International and Managing Partner of the investment company Basin Street Partners LLC which he founded in 2001. He has also been a management consultant with Gerson Lehrman Group since 2003.
- He began his career in 1979 at the vehicle rental company Budget Group, Inc. which he joined as North East Field Operations manager, before becoming a franchisee of Budget Rent-a-Car from 1980 to 1987.
- Appointed as Chief Executive Officer of Team Rental Group in 1987, he notably supervised the acquisition of Cruise America, VPSI, Premier Car Rental and Budget Rent-a-Car; he then served as President, Chief Executive Officer and Chairman of Budget Group from 1997 to 2003, where he supervised the acquisition of Ryder TRS as well as the acquisition of Budget Group by Cendant Corporation.
- From 2003 to 2012, he served as Co-Chairman and Co-Chief Executive Officer of Franchise Services of North America, Inc., where he managed the acquisition of Advantage-Rent-a-Car, the merger with Rent a Wreck Capital and U-Save.
- He also served as member of the Board of Directors of the restaurant chain Stonewood Holdings and of the State University of New York at Oswego Foundation and as President of the American Car Rental Association.
- From 2006 to 2017 Sanford Miller was the Vice Chairman of the Board and Founding Director of Gateway Financial Holdings of Florida, Inc.
- Sanford Miller holds a Bachelor of Science, Business from the State University of New York, Oswego, New York.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Age and nationality
63 years – French

Business address
143 avenue
Charles de Gaulle
92200 Neuilly-sur-Seine

Number of shares held directly in the Company
87,460 shares

MR. PATRICK SAYER

Member of the Supervisory Board
Member of the Strategic Committee

Date of 1st appointment: February 24, 2015

Date of renewal: Shareholders Meeting of April 26, 2019

Expiration of term: Shareholders'' Meeting called to approve the financial statements for fiscal year 2022

Positions and offices held

Positions and offices currently held in companies not controlled[1] by Europcar Mobility Group

- Member of the Board of Directors of AccorHotels[2] and Valeo[2]
- Member of the Supervisory Board and Audit Committee of Grand Port Maritime de Marseille
- Member of the Board of Directors of I-Pulse (USA)
- Chairman of Augusta, CarryCo Capital 1 and CarryCo Croissance
- Member of the Board of Directors of Tech Data Corporation (USA)
- Member of the Supervisory Board and Financial Committee of Eurazeo SE[2]

Offices held over the last five years

- Chairman of the Management Board of Eurazeo SE[2]
- Manager of Investco 3d Bingen (non-trading company)
- Chairman of the Board of Directors and member of the Board of Holdelis
- Vice-Chairman of the Supervisory Board and member of the Board of Directors of Rexel[2]
- Member of the Supervisory Board of Foncia Holding – Member of the Advisory Board de APCOA Parking Holdings GmbH (Germany)
- Chairman, Vice-Chairman and member of the Supervisory Board of ANF Immobilier[2]
- Chairman of the Supervisory Board of Europcar Mobility Group – Member of the Board of Directors of Colyzeo Investment Advisors (UK), Edenred, Gruppo Banca Leonardo (Italy), Moncler Srl and Sportswear Industriels Srl
- President of Eurazeo Capital Investissement, Legendre Holding 25 and Legendre Holding 26
- Managing Director of Legendre Holding 19

Management experience

- Patrick Sayer is Chairman of Augusta, an investment firm investing in new technologies, luxury and real estate. Patrick Sayer served as Chairman of the Management Board of Eurazeo, a leading listed investment company in Europe, from 2002 to 2018. He became a member of the Eurazeo Supervisory Board in 2018.
- Patrick Sayer served as the Managing Partner of Lazard Frères and Cie in Paris which he joined in 1982. He then moved to New York to become Managing Director of Lazard Frères & Co and Global Head of Media and Technology. Mr. Sayer's private equity experience dates to the formation of Fonds Partenaires in which he participated from 1989 to 1993.
- He sits on the Board of Directors of Europcar, I-Pulse and Tech Data (United States). Former Chairman (2006-2007) of the French Venture Capital Association (AFIC), a member of the Board of Directors of the Paris Musée des Arts Décoratifs, Patrick Sayer is a founding member of the Club des Juristes and has been a consular judge at the Paris Commercial Court.
- He teaches finance (Master 225) at the University of Paris-Dauphine.
- Mr. Sayer is a graduate of the École Polytechnique (1980) and École des Mines de Paris (1982). He is also a graduate of the Centre de Formation des Analystes Financiers, where he worked as a lecturer.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
64 years – French

Business address
Eurazeo S.A., 1 rue
Georges Berger
75017 Paris

Number of shares held directly in the Company
6,000 shares

MR. PHILIPPE AUDOUIN

Member of the Supervisory Board
Member of the Strategic Committee and Audit Committee

Date of 1st appointment: February 24, 2015

Date of renewal: Shareholders' Meeting of May 10, 2017

Expiration of term:Shareholders' Meeting called to approve the financial statements for fiscal year 2020

Positions and offices held

Positions and offices currently held in companies not controlled[(1)] by Europcar Mobility Group

- Member of the Management Board and General CFO of Eurazeo SE[(2)]
- Chairman and Member of the Supervisory Board of Eurazeo PME
- Chairman of the Group IES Supervisory Committee
- Chairman of Eurazeo Patrimoine, Legendre Holding 19, Legendre Holding 26, Legendre Holding 27, Legendre Holding 29, Legendre Holding 30, Legendre Holding 34, Legendre Holding 35, Legendre Holding 36, Legendre Holding 43, Legendre Holding 44, Legendre Holding 51, Legendre Holding 59, Legendre Holding 65, Legendre Holding 72, Legendre Holding 74, Legendre Holding 75, Legendre Holding 76, Legendre Holding 77, Legendre Holding 78, Legendre Holding 79, LH Adjust, LH APCOA, LH BackMarket, LH Bandier, LH Content Square, LH CPK, LH Doctolib, LH Emerige, LH GP, LH Grandir, LH Iberchem, LH Mano, LH Meero, LH Nest, LH Open Road, LH Payfit, LH PMG, LH Q Tonic, LH Reden 2020, LH Seqens, LH Vestiaire Collective and LH WS
- CEO of Legendre Holding 23, Legendre Holding 25, CarryCo Capital 1 and CarryCo Croissance, CarryCo Brands, CarryCo Capital 2 and CarryCo Croissance 3
- Vice-Chairman of Alpine NewCo, Inc. (USA)
- Chief Executive of Eurazeo Services Lux (Luxembourg)
- Permanent representative of Eurazeo on the Board of Directors of SFGI

Offices held over the last five years

- Director of Europcar Mobility Group
- Member of the Supervisory Board of ANF Immobilier[(2)] and Elis[(2)]
- Chief Executive Officer of Legendre Holding 54, Legendre Holding 55, La Mothe, Eurazeo Capital Investissement and Eureka Participation
- Chairman of CPK, CPK Manco, EP Aubervilliers, Legendre Holding 21, Legendre Holding 41Ray France Investment, Seqens Group Bidco and Seqens Group Holding
- Managing Director of Perpetuum MEP Verwaltung GmbH (Germany)

Management experience

- Philippe Audouin was a Director of the Company from 2006 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- He spent the first ten years of his career creating and developing his own business. After selling that business, he served as CFO and legal representative (Prokurist) in Germany of the first joint venture between France Telecom and Deutsche Telekom from 1992 to 1996.
- From 1996 to 2000, he served as Financial, Human Resources and Administrative Director of France Telecom's Multimedia division. He was also a member of the Supervisory Board of PagesJaunes. From April 2000 to February 2002, he worked for the Arnault group as CFO of Europ@Web.
- He also taught for 5 years as a lecturer then a senior lecturer in the 3rd year at HEC ("entrepreneurs" option).
- He joined Eurazeo in 2002 as Administrative and Financial Director and was appointed to its Management Board in March 2006 and then appointed CFO in 2018.
- He is the Vice-Chairman of the Association Nationale des Dirigeants Finance-Gestion (National Association of Finance and Management Executives) (DFCG).
- Mr. Audouin is a graduate of the École des Hautes Études Commerciales (HEC).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
49 years – French

Business address
Eurazeo, 1 rue Georges-Berger 75017 Paris

Number of shares held directly in the Company
0 shares

MS. SOPHIE FLAK

Member of the Supervisory Board
Chairwoman of the Compensation and Nominations Committee

Date of 1st appointment: Shareholders' Meeting of June 12, 2020

Date of renewal: N/A

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2023

Positions and offices held

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- CSR and Digital officer at EURAZEO[2]

Offices held over the last five years

N/A

Management experience

- Sophie Flak has been a Director of Eurazeo since 2013, charged with CSR, digital and information. Prior to this position, she served as Chief Executive Officer at AccorHotels from 2010 to 2013, where she was also a member of the Executive Committee charged with the Group transformation, and them a member of the Group Management Committee. Her earlier experience includes a three-year period with Unilever International as product head between 1995 and 1998, and twelve years' experience with Accenture, as Management consulting partner within the Strategy Branch from 1998 to 2010.
- Ms. Flak has also been a member of the National Digital Council since 2018.
- Sophie Flak offers solid expertise in CSR, digital and strategy, which would complement the current profiles of the members of the Company's Supervisory Board.
- Sophie is a graduate of EM Lyon and the Institut d'Études Politiques de Strasbourg.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

MR. ANTONIN MARCUS

Member of the Supervisory Board
Member of the Compensation and Nominations Committee

Date of 1st appointment: Appointment by the Board of Directors on August 26, 2020; ratification by the General Meeting of January 20, 2021

Date of renewal: N/A

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2021

Age and nationality
39 years – French

Business address
Eurazeo SA
1 rue Georges Berger
75017 Paris

Number of shares held directly in the Company
500 shares

Positions and offices held

Positions and offices currently held in companies not controlled (1) by Europcar Mobility Group

None

Offices held over the last five years

None

Management experience

- Antonin began his career in 2009 in the Mergers & Acquisitions Department of Goldman Sachs in London and Paris. In this position, he contributed to several acquisition, financing and restructuring operations for large corporations and investment funds.
- In 2011, he joined the Paris team of H.I.G. Capital, an investment company, where he participated in the European development of the franchise, playing an active role in the acquisition, development and sale of a number of equity interests in various sectors.
- Since joining Eurazeo Capital in 2017, Antonin has been involved in the origination, execution and tracking the performance of investments in sectors such as corporate services and technology.
- Mr. Marcus is a graduate of the École Polytechnique and the Saïd Business School (Oxford University).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

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MS. ADÈLE MOFIRO (MEMBER REPRESENTING EMPLOYEES)

Member of the Supervisory Board
Member of the Compensation and Nominations Committee

Date of 1st appointment: Supervisory Board meeting of December 21, 2018

Date of renewal: N/A

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2022

(see Section 5.1.1 for more biographical information)

MR. ALESSANDRO RICCIOTTI (MEMBER REPRESENTING EMPLOYEES)

Member of the Supervisory Board

Date of 1st appointment: Supervisory Board of August 28, 2020.

Date of renewal: N/A

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2023

Age and nationality
62 years – Italian

Business address
Europcar Italy –
Piazzale del l'Industria
46 00148 Rome – Italy

Number of shares held directly in the Company
0 shares

Positions and offices held

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

N/A

Offices held over the last five years

N/A

Management experience

- Alessandro Ricciotti began his career with the Ericsson Group as an IT Business Analyst.
- In 1989, he joined Europcar Italy in the same position. Alessandro then moved to the Finance department to lead the coordination of fleet accounting.
- Since 2000, Alessandro Ricciotti has held managerial positions in financial departments, such Billing & Intercompany, Financial Planning and Analysis, and Business and Financial Development.
- Since 2017, he has been the Finance Project Manager.
- In July 2020, Alessandro Ricciotti was elected to the Company's Supervisory Board as a member representing employees.
- Alessandro Ricciotti is an Economics graduate and has a Master in Business Administration.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Members whose terms of office expired at the General Meeting on June 12, 2020

Age and nationality
38 years – French

Business address
Eurazeo S.A.,
1 rue Georges Berger
75017 Paris

Number of shares held directly in the Company
500 shares

MS. AMANDINE AYREM

Member of the Supervisory Board
Member of the Strategic Committee and Audit Committee

Date of 1st appointment: Supervisory Board meeting of July 24, 2017

Date of renewal: N/A

Expiration of term: Shareholders' Meeting called to approve the financial statements for fiscal year 2019

Positions and offices held

Positions and offices currently held in companies not controlled [(1)] by Europcar Mobility Group

- Principal of Eurazeo SE [(2)]
- Member of the Supervisory Committee of CPK
- Director of Fragrance Spanish Topco SL (Spain)
- Member of the Supervisory Board of Dorc TopCo B.V. (Netherlands)

Offices held over the last five years

- Director of Europcar Mobility Group
- Member of the Supervisory Board of ANF Immobilier [(2)] and Elis [(2)]
- Chief Executive Officer of Legendre Holding 54, Legendre Holding 55, La Mothe, Eurazeo Capital Investissement and Eureka Participation
- Chairman of CPK, CPK Manco, EP Aubervilliers, Legendre Holding 21, Legendre Holding 41Ray France Investment, Seqens Group Bidco and Seqens Group Holding
- Managing Director of Perpetuum MEP Verwaltung GmbH (Germany)

Management experience

- From 2007 to 2010, Amandine Ayrem began her career in investment banking at Deutsche Bank in Paris. She advised on various M&A transactions for European industrial companies and investment funds.
- Ms. Ayrem joined Eurazeo in 2010 and participated in the execution or overseeing of investments in Europcar, Foncia, CPK, Les Petits Chaperons Rouges, Iberchem and DORC.
- Amandine Ayrem is a graduate of HEC Paris and Columbia Business School.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Age and nationality
49 years – German

Business address
LSG Lufthansa Service Holding AG FRA Z/
VF Dornhofstrasse
38 Germany

Number of shares held directly in the Company
500 shares

MS. KRISTIN NEUMANN (INDEPENDENT MEMBER)

Member of the Supervisory Board
Chairwoman of the Audit Committee

Date of 1st appointment: Shareholders' Meeting of May 10, 2016

Date of renewal: N/A

Expiration of term: Shareholders'Meeting called to approve the financial statements for fiscal year 2019

Positions and offices held

Positions and offices currently held in companies not controlled [1] by Europcar Mobility Group

- Member of the Executive Committee of LSG Lufthansa Service Holding AG
- Member of the Supervisory Board of LSG FRA ZE, LSG FRA ZD and LSG MUC

Offices held over the last five years

- Member of the Supervisory Board of Germanwings GmbH

Management experience

- Kristin Neumann began her career in 2000 at Thomas Cook AG as a Specialist and later Head of the IT Department's Planning and Coordination Unit, then Head of Sales Control in the German market (2003), Administrative and Financial Director for continental Europe (2006), Administrative and Financial Director for Central Europe (2008), member of the Board of Directors of Thomas Cook AG (2010), Administrative and Financial Director for the United Kingdom and continental Europe (2012-2014), charged primarily with restructuring the English market.
- In 2014, she joined LSG Lufthansa Service Holding AG as Chief Administrative and Financial officer and Chief Human Resources officer.
- Kristin Neumann holds a degree in micro-economics and business management from the Georg-August-Universität Göttingen (Diplom-Kauffrau, 1997) and a doctorate in business administration from the same university (1999), where she also worked as a graduate-level lecturer and Scientific Director (1997-2000).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.

Member who resigned from his seat in 2020

Age and nationality
39 years – French

Business address
Eurazeo S.A.,
1 rue Georges Berger
75017 Paris

Number of shares held directly in the Company
500 shares

ERIC SCHAEFER

Member of the Supervisory Board
Member of the Compensation and Nominations Committee

Date of 1st appointment: February 24, 2015

Date of renewal: Shareholders' Meeting of May 17, 2018

Expiration of term: Resignation in 2020

Positions and offices held

Positions and offices currently held in companies not controlled [(1)] by Europcar Mobility Group

- Managing Director of Eurazeo SE [(2)]
- Managing Director of Eurazeo North America Inc. (USA)
- Member of the Supervisory Committee of CPK
- Secretary of EZ Open Road Blocker Inc. (USA)
- Vice-President of Open Road Holding LLC (USA)
- Member of the Board of Directors of Ez Elemica Holdings LLC (USA), Open Road Parent LLC (USA) and Trader Interactive LLC (USA)

Offices held over the last five years

- Member of the Supervisory Board of Elis [(2)]
- Member of the Supervisory Board of AX
- Permanent representative of Eurazeo on the Board of Directors of Europcar Mobility Group
- Member of the Supervisory Board of Asmodée Holding
- Member of the Board of Directors of Ez Elemica Intermediate Inc. (USA) and of Ez Elemica Merger Sub Inc (USA)
- Secretary of Ez Elemica Holdings Inc

Management experience

- Eric Schaefer was a Director of Europcar Mobility Group from January 2013 to June 2014, then Eurazeo representative on Europcar Mobility Group's Board of Directors from October 2014 until the change in the Company's corporate governance structure to a public limited company with a Management Board and a Supervisory Board.
- Éric Schaefer is Managing Director of Eurazeo Capital (New York). He is responsible for sourcing and for making investments, as well as monitoring the performance of the companies in the Eurazeo portfolio.
- Since his arrival at Eurazeo in 2004, he has specialized in the sectors of corporate services and consumer goods and participated in the structuring and development of Eutelsat, B&B Hotels, Europcar, Elis, Asmodée, CPK and Elemica.
- Eric Schaefer was named one of the Rising Stars in Private Equity in the 40 under 40 category in Dow Jones Private Equity News in 2015, before being ranked in the 2016 class of Young Leaders selected by the French American Foundation.
- Eric is a graduate of HEC Paris and École Polytechnique in finance.

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

Summary presentation of the members of the Supervisory Board and its Committees during 2020

	Supervisory Board 30 meetings in 2020		Strategic Committee 5 meetings in 2020		Audit Committee 7 meetings in 2020		Compensation and Nominations Committee 10 meetings in 2020	
	Composition	Attendance rate	Composition	Attendance rate	Composition	Attendance rate	Composition	Attendance rate
Jean-Paul Bailly	Chairman	100%	Chairman	100%				
Pascal Bazin	✓	100%			✓	100%	Chairman	100%
Patrick Sayer	✓	76.6%	✓	100%				
Philippe Audouin	✓	83.3%	✓	100%	✓	100%		
Sophie Flak [3]	✓	76.9%					✓	100%
Antonin Marcus [4]	✓	80%			✓	50%		
Petra Friedmann	✓	96.6%	✓	100%			✓	100%
Virginie Fauvel	✓	93.3%	✓	80%	✓	100%		
Sanford Miller	✓	93.3%						
Martine Gerow [5]	✓	84.6%			Chairwoman	100%		
Adèle Mofiro	✓	80%					✓	100%
Alessandro Ricciotti [5]	✓	100%						
Amandine Ayrem [1]	✓	47%						
Kristin Neumann [1]	✓	88%			✓	100%		
Éric Schaefer [2]	✓	65%					✓	100%

(1) It should be noted that the terms of office on the Supervisory Board of Amandine Ayrem and Kristin Neumann expired at the General Meeting of June 12, 2020. Kristin Neumann and Amandine Ayrem indicated that they were not requesting a renewal of their terms for personal and scheduling reasons. Their attendance rate is calculated on the basis of 17 meetings of the Supervisory Board and 4 meetings of the Audit Committee.

(2) The Supervisory Board, meeting on August 28, 2020, accepted the resignation of Eric Schaeffer, who expressed his wish to end his duties for personal reasons. His attendance rate is calculated on the basis of 20 meetings of the Supervisory Board.

(3) Sophie Flak was appointed by the General Meeting of June 12, 2020 to serve on the Supervisory Board for a four-year term that expires at the end of the General Meeting called to approve the financial statements for the fiscal year ended December 2023. Her attendance rate is calculated on the basis of 13 meetings of the Supervisory Board and 2 meetings of the Compensation and Nominations Committee.

(4) Antonin Marcus was co-opted by the Supervisory Board on August 28, 2020 and his co-option was ratified by the General Meeting of January 20, 2021. His attendance rate is calculated on the basis of 10 meetings of the Supervisory Board and 2 meetings of the Audit Committee.

(5) Alessandro Ricciotti has sat on the Company's Supervisory Board since July 29, 2020, following his appointment as a member of the Company's Supervisory Board representing the employees by the European Works Council during its meeting of July 29, 2020. His four-year term of office expires at the end of the Annual General Meeting to be called to approve the financial statements for fiscal year 2023. His attendance rate is calculated on the basis of 13 meetings of the Supervisory Board.

(6) Martine Gerow was elected by the Shareholders' Meeting of June 12, 2020 to serve on the Supervisory Board for a four-year term that expires at the end of the Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 2023. Her attendance rate is calculated on the basis of 13 meetings of the Supervisory Board and 3 meetings of the Audit Committee.

5.2.2 The Management Board

During the 2020 fiscal year and until February 26, 2021, the Company had a Management Board with the following members:

- Caroline Parot, Chairwoman of the Management Board;
- Olivier Baldassari, Director, Countries and Operations;
- Fabrizio Ruggiero, Deputy Chief Executive Officer.

It is reminded that Albéric Chopelin resigned from his seat on the Management Board on June 17, 2020. His resignation was accepted by the Board of Directors at its meeting of July 1, 2020.

CAROLINE PAROT

Chairwoman of the Management Board

Date of 1st appointment as Chairwoman of the Management Board: 11/23/2016

Date of renewal: N/A

Date term of office ends: 03/08/2023

(see Section 5.1.1 for more biographical information)

FABRIZIO RUGGIERO

Member of the Management Board

Date of 1st appointment: 03/09/2015

Date of renewal: N/A

Date term of office ends: 03/08/2023

(see Section 5.1.2 for more biographical information)

Age and nationality
56 years – French

Business address
13 *ter* Boulevard Berthier
75017 Paris

Date of 1st appointment
12/21/2018; effective
as of 01/01/2019

Date of renewal
N/A

Expiration of term of office
01/01/2023

Shares held
None

OLIVIER BALDASSARI

Member of the Management Board

Chief Countries & Operations officer

Positions and offices held

Positions and offices currently held

(i) within the Europcar Group

- Member and Chairman of the Supervisory Board of Europcar Autovermietung GmbH
- Managing Director of Bayernmobile GmbH, Buchbinder Holding GmbH, Car & Fly GmbH, Carpartner Nord GmbH, Charterline Fuhrpark Service GmbH, Megadrive Autovermietung GmbH, Ratisbona Consulting GmbH, Robben & Wientjes Autovermietung GmbH, Terstappen Autovermietung GmbH, ABC Autonoleggio S.R.L. and A.Klees Slovakia, s.r.o.
- Director of Executive Trust Limited and Europcar UK Limited

(ii) Excluding companies controlled *(1)* by the Company

N/A

Other positions and offices held over the last five years

- Director of Rexel (USA) Inc.
- Director of Vantage Electrical Group, Inc.

Management experience

- Olivier Baldassari joined the Group in January 2019 as Chief Countries and Operations officer and member of the Company's Management Board.
- Prior to that, he served as Vice-President Operations and Logistics for the USA at Rexel.
- From 2011 to 2016, he was Operations Director for France and Southern Europe in the same company and from 2007 to 2011 he was the Group's IT Director.
- From 2005 to 2007, he was Executive Director of Global Operations at Delphi Corporation, and from 2003 to 2005 IT Director for Europe, the Middle East and Africa at the same company.
- Prior to that, he served as IT Director (2000-2003), Program Director (1998-2000), and Logistics Director (1995-1998) for the Smurfit Kappa group.
- He began his career as a consultant at Andersen Consulting (1987-1991), then as a production manager at Vallourec (1992-1995).
- Olivier Baldassari holds a Master's in Science from the École des Mines de Paris (1986) and an MBA from the INSEAD (1992).

(1) Articles L. 225-21 paragraph 2, L. 225-77 paragraph 2 and L. 225-94 paragraph 1 of the French Commercial Code.
(2) French listed company.

5.2.3 Executive Committee and Investment Committee

In fiscal year 2020, the Group Executive Committee provided operational support to the Management Board in the preparation and implementation of decisions and strategies. The Investment Committee ensures control of financial projects.

Group Executive Committee

The role of the Group Executive Committee, led by Caroline Parot, is to deploy the Group's strategy throughout the organization. The Committee comprises managers from each of the organizational entities and certain managers of operational functions of the Group as described below:

Name	Position within the Group
Caroline Parot	Chairwoman of the Management Board
Olivier Baldassari	Member of the Management Board – Director, Countries and Operations
Fabrizio Ruggiero	Member of the Management Board – Deputy Chief Executive Officer
Damien Basselier	Group IT Director and Group Chief Product officer
José Blanco	Group Chief Sales officer
Aurélia Cheval	Group Director of Strategy
Xavier Corouge	Group Chief Service Lines officer
Jose-Maria Gonzalez	Managing Director, Southern Europe, Australia and New Zealand
Denis Langlois	Group Human Resources Director
Yvonne Leuschner	Director of the Vans & Trucks Business Unit
Luc Péligry	Group Chief Financial officer
Franck Rohard	Secretary General and Group Legal Director
Gary Smith	Managing Director, Northern Europe and USA

Investment Committee

The Investment Committee meets as often as required. Its key missions are to analyze, structure, control and subsequently validate the economic and financial terms of commitments struck with the main partners and major Group investment proposals (main commercial stakeholders, including customers and partners), with regard to the policy defined by the Management Board.

This committee is supported by the Group's PMO (project management officer), management control and operating functions. The Investment Committee met 21 times during 2020 and ruled on 26 subjects.

5

5.2.4 Corporate governance

5.2.4.1 Corporate Governance Code

The Company refers to the AFEP-MEDEF Code, as revised in January 2020 and regularly reviews and improves its corporate governance practices.

At its meeting of February 24, 2020, the Supervisory Board reviewed the recommendations of the revised AFEP-MEDEF Code.

As permitted by this Code and by the law, the Company has set aside or amended some of the Code's provisions to suit its specific circumstances or to comply with other provisions of the Code. These are summarized in the table below, along with the reasons for these choices.

AFEP-MEDEF Code recommendations	Company practice and justification
Non-compete agreement of the members of the Management Board (Article 24.4 of the AFEP-MEDEF Code) "The Board provides that the payment of the non-compete compensation is excluded as soon as the officer asserts his pension rights. In any event, no compensation can be paid beyond 65 years of age"	Regarding the renewal of term of office as members of the Management Board for Caroline Parot and Fabrizio Ruggiero as well as the appointment of Olivier Baldassari as a new member of the Management Board for a term of four years, decided by the Board during its meeting on December 21, 2018, and the appointment of Albéric Chopelin as a member of the Management Board during the 2019 fiscal year, the Supervisory Board did not consider it useful to specify that the non-compete clause that may be exercised by the Company be excluded as soon as the manager asserts his pension rights over age 65 since given the current ages of the members of Management Board, they are not asserting their pension rights for at least 10 or 15 more years. The Supervisory Board decided however to respect this AFEP-MEDEF Code recommendation relative to the appointments or term-of-office renewals of Directors for which Management Board members could exercise their rights to retirement or remain in office beyond the age of 65.

5.2.4.2 Declarations relating to corporate governance

1. Absence of family ties

To the Company's knowledge, and until the date of governance with Supervisory Board and Management Board, there were no family ties between any members of the Company's Supervisory Board and members of the Management Board.

2. Absence of convictions

To the Company's knowledge during the last five years, concerning the members of the Company's Supervisory Board:

(i) no conviction for fraud has been ruled against one of the persons cited above;

(ii) none of the aforementioned persons has been associated with a bankruptcy, seizure, liquidation, or placement of a company under judicial administration;

(iii) there have been no claims and/or official public sanctions ruled against one of the aforementioned persons by statutory or regulatory authorities (including designated professional bodies); and

(iv) none of the aforementioned persons has been disqualified by a court from acting as a member of the administrative, management or supervisory body of an issuer, or from acting in the management or business performance of an issuer.

3. No conflicts of interest

To the Company's knowledge and until the end of their terms of office, and subject to the relationships described in Section 7.2 "Related Party Transactions" of this Universal Registration Document, there are:

(i) no potential conflicts of interest between the duties of the members of the Supervisory and Management Boards to the Company and their private interests and/or other duties;

(ii) no service contracts linking one of the members of the Supervisory Board to the Company or to one of its subsidiaries and granting benefits.

Where a conflict of interest arises, the internal rules of the Supervisory Board dictate that the member of the Supervisory Board must inform the Board as soon as he/she becomes aware of an actual or potential conflict of interest and recuse themselves from discussions and votes on related matters.

The Supervisory Board's internal rules also set forth that when one of the members of the Supervisory Board has a conflict of interest, or potential conflict of interest, concerning a subject to be discussed by the Board, the Chairman shall ensure, upon recommendation of the Compensation and Nominations Committee which will have already examined the conflict of interest, that the information on this subject is not communicated to that member, without prejudice to the latter's obligations.

To the Company's knowledge, and until the end of their terms of office, there were no agreements or undertakings of any kind with shareholders, customers, suppliers or others pursuant to which any member of the Company's Supervisory or Management Boards was appointed to such a position.

On the date of this Universal Registration Document, there are no restrictions accepted by the members of the Supervisory Board and/or the members of the Management Board concerning the assignment within a certain period of time of all or part of their stakes in the Company's share capital, with the exception of (i) certain legal provisions, (ii) certain provisions set forth under the terms of the general regulations of the performance share allotment plans of which the members of the Management Board were beneficiaries, as described in Section 5.5.2.3 of this Document, (iii) the rules related to the prevention of insider trading as set forth in the French financial markets authority ("AMF") general regulation and (iv) the recommendations of the AFEP-MEDEF Code of Corporate Governance for Listed Companies, imposing an obligation to retain shares.

4. Independence of the members of the Supervisory Board

In accordance with the provisions of the AFEP MEDEF Code, in its version of January 2020, to which the Company refers, and the Supervisory Board's Internal regulations, the Supervisory Board reviews the circumstances of each of its members annually against the criteria for independence.

The Supervisory Board that met on February 24, 2020 again reviewed the independence of its members and considered that the independence criteria set out in Article 1 of the Supervisory Board's Internal regulations continue to be met by Jean-Paul Bailly, Pascal Bazin and Sanford Miller, and Virginie Fauvel and Petra Friedmann. In addition, these criteria are also met by Martine Gerow.

Therefore, the Supervisory Board has six independent members, which is half of the Board, pursuant to the recommendations of Article 9.3 of the AFEP-MEDEF Code; the members representing employee shareholders are not counted in calculating the percentage of independent members on the Supervisory Board.

Each member of the Board of Directors is asked to submit an annual declaration to the Company in respect of each of the independence criteria. Under the AFEP-MEDEF Code recommendations, the Board of Directors may consider that a member who meets the independence criteria set forth in Article 9.5 of the AFEP-MEDEF Code, nevertheless does not qualify as independent or, conversely, that a Director who fails to meet said criteria may be considered independent.

Table of independence criteria for fiscal year 2020

	Not be an employee or an executive corporate officer	No cross-directorships	No business relationships	No family ties	Not be a current or a past auditor	Not have been a Director for more than 12 years	Not receive any variable compensation or compensation related to the Company's or the Group's performance	Not represent a shareholder with more than 10% of the stock	Independent
Jean-Paul Bailly	✓	✓	✓	✓	✓	✓	✓	✓	✓
Patrick Sayer	✓	✓	✓	✓	✓		✓	✓	
Philippe Audouin	✓	✓	✓	✓	✓	✓	✓		
Virginie Fauvel	✓	✓	✓	✓	✓	✓	✓	✓	✓
Petra Friedmann	✓	✓	✓	✓	✓	✓	✓	✓	✓
Pascal Bazin	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sanford Miller	✓	✓	✓	✓	✓	✓	✓	✓	✓
Amandine Ayrem	✓	✓	✓	✓	✓	✓	✓		
Éric Schaefer	✓	✓	✓	✓	✓	✓	✓		
Kristin Neumann	✓	✓	✓	✓	✓	✓	✓	✓	✓
Adèle Mofiro		✓	✓	✓	✓	✓		✓	
Alessandro Ricciotti		✓	✓	✓	✓	✓		✓	
Antonin Marcus	✓	✓	✓	✓		✓	✓		
Martine Gerow	✓	✓	✓	✓	✓	✓	✓	✓	✓
Sophie Flak	✓	✓	✓	✓	✓	✓	✓		

It is noted that, because of his role as Chairman of the Supervisory Board, a specific review was conducted on the status of Mr. Jean-Paul Bailly as an independent member. As the table above shows, Mr. Jean-Paul Bailly does not have, and has not had, a relationship of any kind with the Company or Group except for his service as member and Chairman of the Company's Supervisory Board. Nor has he received any compensation from the Company, other than compensation for his work as Chairman and member of the Company's Supervisory Board. As Chairman of the Supervisory Board in a dual corporate governance structure, Mr. Jean-Paul Bailly has no executive functions and does not take part in the Company's operating decisions. As a result, Mr. Jean-Paul Bailly is deemed to be independent.

5. Diversity policy within the Supervisory Board

In fiscal year 2020:

- the Supervisory Board continues to monitor the composition of the Board carefully, particularly the diversity of its members based on different criteria such as independence, gender, age, nationality, expertise and professional experience, working in this way to strengthen the Group's strategy with the expertise of its members, primarily in terms of management and a knowledge of mobilities and tourism, customer experience, digitization and transformation;
- the Management Board also ensures that executive corporate officers implement a policy of non-discrimination and diversity, particularly gender balance in the management bodies;
- the Supervisory Board was composed of eleven members, including five women, or 40% of the members of the Supervisory Board excluding the employee representatives, which is in accordance with Article L. 225-69-1 of the French Commercial Code;
- in terms of international representation, the Supervisory Board had three foreign members from the UK, Germany and the United States, i.e. 30% of the members of the Supervisory Board. Four members of the Supervisory Board developed real international experience throughout their careers, which strengthens the internationalization of the Board.

The average age of the members of the Supervisory Board is 56 at the date of this Universal Registration Document.

Summary of the expertise of the members of the Supervisory Board

	Mobilities & Tourism	International	Leadership & Management	Finance & Mergers-Acquisitions	Customer experience	ESG	Transformation & Digital
Jean-Paul Bailly	✓		✓		✓	✓	✓
Patrick Sayer	✓	✓	✓	✓		✓	
Philippe Audouin	✓		✓	✓			
Virginie Fauvel		✓	✓		✓	✓	✓
Petra Friedmann	✓	✓	✓		✓	✓	✓
Pascal Bazin	✓	✓	✓		✓	✓	
Sanford Miller	✓	✓	✓		✓		
Amandine Ayrem	✓			✓		✓	
Éric Schaefer	✓	✓		✓		✓	
Kristin Neumann	✓	✓	✓	✓			
Adèle Mofiro	✓					✓	
Alessandro Ricciotti	✓						
Antonin Marcus	✓			✓			
Martine Gerow	✓	✓	✓	✓			✓
Sophie Flak		✓	✓		✓		✓

DESCRIPTION OF THE METHODOLOGY USED

The exercise of identifying the skills in the matrix for each member of the Supervisory Board calls for the identification of the skills that investors must consider to be (i) consistent with the published profile of each Supervisory Board member (biography on the Company's website, LinkedIn profile, etc.) that all investors can verify, (ii) relevant for the role of each Board member (Chairman and/or member of the Board and/or a Committee) to ensure that the Board can fulfill its role effectively, and (iii) necessary for the Company's long-term strategy and success.

This is a two-stage process:

- first, at the Supervisory Board level, it is necessary to (i) verify that all the essential skills listed in the matrix can be found on the Board and that no skill is not or insufficiently represented, and (ii) verify that the Chairman of the Board has the skills necessary for carrying out his duties. On this last point, the Chairman of the Supervisory Board must have extensive experience as a senior manager. He must have skills in ESG, and more specifically in corporate governance;
- second, at the Committee level, it is necessary to verify that the members of each Committee have the skills needed to justify their membership on the Committee, as set out in the table above.

The objective of the matrix and Governance Roadshow, which followed the creation of the matrix, was to highlight the strengths of the Supervisory Board. The Supervisory Board is highly qualified and has the skills needed to define a strategy, monitor and question the decisions of the Management Board, oversee financial and non-financial performance and empower the Management Board in order to reinforce long-term value creation, in accordance with the Company's purpose. The Supervisory Board also sought to ensure that the Company attracts and retains talent to implement its strategy and to speed up digital integration.

6. Representation of employees and employee shareholders on the Supervisory Board

Adèle Mofiro was appointed by the Group Committee as a member of the Supervisory Board of the Company representing employees, in accordance with the Company's by-laws and pursuant to Article L. 225-79-2 of the French Commercial Code. Ms. Adèle Mofiro has been a member of the Company's Supervisory Board and entitled to voting rights since December 21, 2018. In addition, by decision of the Supervisory Board on December 21, 2018, she was appointed member of the Nominations and Compensation Committee.

Pursuant to the PACTE law, Alessandro Ricciotti was designated by the European Works Council of July 29, 2020 as a member of the Supervisory Board of the Company representing employees, in accordance with the Company's by-laws and pursuant to Article L. 225-79-2 of the French Commercial Code. Mr. Ricciotti has been a member of the Company's Supervisory Board with voting rights since July 29, 2020.

Pursuant to Article L. 225-71 of the French Commercial Code, listed companies whose shares held by employees represent more than 3% of the share capital are required to appoint one or more employee shareholder representatives to sit on their Supervisory Board. Given that at December 31, 2020, the number of Company shares held by employees was less than 3%, the Company does not fulfill the condition for the implementation of this obligation.

7. Terms of office of members of the Supervisory Board

The terms of office of the members of the Supervisory Board expire on a staggered basis in order to allow for the rolling renewal of the Supervisory Board's membership, in accordance with the recommendations of the AFEP-MEDEF Code.

It should be noted that the terms of office on the Supervisory Board of Amandine Ayrem and Kristin Neumann expired at the General Meeting of June 12, 2020. Kristin Neumann and Amandine Ayrem indicated that they were not requesting a renewal of their terms for personal and scheduling reasons.

The General Meeting of Shareholders of June 12, 2020, on the recommendation of the Compensation and Nominations Committee of March 12, 2020 approved the appointment of:

- Martine Gerow as a member of the Supervisory Board for a four-year term that expires at the end of the Annual General Meeting called in 2024 to approve the financial statements for the fiscal year ended December 31, 2023 (5th resolution);
- Sophie Flak as a member of the Supervisory Board for a four-year term that expires at the end of the Annual General Meeting called in 2024 to approve the financial statements for the fiscal year ended December 31, 2023 (6th resolution).

5.2.5 Functioning of the Supervisory Board

1. Main provisions of the Company's by-laws and the Supervisory Board's Internal regulations

The Supervisory Board's internal regulations follow best practices to ensure compliance with the basic principles of corporate governance, in particular those set out in the AFEP-MEDEF Code.

The Internal regulations were revised by the Supervisory Board at its meetings of February 24, 2017, February 28, 2018, March 20, 2018, and September 20, 2018. It complements the Company's by-laws as well as the laws and regulations in force by specifying the duties, composition and operation of the Supervisory Board and its committees, the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee, and their interactions. The internal regulations of the Audit Committee, the Compensation and Nominations Committee and the Strategic Committee are attached as an Appendix to the rules of Supervisory Board's internal regulations.

The Supervisory Board's Internal regulations may be modified at any time by a decision of the Supervisory Board.

2. Participation in Supervisory Board meetings by video conference or other means of telecommunication

Pursuant to applicable laws and regulations, the use of video-conference or other means of telecommunication is authorized for any Supervisory Board meeting: the means used must enable real-time and continuous transmission of speech and, if applicable, video images of the members, who must be visible to everyone. These means must also permit each member to be identified and ensure their active participation in meetings.

Members participating in a Supervisory Board meeting by means of video conference or other means of telecommunication as described above are deemed present for purposes of calculating quorum and majority. The attendance sheet includes the names of members participating in the Supervisory Board meeting in such manner. The meeting's minutes must indicate the names of those Supervisory Board members deemed present in this manner. The minutes must also mention the occurrence of any technical difficulties that may have interfered with the meeting.

In accordance with Article L. 225-82 of the French Commercial Code, Article 19.III of the Company's by-laws and Article 7.5 of the Supervisory Board's Internal regulations, participation in Supervisory Board meetings by means of video conference or other means of telecommunication is prohibited for votes on the following decisions:

- appointing or replacing its Chairperson and Vice-Chairperson;
- appointing or removing members of the Management Board;
- closing the annual Company and consolidated financial statements and reviewing the Company and Group management reports.

By decision of the General Meeting of Shareholders of June 12, 2020, Article – of the by-laws was amended to allow a written consultation procedure for decisions of the Supervisory Board in accordance with Article L. 225-82 of the French Commercial Code.

3. Activities of the Supervisory Board and Advisory Committees in 2020

a) Frequency, length and attendance at Supervisory Board Meetings:

During the 2020 fiscal year, the Supervisory Board met a total of 30 times (versus 19 meetings in 2019) as follows:

(i) 8 in-person meetings, with an average duration per meeting of 3 hours;

(ii) 1 full-day seminar on July 1, 2020 to discuss the major strategic directions for the Group proposed by the Management Board;

(iii) 21 videoconference meetings of about 3 hours each.

The overall attendance rate of members at meetings of the Supervisory Board and its committees was 84% in 2020 (versus 87.1% in 2019)..

b) Activities of the Supervisory Board and Advisory Committees in 2020

Supervisory Board 30 meetings	Strategic Committee 5 meetings	Audit Committee 7 meetings	Compensation and Nominations Committee 10 meetings
Health crisis and follow-up **Financial restructuring** **Results and financial management of the Company** Review (i) of the annual and consolidated financial statements for the 2019 fiscal year and proposed allocation of the fiscal year 2019 result, (ii) of the consolidated financial statements for the first half of 2020 and (iii) of the financial statements for the third quarter of 2020. Review of the 2019 URD Review of drafts of financial communications. Dividend policy. Review of the financing policy. In-depth strategy review during a full-day seminar. Review of the 2020 budget. Notice of the Annual Combined Shareholders' Meeting of June 12, 2020 and January 20, 2021, and adoption of the reports and draft resolutions	Review of internal strategic projects for digital transformation, Review of measures to implement in response to the public health crisis	Review (i) of the annual and consolidated financial statements for the 2019 fiscal year and proposed allocation of the fiscal year 2019 result, (ii) of the consolidated financial statements for the first half of 2020 and (iii) of the financial statements for the third quarter of 2020. Review of internal control and actions carried out by Internal Audit. Review of the risk mapping. Review of the internal IT control and of the IT systems safety plan. Review of the compliance program. Review of disputes and litigation.	Determination of the compensation of the members of the Management Board for the 2019 fiscal year on the basis of the 2019 financial statements. Determination of the principles, criteria and elements of compensation for the members of the Management Board for fiscal year 2020. Talent management policy within the Group. Succession plan for the members of the Management Board, the Group Executive Committee and the Managing Directors of the corporate countries. Monitoring of the free share grant plans for certain employees and members of the Group's Management Board for 2018 and 2019. Determination of the terms of breakdown of attendance fees for the Supervisory Board; and Management of the self-assessment of the Supervisory Board and its committees.

(*) List of main topics addressed.

c) Supervisory Board's analysis of its performance and annual assessment

Once a year, the Supervisory Board should devote a point of its agenda to the assessment of its operations and discuss its performance in view of improving its efficiency, ascertaining that important issues were properly prepared and discussed internally and measuring the actual contribution of each of its members to its work.

In addition, the Supervisory Board's internal regulations provide that a formal assessment of the Supervisory Board and its committees must be carried out every three years, where necessary under the direction of an independent member of the Supervisory Board, and, if required, an external consultant, in order to verify in particular compliance with the working principles of the Supervisory Board and identify areas in which the Supervisory Board's performance and efficiency can be improved. In the two years following the formal assessment, Supervisory Board's internal regulations allow for self-assessment by its members.

Thus, in accordance with the Supervisory Board's and the AFEP-MEDEF Code recommendations, a formalized evaluation of the composition, organization and functioning of the Supervisory Board and its committees was conducted in late 2016 by an independent outside consultant and presented to the Supervisory Board on February 24, 2017. This evaluation showed that the diversity in the composition of the members of the Board and changes in the functioning of the Supervisory Board were positive. Possible improvements have nevertheless been identified and have been implemented during 2017. They concern in particular: the prioritization of the subjects on the agendas of meetings and the establishment, in conjunction with the members of the Board, of an agenda of the subjects which will be presented and discussed by the Supervisory Board during the year. The areas for improvement suggested by the report were presented and discussed at the meeting of the Supervisory Board on February 24, 2017, during the agenda item devoted each year to discussing the functioning of the Supervisory Board.

A self-assessment on the composition, organization and functioning of the Supervisory Board and its Committees during the fiscal year 2017 was carried out by members of the Supervisory Board and supervised by the Compensation and Nominations Committee. The conclusions of this self-assessment were presented to the Supervisory Board on February 28, 2018. This self-assessment established that the areas for improvement identified at the previous assessment of the Supervisory Board and presented on February 24, 2017 had been implemented. The members of the Supervisory Board all agreed that, for the most part, implementation in fiscal year 2017 of the recommendations made and areas for improvement identified in February 2017 had been satisfactory. The new areas for improvement suggested in the findings of the self-assessment carried out in January 2018 were presented and discussed during the Supervisory Board meeting of February 28, 2018, under the agenda item devoted every year to a discussion about the way in which the Supervisory Board works. The major points were to make a greater effort to offer new Supervisory Board members a more structured integration program and to systematically conduct after-the-fact analysis of the significant strategic decisions.

A self-assessment on the composition, organization and functioning of the Supervisory Board and its Committees during the fiscal year 2018 was carried out by members of the Supervisory Board and supervised by the Compensation and Nominations Committee. The findings of this self-assessment survey were presented to, and debated by, the Supervisory Board on March 20, 2019 at the item of the agenda set each year to discuss the functioning of the Supervisory Board. This self-assessment established that the areas for improvement identified at the previous assessment of the Supervisory Board and presented at the meeting on February 28, 2018 had largely been satisfactorily implemented in 2018. According to the survey, members believe that important issues are properly prepared and debated and that the effective skills of and contributions from Board members foster cohesion and enhance the quality of debate in the Supervisory Board. The suggested new areas of improvement include further work to be carried out and expanded on succession plans, notably those for members of the Group Executive Committee and the Supervisory Board, and optimizing the work carried out by the Strategic Committee and the Supervisory Board on value creation scenarios.

In accordance with the with the Internal regulations of the Supervisory Board and the recommendations of AFEP-MEDEF Code, a formal assessment of the composition, organization and operating procedures of the Supervisory Board and its Committees was conducted at the end of 2019 by an independent external firm and presented to the Supervisory Board meeting on January 27, 2020.

During this process, each member of the Board was confidentially interviewed by the independent external consultant using the same interview guide, covering governance fit and Board activities, Board effectiveness, Board composition, roles and areas of expertise, Board involvement and engagement, Board involvement in succession planning, and Board Committees functioning. Besides an assessment of the Board collective functioning, individual Board members' contributions were also assessed, allowing the Chairwoman of the Board to share constructive feedback.

This evaluation established that the areas for improvement identified during the previous assessment of the Supervisory Board and presented on March 20, 2019 had been almost fully implemented: in particular on executive roles succession planning, balance between presentation and discussion, participation rates and the articulation between the Strategic Committee and the Board.

The 2019 evaluation identified a few new areas for improvement including time devoted to strategic, the implementation of regular "executive sessions", succession planning for future Board composition, and the visibility on planning and Board activities.

The areas for improvement suggested by the report were presented and discussed at the meeting of the Supervisory Board on February 24, 2020, during the agenda item devoted each year to discussing the functioning of the Supervisory Board.

4. Committees of the Supervisory Board

Pursuant to Article 20.VI of the Company's by-laws and Article 11 of the Supervisory Board's internal regulations, the Supervisory Board may form committees charged with examining questions submitted to them by the Board or its Chairman. The Supervisory Board created an Audit Committee and a Compensation and Nominations Committee. On March 20, 2018, the Supervisory Board also decided to create a Strategic Committee and adopted its internal rules, The composition of these committees, as decided by the Supervisory Board, complies with the recommendations of the AFEP-MEDEF Code.

In addition, the Supervisory Board decided, on September 18, 2019, to create an *ad hoc* committee whose missions and functioning are described in this Universal Registration Document.

Finally, at its meeting of July 1, 2020, the Supervisory Board decided to set up a Monitoring Committee.

Pursuant to the second paragraph of Article L. 225-39 of the French Commercial Code, on February 24, 2020 the Supervisory Board approved the terms of the Europcar Mobility Group's internal charter on the procedure relating to agreements concerning current transactions conducted under normal conditions. The implementation of the procedure, which makes it possible to regularly verify that agreements concerning current transactions conducted under normal conditions effectively fulfill these conditions, will be an integral part of the Audit Committee's remit.

a) The Audit Committee

Members – Article 11 of the Supervisory Board's Internal regulations

- 5 Members:
  - Martine Gerow, Chairwoman of the Audit Committee,
  - Virginie Fauvel,
  - Pascal Bazin,
  - Philippe Audouin,
  - Antonin Marcus;
- 60% independent members, including the Chairwoman of the Audit Committee;
- 40% women;
- no executive corporate officer.

The composition of the Audit Committee is in line with the recommendations of the AFEP-MEDEF Code (Art.16.1).

Duties – Article 1 of the Audit Committee's internal rules

The duties of the Audit Committee are to oversee the preparation and audit of accounting and financial information and to ensure the effectiveness of risk monitoring and internal operating control mechanisms in order to facilitate the Supervisory Board's oversight of control and verification mechanisms. Within this framework, the Audit Committee provides all advice and recommendations to the Supervisory Board in carrying out the following main duties:

(i) Overseeing the preparation of accounting and financial information:

- review accounting methods and any exceptional, material change in the accounting principles applied by the Company,
- review the annual and interim parent company and consolidated financial statements (including the consolidated companies, provisions and risks), and ensure the relevance and permanence of the accounting methods used to establish these statements in the presence of the Statutory Auditors, who present the essential points of the results of the legal audit, and the accounting options used,
- review the process for preparing the financial information and the review of the annual and interim statements in the presence of the Statutory Auditors who report on the performance of their mission and the conclusions from their work.

(ii) Overseeing the effectiveness of the internal control, Internal Audit and risk management systems concerning accounting, financial, and non-financial information:

- ensure the relevance, reliability and implementation of internal control procedures and the identification, hedging and management of the Company's risks in relation to its activities and its accounting, financial and non-financial information,
- monitor the effectiveness of the Internal Audit, in particular the procedures relating to the preparation and processing of accounting, financial and non-financial information, without prejudice to its independence.

(iii) Overseeing the legal audit of the parent company and consolidated financial statements by the Company's Statutory Auditors:

- gather and monitor information from the Company's Statutory Auditors (including outside the presence of members of the Management Board) notably on their general work schedule, on changes they consider necessary to the Company's accounts or other accounting documents, on any accounting irregularities, anomalies or inaccuracies they may have identified, on uncertainties or significant risks concerning the preparation and processing of the accounting, financial and non-financial data, on the conclusions drawn from their observations and corrections on the results of the period compared to those of the previous period, and on any significant internal control weaknesses they may have discovered.

(iv) Overseeing the independence of the Statutory Auditors:

- direct the procedure for selecting and renewing the Statutory Auditors and submit the results of this selection to the Supervisory Board. In accordance with the regulations in force, the Audit Committee must recommend to the Supervisory Board the appointment of Statutory Auditors from new firms by conducting a tender process when the term of appointment including renewals has reached the maximum permitted (24 years as co-Statutory Auditor from the date of the Company's IPO),
- review with the Statutory Auditors the risks pertaining to their independence and the safeguard measures taken to reduce these risks. It must in particular ensure that the amount of the fees paid by the Company and the Group, or the percentage it represents in the revenue of the Statutory Auditors firms or their networks, is not likely to weaken the independence of the Statutory Auditors,
- review the significant risks and off-balance sheet commitments of the Company and its subsidiaries and assess the significance of the malfunctions or weaknesses that are communicated to it and inform the Supervisory Board where necessary,

- interview the persons in charge of the Internal Audit and regularly examine the mapping of business risks,
- give its opinion on the organization of the Internal Audit Department and be informed of its work program. It should receive the Internal Audit reports or a periodic summary of these reports.

Committee meetings (Article 2 of the Audit Committee's internal rules and Article 11 of the Supervisory Board's Internal Regulations)

The Audit Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Audit Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Audit Committee meets as often as necessary and, in any event, at least twice a year in connection with the Group's preparation of the annual and interim financial statements.

The Audit Committee's meetings are held prior to the meeting of the Supervisory Board and, to the extent possible, at least two days prior when the Audit Committee's agenda includes examination of interim or annual financial statements prior to their review by the Supervisory Board.

Minutes are prepared for each meeting, in the absence of other provisions, by the meeting's secretary appointed by the Committee's Chairman, under the authority of the Committee's Chairman. The minutes are sent to all members of the Committee. The Chairman of the Committee decides conditions pursuant to which it reports on its work to the Supervisory Board.

The Audit Committee may rely on, if necessary, external experts through requests for technical studies on topics relevant to their skills.

The Committee presents its work at the next Supervisory Board meeting.

b) Compensation and Nominations Committee

Composition – Article 11 of the Supervisory Board's internal rules

- 4 Members:
  - Pascal Bazin, Chairman of the Compensation and Nominations Committee,
  - Petra Friedmann,
  - Sophie Flak,
  - Adèle Mofiro;
- 50% independent members, including the Chairman of the Committee;
- 75% women;
- no executive corporate officer.

The composition of the Compensation and Nominations Committee is in compliance with the recommendations of the AFEP-MEDEF Code (Art.17 and 18).

Duties (Article 1 of the internal rules of the Compensation and Nominations Committee)

The Compensation and Nominations Committee is a specialized Committee of the Supervisory Board, the primary duty of which is to assist the Supervisory Board in constituting the Company's management bodies and in determining and regularly assessing all compensation and benefits received by the members of the Management Board, including deferred benefits and/or severance pay for voluntary or forced departure from the Group. Within this framework, it performs the following tasks:

- proposals for appointment to the Supervisory Board in view of the appointment of members of the Supervisory Board, Management Board and Board Committees by the General Meeting or the Supervisory Board: for this purpose, the Committee examines in detail all elements to be taken into consideration in its deliberation, particularly on the basis of the composition and changes in the shareholder base of the Company, to balance the composition of the Board: gender balance, nationality, international experience, expertise, etc.;
- implementation of a succession plan for executive corporate officers: The Compensation and Nominations Committee prepares and updates a confidential succession plan for the members of the Management Board, as well as the members of the Group Executive Committee, to be in a position to quickly propose succession solutions to the Supervisory Board in the event of an unexpected vacancy. In the context of performing the aforementioned work, the Committee works with Chairwoman of the Management Board. The departure of key persons of the management team and managers of the Group has been identified as a risk factor for the Company. To ensure continuity of operations upon foreseen or unforeseen departures or hires, the Compensation and Nominations Committee, assisted by the Human Resources Department, discusses in detail, prepares and keeps up-to-date a confidential succession plan for the Members of the Management Board as well as the Members of the Group Executive Committee. It works together with the Chairwoman of the Management Board. This plan should enable the Supervisory Board to on the one hand quickly find succession solutions in case of an unforeseen vacancy and on the other hand define the profiles required for potential successors, considering the Group's strategy, its diversity policy and the level of expertise and experience necessary for a successful succession. The Compensation and Nomination Committee then submits a detailed report on the succession plan to the Supervisory Board;
- annual evaluation of all offices held by the members of the Supervisory Board;

- review and proposal to the Supervisory Board of all components and conditions for compensation of the members of the Management Board: the Committee studies and makes proposals that include the fixed and variable compensation, as well as, if applicable, share subscription or purchase options, allotments of performance shares, retirement and pension plans, severance packages, in-kind or individual benefits and any other possible direct or indirect compensation (including long-term) that may be included in the compensation of members of the Management Board. The Committee is informed of the compensation policy for the principal executives who are not corporate officers, as well as of the hiring and compensation of the members of the Executive Committee. The Committee works together with the members of the Management Board on this task;
- review and proposal to the Supervisory Board on the method of distribution of Directors' fees and on any exceptional compensation for exceptional tasks that may be entrusted, if necessary, by the Supervisory Board to some of its members.

Committee meetings (Article 2 of the internal rules of the Compensation and Nominations Committee and Article 11 of the Supervisory Board's internal rules)

The Compensation and Nominations Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary of the Committee, so long as at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Compensation and Nominations Committee's recommendations are adopted by a simple majority of the members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Compensation and Nominations Committee meets as often as necessary and, in any event, prior to any meeting at which the Supervisory Board votes on the compensation of the members of the Management Board or the allocation of attendance fees.

The Committee presents its work at the next Supervisory Board meeting. The Supervisory Board then discusses the components of compensation of Management Board members without the latter being present.

c) Strategic Committee

Composition – Article 11 of the Supervisory Board's internal rules

- 5 Members:
  - Jean-Paul Bailly, Chairman of the Strategic Committee,
  - Patrick Sayer,
  - Petra Friedmann,
  - Virginie Fauvel,
  - Philippe Audouin;
- 60% independent members, including the Chairman of the Committee;
- 40% women;
- no executive corporate officer.

Duties (Article 1 of the Strategic Committee's internal rules)

The Strategic Committee was created in March 2018 for the purpose of studying and examining the merits of acquisition projects and opportunities for large investments that could facilitate or accelerate the good execution of the Company's development strategy. The Strategic Committee analyzes in particular the Group's various potential strategic guidelines and options that are likely to favor its development. In this respect:

- it studies and examines the prospective relevance of partnership agreements, acquisition projects or significant investment opportunities that could facilitate or accelerate the successful execution of the Company's development strategy;
- it studies and issues recommendations on strategic acquisition and investment projects that are subject to the prior approval of the Supervisory Board;
- it studies the risks associated with plans projects of development or establishment in countries where the Group is not present.

The Strategic Committee is also responsible for issuing recommendations regarding the investments needed to implement each of the strategies contemplated:

- it ensures that the strategy adopted and applied by the Management Board is consistent with the strategic orientations adopted by the Company or makes any recommendation to modify this policy.

The Strategic Committee's role is to assist the Supervisory Board. To that end, it issues all opinions and recommendations to the Supervisory Board in the aforementioned areas.

More generally, the Strategic Committee is tasked with identifying and submitting to the Supervisory Board any direction or initiative deemed interesting for the future of the Company, provided that it preserves its operational functioning and ensures the maintenance of the major financial balances.

Committee meetings (Article 2 of the Strategic Committee's internal rules and Article 11 of the Supervisory Board's internal rules)

The Strategic Committee may conduct meetings in person or via video or telephone conference pursuant to the same rules as the Supervisory Board, when convened by its Chairman or secretary, providing that at least half of its members participate. Committee members may not give proxies to other members to represent them.

The Strategic Committee's recommendations are adopted by a simple majority of members present. In the event of a tie, the vote of the Committee's Chairman prevails.

The notice of meeting must include an agenda and may be transmitted orally or by any other means.

The Committee presents its work at the next Supervisory Board meeting.

d) Ad hoc Committee

Composition

The *ad hoc* Committee, established at the Supervisory Board meeting of September 18, 2019, is composed of three independent members as defined by the AFEP-MEDEF Code.

For confidentiality reasons and to prevent its members from being subjected to pressures or communication, it has been decided not to disclose their identity.

Duties and meetings

The mission of the *ad hoc* Committee is to monitor the strategic review initiated by Eurazeo on behalf of the Supervisory Board. In this respect:

- it monitors and reviews the developments of Eurazeo's proposed sale of its interest in the Company's capital, including reviewing the list of potential investors, monitoring the selection of potential investors in the first round, obtaining information pursuant to the indicative letters of intent, reviewing the choice of the investor selected in the second round (and subsequent rounds, if applicable), monitoring the process, informing members of the Supervisory Board, assessing the nature of the information provided to investors, and communication;
- its mission is to analyze and verify respect for the rules of good governance during the process, particularly in the area of conflicts of interest and the principle of equality among shareholders;
- it ensures frequent communications with the Management Board as well as with the financial and legal advisors of the Company and/or the Supervisory Board;
- it issues opinions and recommendations to the Supervisory Board in the areas falling within the scope of its mission whenever it deems appropriate.

As part of their duties, the members of this independent *ad hoc* Committee held regular discussions with all stakeholders.

Once its mission to monitor the strategic review process initiated by Eurazeo was completed, this Committee ceased to exist in the first half of 2020.

e) Monitoring Committee

Composition

At its meeting on July 1, 2020, the Supervisory Board approved the establishment of a Monitoring Committee of four members, the majority of whom are independent, with equal representation of men and women. For confidentiality reasons and to prevent its members from being subjected to pressures or communication, it has been decided not to disclose their identity.

Duties and meetings

The Monitoring Committee was formed with the mission to monitor, on behalf of the Supervisory Board, the study initiated by the Management Board on a change in the financial restructuring.

Since its formation, the Monitoring Committee met regularly on a weekly basis. Prior to each of these meetings, the Company's legal counsel transmitted to the members of the Monitoring Committee presentations containing information relevant for monitoring the financial restructuring process. This information included elements on the Company's financial position, the proposals for financial restructuring and, more generally, the follow-up on talks with the different stakeholders of the financial restructuring process. It is specified that the decisions on the financial restructuring process that were adopted by the Supervisory Board followed the prior recommendations made to the members of the Supervisory Board by the Monitoring Committee.

5.3 CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE

Report of the Board of Directors under Article L. 225-37 of the French Commercial Code

In accordance with Articles L. 225-37-3 to L. 225-37-5 of the French Commercial Code, the Chairman's report on governance for the fiscal year ended December 31, 2020 includes the following information:

- comments of the Board of Directors on the management report and the financial statements for the fiscal year ended December 31, 2020;
- the proposed compensation policy applicable to members of the Supervisory Board and members of the Board of Directors for fiscal year 2021 provided for in Article L. 225-37-2 of the French Commercial Code;
- total compensation and benefits of any kind paid during the fiscal year ended December 31, 2020 to the corporate officers, including a description of the fixed, variable and exceptional elements comprising this compensation and benefits as well as the criteria used to calculate them or circumstances applied to grant them and, more broadly, all the information set out in Article L. 225-37-3 of the French Commercial Code;
- commitments of any kind made by the Company to its corporate officers and the terms used to determine these commitments;
- the list of all the terms of office and positions held by each of the Company's corporate officers in other companies during the past fiscal year;
- a statement of the regulated agreements concluded (excluding arm's length agreements) during the fiscal year ended December 31, 2020. These regulated agreements include those entered into directly or through an intermediary by and between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights, and (ii) a subsidiary of the Group as defined by Article L. 233-3 of the French Commercial Code;
- a summary table of currently valid delegations granted by the General Meeting to increase the share capital;
- composition of the Supervisory Board for fiscal year 2020 and how it prepares and organizes its work;
- the diversity policy applied to members of the Supervisory Board, the objectives of and methods for implementing this policy, the results obtained, as well as the application of the principle of balanced representation between men and women on the Supervisory Board;
- limitations exercised by the Supervisory Board on the powers of the Management Board;
- the fact that the Company voluntarily applies a Code of Corporate Governance and which provisions have been waived and why;
- specific procedures relating to the participation of shareholders in the General Meeting;
- a description of the procedure set out in the second paragraph of Article L. 225-39 of the French Commercial Code allowing regular evaluation to verify that agreements concerning current transactions conducted under normal conditions comply with these conditions and its implementation;
- information provided for under Article L. 225-37-5 of the French Commercial Code.

In addition to the proposed compensation policy applicable to members of the Management Board and members of senior management for fiscal year 2021 provided for in Article L. 225-37-2 of the French Commercial Code, This Universal Registration Document includes all the items from the report by the Company's Board of Directors referred to in Article L. 225-68 of the French Commercial Code. References to Sections of this Universal Registration Document corresponding to the various parts of the report by the Supervisory Board can be found below.

Within the framework of the Annual Sharholders' Meeting called to approve the financial statements for the fiscal year ending December 31, 2020, the Company will provide, within the terms and conditions provided for by law, all of the information required in accordance with the Chairman's Report on Corporate Governance.

The report of the Board of Directors and the procedures underlying it were approved in their entirety by the Board of Directors.

Items from the report on corporate governance	Universal Registration Document Chapter/Section
Comments of the Board of Directors on the management report and the financial statements for the fiscal year ended December 31, 2020	3.10
List of all the terms of office and positions in each company held by each of the corporate officers during the fiscal year ended December 31, 2020	5.2.1 5.2.2
Composition of the Supervisory Board and conditions in which it prepares and organizes its work	5.2.1 5.2.5
Description of the diversity policy applied to members of the Supervisory Board, the objectives of this policy, its implementation methods and results obtained, and description of the application of the principle of balanced representation between men and women on the Supervisory Board.	5.2.4
Description of how the Company seeks a balanced representation of women and men on the Executive Committee using measures set up by senior management to help and the results achieved in terms of gender balance in the 10% of positions with the highest responsibility	5.2.4
Limitation of the powers of the Management Board	5.2.2 5.2.1.2
Reference to the Corporate Governance Code and deviations from the Code	5.2.4
Compensation policy for corporate officers as set out in Article R. 225-29-1 of the French Commercial Code	5.5.1
Total compensation and benefits of any kind paid to the corporate officers during the fiscal year ended December 31, 2020. The fixed, variable and exceptional components comprising this compensation and benefits as well as the criteria used to calculate them or circumstances applied to grant them. Commitments of any kind made by the Company in favor of its corporate officers.	5.5.3
Information under Article L. 225-37-3 of the French Commercial Code for each corporate officer, including corporate officers with expired terms of office and those newly appointed in the previous fiscal year	
Total compensation and benefits of any kind paid by the Company to corporate officers during the fiscal year ended December 31, 2020 by detailing the fixed, variable and exceptional components paid for terms of office held in the past year, or awarded for terms of office in the same fiscal year.	5.5.3
Proportion corresponding to fixed and variable compensation	5.5.3
Use of the possibility of requesting the return of a variable compensation	5.5
Commitments of any kind made by the Company	5.5
Any compensation paid or awarded by a company included in the scope of consolidation as defined by Article L. 233-16 of the French Commercial Code	5.5
Ratios between the compensation level of each of the executives and, on the one hand the average compensation on a full-time basis of the Company's employees other than corporate officers, on the other hand, the median compensation on a full-time equivalent basis of the Company's employees other than corporate officers	5.5
Annual trends in compensation, the Company's performance, average compensation on a full-time equivalent basis of the Company's employees, other than executives, equity ratios, over at least the five most recent fiscal years	5.5
Explanation of how total compensation complies with the adopted compensation policy, including how it contributes to the Company's long-term performance, and how the performance criteria are applied	5.5
How the vote of the shareholders' Ordinary General Meeting set out in Part II of Article L. 225-100 of the French Commercial Code is taken into account	5.5
Deviation with respect to the compensation policy implementation procedure	5.5
Application of the provisions of the second sub-paragraph of Article L. 225-45 of the French Commercial Code	5.5
Specific procedures relating to the participation of shareholders in the General Meeting	6.2.4

Items from the report on corporate governance	Universal Registration Document Chapter/Section
Table of currently valid delegations granted by the General Meeting to increase the share capital showing the utilization of these delegations in the financial year ended December 31, 2020	6.3.4.
Information provided for in Article L. 225-37-5 of the French Commercial Code	6.6
Agreements concluded (excluding agreements concluded under normal conditions) entered into directly or through an intermediary by and between (i) one of the corporate officers or one of the shareholders holding more than 10% of the voting rights, and (ii) a subsidiary of the Group	7.2
Draft resolutions prepared by the Supervisory Board for approval of the principles and criteria to determine the components of compensation and benefits of all kinds granted to the corporate officers	N/A
Description and implementation of the procedure set out in the second subparagraph of Article L. 225-39 of the French Commercial Code allowing the regular evaluation of the compliance of agreements concerning current transactions conducted at arm's length with these conditions	5.2.5

5.4 COMPENSATION POLICY AND BENEFITS OF ANY KIND FOR MEMBERS OF THE SUPERVISORY BOARD AND THE BOARD OF DIRECTORS FOR FISCAL YEAR 2021

The compensation of the members of the Supervisory Board, members of the Board of Directors, members of the Management Board, and of senior management is determined by the Board of Directors, on recommendation of the Compensation and Nominations Committee.

In its analysis and proposals to the Board of Directors, the Compensation and Nominations Committee pays particular attention to comply with the recommendations of the AFEP-MEDEF Code.

5.4.1 Compensation policy applicable to members of the Supervisory Board and of the Board of Directors for fiscal year 2021

5.4.1.1 Compensation policy applicable to members of the Supervisory Board for the period January 1, 2021 to February 26, 2021

Note that the Company was previously a public limited company (*société anonyme*) with a Management Board and a Supervisory Board until February 26, 2021. Therefore, and on the recommendation of the Compensation and Nominations Committee meeting of March 29 and April 1, 2021, the following compensation policy applicable to (i) the Chairman of the Supervisory Board and (ii) members of the Supervisory Board will be submitted for approval to the General Meeting of Shareholders of June 30, 2021:

(i) Compensation policy of the Chairman of the Supervisory Board

- gross fixed annual compensation of €165,000, this sum to be paid *prorata temporis* to the actual duration of the office held during the fiscal year.

(ii) Compensation policy of the members of the Supervisory Board

- a fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, these sums to be paid *prorata temporis* to the actual duration of the office held during the fiscal year; and
- a variable portion:
  - according to effective participation in Supervisory Board meetings:
    - €3,000 per member for his or her effective participation in a Supervisory Board meeting held in person and/or lasting three hours or more,
    - €750 per member for his or her effective participation in a Supervisory Board meeting held by teleconference and/or lasting less than three hours,
  - subject to effective participation in Audit Committee, Compensation and Nominations Committee or Strategic Committee meetings: €1,700 per member of the Committee, with an additional 50% for the Chairman of the Committee;
- up to an overall limit of €550,000.

5.4.1.2 Compensation policy 2021 applicable to members of the Board of Directors from February 26, 2021

Note that since February 26, 2021, the Company is a public limited company (*société anonyme*) with a Board of Directors.

Also note that the General Meeting of January 20, 2021 approved the following compensation policy applicable to members of the Board of Directors for fiscal year 2021:

- to transpose *mutatis mutandis* the compensation policy for members of the Company's Supervisory Board for fiscal year 2020, as presented in the corporate governance report and stated in Section 5.3.2.1 of the Company's 2019 Universal Registration Document, to future members of the Company's Board of Directors, modifying the total annual amount of the allocation to the members of the Board of Directors (other than the Chief Executive Officer and the member of the Board of Directors representing the employees) for fiscal year 2021, by decreasing it to €250,000 (instead of the current amount set at €550,000); and
- to transpose *mutatis mutandis* the compensation policy for the Chair of the Company's Supervisory Board for fiscal year 2020, as presented in the corporate governance report and stated in Section 5.3.2.1 of the Company's 2019 Universal Registration Document, to the future Chair of the Company's Board of Directors, modifying, however, the compensation for the Chair of the Board of Directors, by decreasing it to a fixed annual amount of €150,000 for fiscal year 2021 (in place of the current amount of €165,000).

Nevertheless, on the recommendation of the Compensation and Nominations Committee and as approved by the Board of Directors on February 26, 2021, a revised compensation policy for fiscal year 2021 will be proposed to the General Meeting of shareholders of June 30, 2021 as follows:

(i) Compensation policy of the Chair of the Board of Directors:

- a fixed annual amount of €160,000, in addition to the fixed compensation for the role of Member of the Board of Directors. Note that the Chair does not benefit from any free shares or options grant or any severance pay:

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- the Chair of the Board of Directors is provided with a company car,
- this annual compensation does not include:
  - a grant of options or performance shares,
  - severance pay;

(ii) Compensation policy of members of the Board of Directors:

It is specified that the total gross annual compensation of members of the Board of Directors, for a Board of Directors composed of eight (8) members (including the Chair of the Board of Directors) may not exceed €560,000 (including the Chair of the Board of Directors, the Chief Executive Officer as a Member of the Board of Directors and a member of the Board of Directors representing employees).

- This limit is prorated to the number of members for a Board of seven (7) directors, including the Chair of the Board of Directors, the Chief Executive Officer as a Member of the Board of Directors and a member of the Board of Directors representing employees. This results in a total gross annual amount of no more than €400,000, which may be distributed as follows, it being specified that its distribution is at the discretion of the Board of Directors:
  - annual compensation allocated to all members of the Board of Directors and composed of:
    - a fixed portion of €20,000,
    - a variable portion paid in consideration of their actual participation in meetings of the Board of Directors and its committees, up to an annual limit of €60,000, increased by 50% for the respective Chairs of the Board's committees or any other committee created.
- exceptional compensation may be granted by the Board of Directors for specific assignments or mandates entrusted to them:
  - this annual compensation does not include:
    - company cars (except for the Chair),
    - a grant of options or performance shares,
    - severance pay.

In accordance with the recommendations of the AFEP-MEDEF Code, in the event that a member effectively attends 100% of the meetings of the Supervisory Board and its committees, held in person and by teleconference in 2020, the variable annual portion of compensation (attendance fees) due to a Board member (with the exception of its Chairman) will be preponderant over the fixed portion of the compensation (attendance fees).

Shareholders' approval of components of compensation due or awarded to members of the Supervisory Board

Pursuant to Article L. 225-82-2 of the French Commercial Code, the above compensation policies will be submitted for approval to the Company's General Meeting of Shareholders on June 30, 2021.

5.5 COMPENSATION COMPONENTS AND BENEFITS OF ANY KIND FOR MEMBERS OF THE SUPERVISORY BOARD AND MANAGEMENT BOARD FOR FISCAL YEAR 2020

5.5.1 Compensation applicable to members of the Supervisory Board for fiscal year 2020

The Supervisory Board meeting of December 18, 2020, on the recommendation of the Compensation and Nominations Committee of December 17, 2020, examined the breakdown of compensation for members of the Supervisory Board for fiscal year 2020.

On the recommendation of the Compensation and Nominations Committee of April 1, 2021, and in accordance with the proposals made to the aforementioned Supervisory Board, at its meeting on April 6, 2021, the Board of Directors decided to allocate the compensation of Supervisory Board members for fiscal year 2020 as follows, in accordance with the approval of the General Meeting of June 12, 2020:

(i) For the Supervisory Board Chair, fixed compensation of €123,750:

- The Chairman of the Supervisory Board also has the use of a company car or a "New Mobility" subscription of an equivalent value.

(i) For Supervisory Board members (including the Supervisory Board Chair):

- a fixed portion: €30,000 for the Chairman of the Supervisory Board and €15,000 for each of the other members, these sums to be paid *prorata temporis* to the actual duration of the office held during the fiscal year; and
- a variable portion:
  - effective participation in Supervisory Board meetings:
    - €3,000 per member for his or her effective participation in a Supervisory Board meeting held in person,
    - €650 per member for actual participation in a Supervisory Board meeting by conference call (versus €750 approved by the General Meeting of June 12, 2020 in order to comply with the overall annual allocation),
  - effective participation in the Audit Committee or Compensation and Nominations Committee meetings: €1,700 per Committee member with a 50% supplement for the Committee Chair (versus €1,848 approved by the General Meeting of June 12, 2020 in order to comply with the overall annual allocation),
  - all up to the overall limit of €550,000 set by the General Meeting of May 17, 2018.

The components of compensation due or granted to the Chairman of the Supervisory Board in respect of fiscal year 2020 as presented above in application of Article L. 225-100 of the French Commercial Code, submitted to the Shareholders for their opinion at the Annual General Meeting of June 30,2021.

The total gross amount of annual compensation (attendance fees) allocated and paid to the members of the Supervisory Board for the 2020 fiscal year and paid in 2021 is €412,442. For more information on these amounts, see Chapter 5.5.3 Summary of the compensation and benefits of corporate officers, Table 3 "Annual compensation (attendance fees) and other compensation allocated and received by non-executive corporate officers.".

In accordance with Article L. 225-45 of the French Commercial Code, when the proportion of Supervisory Board members of each gender is less than 40% the payment of the annual fixed compensation allocated to members of the Supervisory Board is suspended. Since 40% of the Company's Supervisory Board is women Article L. 225-45 does not apply to the Company and the payment of the annual fixed compensation allocated to Supervisory Board members for fiscal 2020,, is therefore not suspended.

5.5.2 Compensation of the members of the Management Board for fiscal year 2020

The compensation policy for members of the Management Board is structured so as to respect the Company's corporate interest and continuity. In particular, the quantifiable and qualitative criteria for annual variable compensation and the performance conditions for long-term compensation described below are defined according to the Company's commercial strategy and its multi-year targets.

5.5.2.1 Compensation principles of the members of the Management Board for fiscal year 2020

All components of compensation of the members of the Management Board are examined and decided each year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, thereby guaranteeing the absence of any potential conflict of interest. Decisions on the compensation of the members of the Management Board are taken considering the following elements: the responsibilities of the members of the Management Board, performance, applicable regulations, the recommendations of the AFEP-MEDEF Code and market practices.

The compensation of the members of the Management Board takes into account the principles of comprehensiveness, balance, comparability, coherence, intelligibility and measure, in accordance with the recommendations of the AFEP-MEDEF Code.

A study conducted at the end of 2018 by an independent firm specializing in compensation analyses helped to determine all of the components of compensation of the members of the Management Board.

The principle of this study was to compare the compensation of members of the Management Board with those of a sample of comparable companies on the local market and with a sample of comparable companies internationally, established by the consulting firm.

At the end of 2018, the sample of comparable companies on the French market was the SBF 80 for all members of the Management Board, except for Fabrizio Ruggiero. The sample of local companies for Mr. Fabrizio Ruggiero comprised 20 Italian companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.): Atlantia, Autogrill, Brembo, Candy Group, Chiesi, Coesia, Enel, ERG, Fincantieri, GKN, ITT Italy, Parmalat, Poste Italiane, Recordati, Saipem, Salini Impregilo, Snam, Vodafone, Whirlpool Italy, Yoox Net-à-Porter.

The international sample established by the independent firm comprised 21 companies comparable with the Group in terms of revenue, headcount, international scope and sectors (tourism, vehicle rental, services, digital services, mobility, etc.). Three of these companies are the Group's principal competitors (two with their headquarters in the United States and one with its headquarters in the European Union). The remaining 18 companies have their headquarters in the European Union and included: Telenet, Accor Hotels, Gemalto, Ingenico, Solocal, TF 1, Technicolor, CTS Eventim, DHL, Aer Lingus, Leaseplan, Amadeus, Tui Travel, British Telecom, Compass, Intercontinental Hotels, Paddy Power, Thomas Cook.

All compensation components (fixed annual, variable annual and long-term compensation) and the balance between them have been analyzed and taken into account to determine the Management Board members' compensation.

Compensation structure

The compensation for each member of the Management Board, as renewed by the Supervisory Board at its June 12, 2020 meeting, comprises the following components:

- fixed annual compensation payable over a period of twelve months;
- annual variable compensation expressed as a percentage of the fixed annual compensation;
- free share grants, where appropriate; and
- benefits in kind.

The members of the Management Board may also receive compensation under the non-compete clause as described in Section 5.5.2.6 of this Universal Registration Document. The Chief Executive Officer may receive compensation for forced termination of her office, the amount of which is based on the terms and conditions discussed in Section 5.5.2.5 of this Universal Registration Document.

SUMMARY OF PRINCIPLES AND CRITERIA APPROVED BY THE GENERAL MEETING OF JUNE 12, 2020

The principles and criteria for determining, allocating and awarding the fixed, variable and exceptional components composing total compensation and benefits of any kind attributable to the Chairwoman of the Management Board, the Deputy Chief Executive Officer, the Chief Countries and Operations officer, and the members of the Management Board for fiscal year 2020 were approved by the General Meeting of June 12, 2020 (18th to 20th resolutions).

2020 Fixed compensation

The fixed compensation for each of the members of the Management Board reflects the responsibility that they assume and their respective expertise. This is consistent and takes into account the attractiveness of this compensation against the market.

A review of the fixed compensation for members of the Management Board is, in the same way as all components of compensation for members of the Management Board, conducted annually by the Supervisory Board on recommendation of the Nominations and Compensation Committee, and on the basis of a comparative study conducted by an external firm. The frequency of the changes in the fixed compensation of each of the members of the Management Board will depend on any differences that may be noted at the beginning of each fiscal year between the responsibilities assumed and the respective expertise of each of the members of the Management Board on the one hand, and the market analyses on the other, while still complying with the recommendations of the AFEP-MEDEF Code.

The comparative study carried out at the end of 2018 revealed a discrepancy between the fixed compensation received by Ms. Caroline Parot and Mr. Fabrizio Ruggiero and the compensation obtained from market analysis.

Taking into account the findings of this study and given the significant augmentation in the responsibilities of the members of the Management Board due to the increased size of the Group, on the recommendation of the Compensation and Nominations Committee on December 11, 2018, the Supervisory Board decided on December 21, 2018 to raise the fixed annual compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero as of May 1, 2019.

This adjustment in the fixed compensation of these members of the Management Board to be applied in 2019 was part of the three-year review and was consistent with the events that have affected the Company since 2016 as well as market practices, in accordance with the compensation policy adopted by the General Meeting of May 10, 2017. In addition, the Supervisory Board had agreed to the principle that this fixed compensation could only be revised at the end of the three-year review period unless an early review is called for due to a particular event (such as a change in scope or a significant difference with the reference panel) that would justify such a modification, which would have to be explained by the Supervisory Board and made public.

Pursuant to the principle that the fixed compensation of members of the Management Board may only be revised every three years, given that the fixed compensation of Ms. Caroline Parot and Mr. Fabrizio Ruggiero had been reviewed on May 1, 2019 and that Olivier Baldassari joined the Group on January 2019, no proposal to adjust the fixed compensation of a member of the Management Board was made for 2020.

The comparative study assigned to an independent firm during the final quarter of 2018 revealed a certain discrepancy in the annual fixed compensation of Ms. Caroline Parot compared with French and international market compensation levels. As the discrepancy noted was more than 25% compared with the median of the SBF 80 French companies' sample and more than 45% compared with the median of the international sample of 21 comparable companies, the Supervisory Board had decided, upon recommendation of the Compensation and Nominations Committee, to adjust Ms. Caroline Parot's gross fixed annual compensation in 2019, which had thus been raised to €575,000 starting from May 1, 2019, i.e. an increase of 12.7% on her gross fixed annual compensation for 2017 and 2018, while still remaining below the median of the companies sampled.

The comparative study entrusted to an independent firm during the final quarter of 2018 revealed a discrepancy in Fabrizio Ruggiero's annual fixed compensation compared with Italian and international market compensation rates. As this discrepancy was 12% compared with the median of the sample of comparable companies on the Italian market and more than 30% compared to the median of the international sample of comparable companies, the Supervisory Board decided, on the recommendation of the Compensation and Nominations Committee, to adjust Mr. Fabrizio Ruggiero's gross fixed annual compensation in 2019, which was accordingly raised to €415,000 starting from May 1, 2019, i.e. an increase of 12.2% compared with his gross fixed annual compensation for 2018.

At the time of his recruitment in 2019, Mr. Olivier Baldassari's gross fixed annual compensation was set at €330,000.

At the time of his recruitment on April 16, 2019, Mr. Albéric Chopelin's gross fixed annual compensation (applied *prorata temporis*) was set at €400,000.

Annual Variable Compensation 2020

The gross annual variable compensation of the members of the Management Board is aimed at involving them in the Group's performance. In accordance with the AFEP-MEDEF Code, the variable compensation of each of the members of the Management Board corresponds to a percentage of their annual fixed compensation. Annual variable compensation of the members of the Management Board is intended to take into account their individual performances and the Company's performance and is based on qualitative and quantifiable performance criteria set individually for each member of the Management Board. The analysis of performance based on diverse predetermined criteria is assessed in relation to the Company's objectives, shareholders' interests and additionally, implementation of the Company's strategy. The target variable compensation of each of the members of the Management Board corresponds to 100% of the amount of his or her fixed annual compensation, it being specified that, in the event that the target is significantly exceeded, and taking into account the maximum coefficient associated with the Net Promoter Score, their annual variable compensation may reach 155% of their fixed annual compensation. In addition, the number of performance shares that can be awarded to Ms. Caroline Parot in 2020 in her capacity as Chairwoman of the Management Board and to Mr. Fabrizio Ruggiero as Member of the Management Board and Deputy Chief Executive Officer represents 150% of their gross fixed annual compensation. It represents 100% of the gross fixed annual compensation for Mr. Olivier Baldassari.

Description of the components of annual variable compensation in 2020

The principles and criteria of the annual variable compensation (hereafter, the "Annual Variable Compensation") of Caroline Parot and the Management Board and the other members of the Management Board are determined and reviewed every year by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee, in compliance with the applicable legal provisions and the recommendations of the AFEP-MEDEF Code.

The Annual Variable Compensation is expressed as a percentage of the fixed annual compensation.

The "Target Variable Compensation" of a member of the Management Board corresponds to achievement of 100% of the objectives set on quantifiable and qualitative criteria defined by the Supervisory Board and represents 100% of the annual fixed compensation.

Each quantifiable criterion is described with three performance levels that enable its degree of achievement to be assessed: minimum, target and maximum. The performance levels for each quantifiable criterion were examined and approved by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee.

The qualitative criteria established and defined individually in a precise and objective way by the Supervisory Board, upon proposal of the Compensation and Nominations Committee, cover the specific responsibilities of each member of the Management Board and the main group transformation projects for 2020.

The degree of achievement of each quantifiable and qualitative criterion was approved on February 26, 2021 by the Supervisory Board, on the recommendation of the Compensation and Nominations Committee during examination of the fiscal year 2020 financial statements. The first step in calculating the Annual Variable Compensation consists of determining the degree to which the objectives relating to the qualitative and quantifiable performance criteria are achieved (hereafter, the "Basic Variable Portion"). This Basic Variable Portion is then adjusted upwards or downwards by applying a multiplier based on the degree of achievement by the Group of its quantifiable annual customer recommendation target, the Net Promoter Score.

For the fiscal year 2020, the Basic Variable Portion of the Chairwoman and the other members of the Management Board may have varied between 0% and 135% of their fixed annual compensation depending on the degree to which objectives relating to the quantifiable and qualitative criteria set by the Supervisory Board are achieved. After applying the coefficient linked to the Net Promoter Score, their Annual Variable Compensation could have reached up to a maximum of 155% of their fixed annual compensation.

Qualitative and quantifiable criteria 2020 (as decided by the Supervisory Board on February 24, 2020)

	Weighting in the event that the target level of criteria is reached	Weighting in the event that the maximum level of criteria is reached
Qualitative criteria	30%	30%
Group EBITDA	40%	60%
Revenue	15%	22.50%
Consolidated net profit	15%	22.50%
TOTAL BEFORE APPLICATION OF THE TARGET COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**100%**	**135%**
TOTAL AFTER APPLICATION OF THE MAXIMUM COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**115%**	**155%**

Application of a multiplier based on the achievement by the Group of a net promoter score

For all the members of the Management Board, including its Chairwoman, in the event the Group improves the Net Promoter Score by more than 10%, a maximum multiplier of 1.15x is applied to the Basic Variable Portion, making it possible for their Annual Variable Compensation to reach up to 155% of the fixed annual compensation. Conversely, in the event that the Net Promoter Score is unsatisfactory and below 10% of the objective, the minimum multiplier of 0.85x is applied to the Basic Variable Portion. The multiplier is calculated by linear interpolation between the limits 0.85-1.15 on the basis of the change in the Net Promoter Score within the interval 10%/10%.

Description of the quantifiable criteria 2020

At its meeting on February 24, 2020, the Supervisory Board decided, on the recommendation of the Compensation and Nominations Committee of February 21, 2020 to apply identical quantifiable criteria for all members of the Management Board.

The quantifiable criteria and their weighting for the Chairwoman and the other members of the Management Board, as detailed below, represent 70% of their Target Variable Compensation, and may vary between 0% and 105% of the fixed annual compensation depending on the degree of achievement of the objectives relating to these criteria:

(i) adjusted Corporate EBITDA (including the Urban Mobility Business Unit and excluding non-budgeted new acquisitions) (Group EBITDA), this criterion represents 40% of the Target Variable Compensation and may vary between 0% and 60% of the fixed annual compensation depending on the degree to which this criterion is reached;

(ii) revenue (Top Line), this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved; and

(iii) consolidated net profit, this criterion represents 15% of the Target Variable Compensation and may vary between 0% and 22.5% of the fixed annual compensation depending on the degree to which this criterion is achieved.

Description of the 2020 qualitative criteria

The qualitative criteria were established and defined individually and precisely for each member of the Management Board by the Supervisory Board on the recommendation of the Compensation and Nominations Committee, as follows:

- operational execution, with the definition and implementation of the immediate short-term response plans to address the impact of the Covid-19 pandemic on the Group's business and financial position;
- operational execution, with the definition and implementation of the Group's business recovery plans at the end of the Covid-19 pandemic; and
- corporate social responsibility, with the implementation of the "Making mobility accessible" and "Being a responsible employer" priorities.

Discretionary powers of the Supervisory Board

Upon recommendation of the Compensation and Nominations Committee, the Supervisory Board reserves the right to exercise its discretionary powers to determine the compensation of members of the Management Board, in accordance with Article L. 225-82-2 I of the French Commercial Code and Article L. 225-100 of the French Commercial Code, in the event of the occurrence of special circumstances that are unforeseeable and not reflected in the variable compensation criteria, such as the Covid-19 outbreak, which could justify the exceptional adjustment by the Supervisory Board, either upward or downward, of one or more of the criteria making up variable compensation so as to ensure that the results of the application of the criteria described above reflect both the performance of the members of the Management Board and that of the Group. This adjustment could be made on the variable compensation of members of the Management Board by the Supervisory Board upon a proposal by the Compensation and Nominations Committee, up to the ceiling relating to variable compensation, i.e. 155% of fixed compensation, after the Supervisory Board has duly justified its decision. Where necessary, information will be communicated on how the Supervisory Board may use this power.

Shareholders' approval of the compensation policy for members of the Management Board

In application of Article L. 225-82-2 of the French Commercial Code, the Company's General Meeting of shareholders of June 12, 2020, was asked to approve the compensation policy for member of the Management Board as described in this section of the Universal Registration Document.

Moreover, payment of the variable components of compensation granted to each member of the Management Board for fiscal year 2020 will be made subject to approval by the General Meeting of shareholders called in 2021 to approve the Company's financial statements for the fiscal year ended December 31, 2020.

Benefits in kind

With respect to in-kind benefits, the Chairwoman of the Management Board is provided with a company car, health/provident insurance, an annual health check and corporate officer unemployment insurance.

Mr. Fabrizio Ruggiero is provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as accident and health insurance.

Mr. Olivier Baldassari is provided with a company car, an annual health check as well as health and provident insurance for Group employees.

Mr. Albéric Chopelin was provided with a company car and an annual health check, as well as health and provident insurance for Group employees, until the end of his term of office.

Termination benefits and non-compete indemnities

At the time of the renewal of the appointments of Caroline Parot and Fabrizio Ruggiero as members of the Management Board and the appointment of Olivier Baldassari as a new member of the Management Board for a term of four years, decided by the Supervisory Board during its meeting on December 21, 2018, on the recommendation of the Compensation and Nominations Committee meeting on December 11, 2018, the Supervisory Board did not deem it necessary to specify that the non-compete clause that may be exercised by the Company be excluded when the executive asserts his or her pension rights or after the age of 65 because, given the actual age of the Management Board's members, they will not assert their rights before at least 10 to 15 years. The Supervisory Board decided however to respect this AFEP-MEDEF Code recommendation relative to the appointments or term-of-office renewals of Directors for which Management Board members could exercise their rights to retirement or remain in office beyond the age of 65.

Indemnities arising from the termination of a Management Board member's functions or due to a non-competition clause are respectively presented in Sections 5.3.2.5 and 5.3.2.6 of this Universal Registration Document.

5.5.2.2 Composition of the compensation of the members of the Management Board in respect of fiscal year 2020

Shareholders' approval of components of compensation due or awarded to members of the Management Board in respect of fiscal year 2020

The component parts of the compensation due or allocated to the members of the Management Board for fiscal year 2020 will be submitted, pursuant to Article L. 225-100 of the French Commercial Code, for the approval of the shareholders at the Annual Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2020.

The total compensation of each member of the Management Board, and all components comprising such compensation that are described below, comply with the approved compensation policy, and reflect the Company's performance in 2020.

A) FIXED COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD IN 2020

In the light of the compensation principles described in Section 5.5.2.1 above, the fixed annual compensation received by the members of the Management Board for the 2020 fiscal year is as follows:

In light of the Covid-19 epidemic, Ms. Caroline Parot decided to cut her fixed annual compensation for 2020 by 25% as from April 1, 2020 and until the end of 2020. Her fixed annual compensation for 2020 was, therefore, €467,200.

In light of the Covid-19 pandemic, Mr. Fabrizio Ruggiero decided to cut his fixed annual compensation for 2020 by 25% as from April 1, 2020 and until the end of 2020. His fixed annual compensation for 2020 was therefore €343 173.

In light of the Covid-19 pandemic, Mr. Baldassari wished to cut his fixed annual compensation for 2020 by 25% from April 1, 2020 until the end of 2020. His fixed annual compensation for 2020 was therefore €268,125.

In light of the Covid-19 pandemic, Mr. Albéric Chopelin wished to cut his fixed annual compensation for 2020 by 25% from April 1, 2020 until the end of his contract on July 31, 2020. His fixed annual compensation for 2020 was therefore €200,003.

B) VARIABLE COMPENSATION OF MEMBERS OF THE MANAGEMENT BOARD IN 2020

In the light of the compensation policy described in Section 5.5.2.1, and the context of the Covid pandemic, the variable compensation due to the members of the Management Board for the 2020 fiscal year is the following.

As a reminder, the three qualitative objectives for the members of the Management Board cover:

- operational execution, with the definition and implementation of the immediate short-term response plans to address the impact of the Covid-19 pandemic on the Group's business and financial position;
- operational execution, with the definition and implementation of the Group's business recovery plans at the end of the Covid-19 pandemic; and
- corporate social responsibility, with the implementation of the "Making mobility accessible" and "Being a responsible employer" priorities.

For fiscal year 2020, the qualitative criteria of the Basic Variable Compensation of the Chairwoman of the Management Board and other members of the Management Board represent 30% of their Target Variable Compensation and may vary from 0 to 30% of the fixed annual compensation depending on the degree of achievement of their individual objectives.

The Net Promoter Score achieved by the Group in 2020 was 44.1%, although the target objective was set at 44.9%. The resulting multiplier calculated by interpolation was 0.85%.

Determination of the annual variable compensation in respect of the 2020 fiscal year

On February 12, 2021, the Supervisory Board, on the recommendation of the Compensation and Nominations Committee on February 11, 2021, (i) assessed and approved the level of achievement of the quantifiable and qualitative criteria objectives for 2020 for each member of the Management Board, as presented in the table below (ii) noted the Group's Net Promoter Score for the fiscal year 2020, then (iii) set the annual variable compensation after application of the multiplier coefficient related to the level of the Net Promoter Score achieved.

For 2020, the level of achievement of each of the quantitative criteria is below the triggering threshold.

The Supervisory Board at the abovementioned meeting approved the actions of each of the members of the Management Board in 2020 and set out the reasons for the decision on the degree of achievement of the qualitative criteria for each of them. The Supervisory Board has ruled that the level of achievement of the qualitative objectives was 100% for all members of the Management Board.

The coefficient linked to the Net Promoter Score for 2020 was 44.1, against a target of 44.9. As this indicator underperformed by less than 10% of the target, a multiplier of 0.85 applies.

As a result, an assessment of the levels of achievement of each of the individual objectives of the members of the Management Board led to a variable payment of 25.5% of the target rate for 2020.

The degree of achievement of the objectives for the 2020 qualitative and quantifiable criteria of each of the members of the Management Board is shown in the table below.

	Degree of achievement of the objectives		
Degree of achievement of the criteria	Caroline Parot	Fabrizio Ruggiero	Olivier Baldassari
Qualitative criteria	100%	100%	100%
Group EBITDA	0%	0%	0%
Revenue	0%	0%	0%
Consolidated net profit	0%	0%	0%
TOTAL BEFORE APPLICATION OF THE COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**30%**	**30%**	**30%**
TOTAL AFTER APPLICATION OF THE 2020 COEFFICIENT LINKED TO THE NET PROMOTER SCORE	**25.5%**	**25.5%**	**25.5%**

The annual variable compensation due to Ms. Caroline Parot for the 2020 fiscal year is €146,625.

The annual variable compensation due to Mr. Fabrizio Ruggiero for the 2020 fiscal year is €105 825.

The annual variable compensation due to Mr. Olivier Baldassari for the 2020 fiscal year is €84,150.

The amounts corresponding to fiscal year 2020 compensation for members of the Management Board are detailed in Section 5.5.3 "Summary of the compensation and benefits of corporate officers" of this Universal Registration Document.

C) LONG-TERM COMPENSATION: PERFORMANCE SHARES

No performance shares were granted in fiscal 2020.

D) EXCEPTIONAL BONUS

No exceptional bonuses were granted in fiscal 2020.

E) BENEFITS IN KIND IN 2020

Ms. Caroline Parot is provided with a company car, health/provident insurance, an annual health check and mandatory corporate officer unemployment insurance subscribed for on her behalf.

Mr. Fabrizio Ruggiero was provided with a company car, an annual health check, a foreign service allowance and company accommodation in Paris, as well as additional accident and health insurance.

Mr. Olivier Baldassari was provided with a company car, health/provident insurance, and an annual health check.

Mr. Albéric Chopelin was provided with a company car, health/provident insurance, and an annual health check until the end of his contract on July 31, 2020.

5.5.2.3 Long-term compensation: Performance share grants

Purpose of the performance share allocation

The purpose of granting performance shares is first of all to personally link the Company's worldwide management, in particular the corporate officers, with the development of the Company's value, by giving them a stake in the Company's ownership. It also makes it possible to distinguish the contributing executives, through their particularly positive contribution to the Company's results. Lastly, it serves to increase the loyalty of the executives whom the Company particularly values, especially those with strong potential.

Performance share allocation policy

The allocation is differentiated based on (i) the beneficiaries' level of responsibility and contribution, (ii) the assessment of their performance, (iii) their results, and (iv) the assessment of their development potential. The persons eligible for the grant of a free share are as follows:

- members of the Management Board;
- senior executives who are members of the Group's Executive Committee and the heads of the Corporate Countries. They benefit in principle from variable allocations, based on their level of responsibility, performance and results. Certain executives may not be beneficiaries;
- other management beneficiaries, who are most frequently senior managers and managers with high potential for professional or managerial development or expertise.

5.5.2.3.1 Performance share grants in 2018

LEGAL FRAMEWORK

The General Meeting of May 10, 2016, pursuant to its 12th resolution, has authorized the Management Board to proceed, on one or more occasions, with free grants of existing or future shares (called performance shares) in favor of the corporate officers and certain employees of the Company and of related companies, under the conditions set out in Article L. 225-197-1 et seq. of the French Commercial Code. The allocation of performance shares is conditional upon compliance with the performance criteria defined when the budgets are constructed.

MAIN TERMS AND CONDITIONS OF THE 2018 ALLOCATION OF PERFORMANCE SHARES

It is reminded that the Supervisory Board examined and authorized on March 20, 2018 the main terms and conditions for free share grant plan to implement in 2018 for members of the Management Board, executive corporate officers and certain other managers of the Group (the "Free Shares 2018 Plan").

The acquisition of these free shares, following a vesting period of three (3) years (for French residents and non-residents), is subject to the beneficiary's continued employment with the Group and the achievement of the following performance conditions for the fiscal years ended December 31, 2018, December 31, 2019 and December 31, 2020 related to (i) cumulative Group revenue, (ii) average EBITDA margin and (iii) relative Total Shareholder Return (TSR):

(i) 30% of the number of shares awarded, depending on the level of achievement of the cumulative revenue objective for the 2018 and 2019 fiscal years on the one hand (for 40% of the allotted shares), and for the 2018, 2019 and 2020 fiscal years, on the other hand (for 60% of the allotted shares);

(ii) 45% of the number of shares awarded, depending on the level of achievement of an average EBITDA margin objective for the 2018 and 2019 financial years on the one hand (for 40% of the allotted shares), and for the 2018, 2019 and 2020 financial years, on the other hand (for 60% of the allotted shares);

(iii) 25% of the number of shares awarded, depending on the performance of the Europcar Mobility Group share relative to the performance of a composite TSR index over the period from January 1, 2018 to December 31, 2019, on the one hand (for 40% of the allotted shares), and from January 1, 2018 to December 31, 2020 on the other hand (for 60% of the allotted shares).

The TSR rate will be determined by comparing the yield (Total Shareholder Return or "TSR") of the Europcar Mobility Group share to the performance of a composite index formed for 1/3 of the SBF 120 index, for 1/3 of the average TSR of the Group's three main car rental competitors and for 1/3 of the STOXX® Europe 600 Travel & Leisure Index (the "Performance Composite Index") between January 1, 2018 and December 31, 2019 and between January 1, 2018, and December 31, 2020.

While cumulative Group revenue and average EBITDA margin objectives cannot be rendered public for confidentiality reasons, these are in line with market expectations and the objectives laid down in the Group's Ambition 2020 plan.

If the Europcar Mobility Group TSR is lower than the composite index performance, no performance shares corresponding to this criterion will be allocated.

Furthermore, following the vesting period of three (3) years, no retention period is required for free shares. The number of shares vested will be communicated at the end of the performance appraisal period.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

(i) the Chairperson of the Management Board shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of her fixed annual compensation, bearing in mind that the Chairperson of the Management Board shall be required in all cases to retain a minimum of one granted share until she leaves office; and

(ii) the other members of the Management Board shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to one (1) times the amount of their respective fixed annual compensation, bearing in mind that the Deputy CEOs shall in all cases be required to retain a minimum of one granted share until they leave office.

A total of 1,000,000 shares could be granted under the Free Shares 2018 Plan. A total of 901,781 shares were allocated under the Free Shares 2018 Plan to 117 beneficiaries, of which 148,481 shares to members of the Management Board (after prior authorization from the Supervisory Board representing 0.56% of the Company's share capital on the date of filing of the 2019 Universal Registration Document).

Concerning in particular the members of the Management Board, the number of free shares which have been allocated to them in 2018 could not exceed 150% of their fixed annual compensation.

A free share is valued based on the average of the last 20 stock market prices preceding the grant by the Management Board.

Each beneficiary of the Free Shares 2018 Plan has made a personal commitment not to resort to the use of hedging instruments. To the Company's knowledge, no hedging instruments were set up as of the date of this Universal Registration Document.

Details of the free shares allocated to members of the Management Board are provided in Section 5.5.3.

Upon recommendation of the Compensation and Nominations Committee of March 16, 2018, the Management Board acknowledged on March 20, 2018 that the performance condition linked in particular to TSR was not fulfilled for the 2017 fiscal year.

After consulting the Compensation and Nominations Committee on February 19, 2019, the Management Board on March 19, 2019 noted the non-fulfillment of the performance condition associated in particular with the TSR for the 2018 fiscal year. and noted that the revenue-related performance conditions (40% of the targets) and Corporate EBITDA (40% of the targets) were attained. The number of shares vested by each member of the Management Board on March 16, 2019 is presented in Table 7 of Section 5.5.3 of this Universal Registration Document.

The 2018-2019 portion is 40% of the shares granted, the Top Line portion is 30% of this 40%, i.e. 12% of the shares granted, the achievement rate is 87.5%, i.e. 10.5% of the shares granted.

10.5% of the shares allocated under the Free Shares 2018 Plan (AGA 2018) vested, as the date for meeting the condition of continued employment was December 31, 2020. This will be done through the granting of treasury shares not exceeding 10.5% of 901,781 shares, i.e. 94,687 shares.

5.5.2.3.2 Performance share grants in 2019

LEGAL FRAMEWORK

The General Meeting of April 26, 2019, pursuant to its 32nd resolution, has authorized the Management Board to proceed, on one or more occasions, with free grants of existing or future shares (called performance shares) in favor of the corporate officers and certain employees of the Company and of related companies, under the conditions set out in Article L. 225-197-1 et seq. of the French Commercial Code. The allocation of performance shares is conditional upon compliance with the performance criteria defined when the budgets are constructed.

MAIN TERMS AND CONDITIONS FOR THE 2019 ALLOCATION OF PERFORMANCE SHARES

It is reminded that the Supervisory Board examined and authorized on March 20, 2019 the main terms and conditions for free share grant plan to implement in 2019 for members of the Management Board, executive corporate officers and certain other managers of the Group (the "Free Shares 2019 Plan").

The acquisition of these performance shares, following a vesting period of three years (for French residents and non-residents), is subject to the beneficiary's continued employment with the Group, and the achievement of the following performance conditions for the fiscal years ended December 31, 2019, December 31, 2020 and December 31, 2021 related to (i) Cumulative Group Revenue, (ii) the average corporate EBITDA margin rate and (iii) relative TSR (Total Shareholder Return):

(i) 25% of the number of shares awarded, depending on the level of achievement of the target cumulative revenue for 2019 and 2020 on the one hand (for 40% of the allotted shares), and on the fiscal years 2018, 2019 and 2020 (for 60% of the allotted shares);

(ii) 45% of the number of shares awarded, depending on the level of achievement of an average EBITDA margin excluding New Mobility for the 2019 and 2020 fiscal years on the one hand (for 40% of the allotted shares), and for the 2019, 2020 and 2021 fiscal years, on the other hand (for 60% of the allotted shares); and

(iii) 30% of the number of shares awarded, depending on the performance of the Europcar Mobility Group share relative to the performance of a composite TSR index over the period from January 1, 2019 to December 31, 2020 on the one hand (for 40% of the allotted shares), and from January 1, 2019 to December 31, 2021 on the other hand (for 60% of the allotted shares).

The assessment of each of the performance conditions is based on achieving at least the following criteria:

(i) regarding accumulated revenue:

a) for 2019, the forecast revenue mentioned in Section 3.8 of this Universal Registration Document (Group Revenue in excess of €3 billion),

b) for 2020, revenue in line with the Group's "Ambition 2020" target,

c) for 2021, revenue in line with the financial targets in the three-year plan presented to the Supervisory Board at its meeting of January 31, 2019, up compared with the "Ambition 2020" plan;

(ii) regarding the average Corporate EBITDA margin (excluding New Mobility):

a) for 2019, the forecast (as a percentage of Revenue) for Corporate EBITDA (excluding New Mobility) mentioned in Section 3.8 of this Universal Registration Document (Adjusted Corporate EBITDA (excluding New Mobility) in excess of €375 million),

b) for 2020, a Corporate EBITDA margin (excluding New Mobility) in line with the Group's "Ambition 2020" target,

c) for 2021, a Corporate EBITDA margin (excluding New Mobility) in line with the financial targets in the three-year plan presented to the Supervisory Board at its meeting of January 31, up compared with "Ambition 2020" plan;

(iii) regarding the TSR achievement rate:

This rate is determined by comparing the Total Shareholder Return (TSR) of the Europcar Mobility Group share with the performance of a composite index formed one third by the SBF120 index, one third by the average of the TSRs of the Group's three principal vehicle rental competitors (two US companies and one European company) and one third by the STOXX® Europe 600 Travel & Leisure index.

This rate is between January 1, 2019 and December 31, 2020 and between January 1, 2019 and December 31, 2021.

A Europcar Mobility Group TSR below the performance of the composite index will result in the absence of vesting of the free shares awarded which may be vested in the event the performance condition for this criterion is achieved.

Furthermore, following the vesting period of three (3) years, no retention period is required for free shares.

Pursuant to Article L. 225-197-1 II of the French Commercial Code:

(i) the Chairperson of the Management Board shall retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares awarded under the regulations of said plan or any another share plan representing an amount equivalent to three (3) times the amount of her fixed annual compensation, bearing in mind that the Chairperson of the Management Board shall be required in all cases to retain a minimum of one granted share until she leaves office; and

(ii) the other members of the Management Board shall each be required to retain a number of free shares equal to the lesser of (i) one-third of the shares granted and (ii) a number of free shares granted under the regulations of said plan, or under any another share plan, representing an amount equivalent to one (1) times the amount of their respective fixed annual compensation, bearing in mind that the Deputy CEOs shall in all cases be required to retain a minimum of one granted share until they leave office.

In particular, concerning the members of the Management Board, the number of performance shares that could be awarded to them in 2019 was capped at 150% of their annual fixed compensation for the Chairwoman of the Management Board, the member of the Management Board and the Chief Executive Officer, and at 100% of the annual fixed compensation for the other members of the Management Board.

A total of 968,000 performance shares were granted under the Free Share 2019 Plan to 107 beneficiaries, including 235,000 to the members of the Management Board, representing 0.15% of share capital on the grant date.

The number of shares vested by each Management Board member will be communicated at the end of the performance appraisal period.

A free share is valued based on the average of the last 20 stock market prices preceding the grant by the Management Board.

Each beneficiary of the Free Shares 2019 Plan has made a personal commitment not to resort to the use of hedging instruments. To the Company's knowledge, no hedging instruments were set up as of the date of this Universal Registration Document.

Details of the free shares allocated to the Management Board members during fiscal year 2019 are described in Section 5.5.3.

5.5.2.3.3 Performance share grants in 2020

Following the recommendation of the Compensation and Nominations Committee, the Supervisory Board decided at its meeting of March 13, 2020 not to implement a free share plan in 2020 for members of the Management Board, executive corporate officers and certain other Group managers. It is specified that any allocation of free shares to members of the Management Board in 2021 and 2022 will comply with the current caps provided for in the compensation policy.

5.5.2.4 Employment agreements

Following her appointment as Chairwoman of the Management Board by decision of the Supervisory Board on November 23, 2016, Ms. Caroline Parot terminated her employment agreement as Group Chief Financial officer with the Company. Since November 23, 2016, Ms. Caroline Parot receives compensation only for her corporate officer role as Chairwoman of the Management Board.

Mr. Fabrizio Ruggiero holds an employment agreement with the company Europcar Italia S.p.A., as modified by addendum dated December 1, 2016, which details the terms of his new position as Deputy Chief Executive Officer of the Group. Furthermore, a secondment contract signed between Europcar Italia S.p.A. and the Company dated August 1, 2016 sets out the terms and conditions under which Mr. Fabrizio Ruggiero's assignments will be determined and rebilled.

Mr. Olivier Baldassari signed a contract of employment with the Company to serve as Chief Countries & Operations officer on October 19, 2018. The contract became effective on January 1, 2019.

It is noted that, until his departure on July 31, 2020, Albéric Chopelin held an employment contract with the Company as Chief Commercial and Customer officer.

5.5.2.5 Compensation in the event of forced termination of office

Ms. Caroline Parot benefits, under the corporate officer agreement concluded with the Company on December 22, 2016, from severance compensation, the amount of which dependent on the achievement of set targets relating to collective criteria, in respect of variable compensation, and could reach a maximum of 18 months fixed and variable compensation. Assessment of the achievement of the targets relating to the assigned criteria is calculated either using the average of the last eight quarters ended.

Mr. Fabrizio Ruggiero's employment agreement does not provide for any indemnities in the event of termination of office of Deputy CEO and/or member of the Management Board of the Company. In the event of termination of Mr. Fabrizio Ruggiero's employment agreement at the initiative of Europcar Italia S.p.A., the amount of indemnities that would be due to Mr. Fabrizio Ruggiero would be subject to the rules of Italian law and the provisions of the collective bargaining agreement applicable to Mr. Ruggiero's employment agreement. Consequently, his employer would be required to respect a notice period, the length of which is set by the applicable collective bargaining agreement, and which varies according to the employee's length of service, i.e. between four and eight months at the date of this Universal Registration Document, during which time Mr. Fabrizio Ruggiero's fixed and variable compensation would be paid to him.

The employment agreement of Olivier Baldassari does not provide for any indemnities in the event of termination of his position as Chief Countries and Operations officer. In the event of termination of Mr. Olivier Baldassari's employment agreement at the initiative of the Company, the amount of indemnities that would be due to Mr. Olivier Baldassari would be subject to the rules of French law and the provisions of the collective bargaining agreement applicable to Mr. Baldassari's employment agreement. As a result, his employer would be required to respect a three-month notice period, during which time the fixed and variable compensation of Olivier Baldassari must be paid to him.

It is noted that if Fabrizio Ruggiero leaves the Group, the accumulated severance and non-compete payments for his position as Deputy Chief Executive Officer, under his employment contract and/or the legal provisions applicable to his employment contract, would not exceed 24 months of his annual respective fixed and variable compensation.

5.5.2.6 Compensation under a non-compete clause

In the event that Ms. Caroline Parot would be bound by a non-compete obligation, the duration of which would be 12 months, at the time her position with the Company would be terminated, she would have the right to a non-compete payment in that regard in an amount equal to 50% of her annual compensation (fixed and variable) based on her average compensation over the course of the 12 months preceding the termination.

If the member were also to receive severance compensation (as described above), the combined non-compete and severance compensation would not exceed a ceiling corresponding to the annual fixed and variable compensation paid to the member during the two years preceding the departure.

Each of the other members of the senior management may be bound by a twelve-month non-compete obligation applicable as at the end date of their positions as members of the senior management and of any other position exercised within the Group. In the event that this non-compete obligation is implemented, they would then benefit from a non-compete indemnity equal to 50% of their annual fixed compensation; it is specified that any non-compete indemnity paid under a non-compete clause stipulated in the employment agreement of Fabrizio Ruggiero will be deducted from the aforementioned non-compete indemnity of 50%.

It is noted that if Fabrizio Ruggiero leaves the Group, the accumulated severance and non-compete payments for his position as Deputy Chief Executive Officer, under his employment contract and/or the legal provisions applicable to his employment contract, would not exceed 24 months of his annual respective fixed and variable compensation.

At the time of the renewal of the appointments of Caroline Parot and Fabrizio Ruggiero as members of the Management Board as well at the appointment of Olivier Baldassari as a new member of the Management Board for a term of four years, decided by the Supervisory Board during its meeting on December 21, 2018, the Supervisory Board did not deem it necessary to specify that the non-compete clause that may be exercised by the Company is excluded once the executive exercises his or her pensions or is over the age of 65, because, given that the actual age of the Management Board members, this will not happen before at least 10 to 15 years. The Supervisory Board decided however to respect this AFEP-MEDEF Code recommendation relative to the appointments or term-of-office renewals of Directors for which Management Board members could exercise their rights to retirement or remain in office beyond the age of 65.

5.5.2.7 Supplemental pension plan

No member of the Management Board benefits from a supplementary pension plan in connection with his corporate office. Mr. Fabrizio Ruggiero benefits from a complementary pension plan related to his employment contract with Europcar Italia S.p.A. However, this plan is not comparable to a supplementary pension plan within the meaning of Article L. 137-11 of the French Social Security Code.

5.5.2.8 Corporate officer unemployment insurance

The Company has subscribed for corporate officer unemployment insurance for Ms. Caroline Parot.

5.5.3 Summary of the compensation and benefits of corporate officers

The tables below summarize the compensation and benefits in kind due and/or paid to members of the Management Board and the Supervisory Board by (i) the Company, (ii) companies controlled by the Company, (iii) companies controlled by companies that control the Company and (iv) companies that control the Company, all within the meaning of Article L. 233-16 of the French Commercial Code.

Summary of the compensation, options allocated and free shares granted to each executive corporate officer – *(Table 1 of AFEP MEDEF Code)*

(in euros)	**2020**	2019
Caroline Parot – Chairwoman of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	738,916	570,578
Value of multi-year variable compensation paid during the fiscal year	-	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	-	-
Value of free shares granted during the fiscal year (detailed in Table 6)	-	509,120
Value of other long-term compensation plans	-	-
TOTAL	**738,916**	**1,079,698**

(in euros)	**2020**	2019
Fabrizio Ruggiero – Deputy Chief Executive Officer and Member of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	606,191	486,537
Value of multi-year variable compensation paid during the fiscal year	-	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	-	-
Value of free shares granted during the fiscal year (detailed in Table 6)	-	367,040
Value of other long-term compensation plans	-	-
TOTAL	**606,191**	**853,577**

(in euros)	**2020**	2019
Olivier Baldassari – Countries and Operations Director and Member of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	419,214	333,925
Value of multi-year variable compensation paid during the fiscal year	-	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	-	-
Value of free shares granted during the fiscal year (detailed in Table 6)	-	278,240
Value of other long-term compensation plans	-	-
TOTAL	**419,214**	**612,165**

(in euros)	**2020**	2019
Alberic Chopelin – Director of Sales and Customer Accounts and Member of the Management Board		
Compensation due for the fiscal year (detailed in Table 2)	552,049	287,680
Value of multi-year variable compensation paid during the fiscal year	–	-
Value of stock options allocated during the fiscal year (detailed in Table 4)	–	-
Value of free shares granted during the fiscal year (detailed in Table 6)	–	236,800
Value of other long-term compensation plans	–	-
TOTAL	**552,049**	**524,480**

Summary of the compensation of each executive corporate officer – *(Table 2 AFEP MEDEF Code)*

	Amounts in respect of fiscal year 2020		Amounts in respect of fiscal year 2019	
(in euros)	**Payable (2)**	**Paid (3)**	Payable (2)	Paid (3)
Caroline Parot – Chairwoman of the Management Board				
Fixed compensation (1)	575,000	467,193	553,336	553,336
Annual variable compensation (1)	146,625		0	406,133
Multi-year variable compensation (1)	–	–	–	-
Exceptional compensation (1)			–	-
Compensation allocated to the member of the Management Board in respect of his or her term of office	–	–	–	-
Benefits in kind (5)	17,291	17,291	17,242	17,242
TOTAL	**738,916**	**484,484**	**570,578**	**976,711**

(1) Gross before taxes. Fixed compensation 2020 is calculated on the basis of an increase at May 1, 2019. The 2020 compensation of an initial amount of €575,000 was reduced by 25% as of April 1, 2020 in view of the Covid-19 crisis, as approved by the General Meeting on June 12, 2020. As a result, the amount paid totaled €467,193 and represented all of the fixed compensation due for 2020.
(2) Compensation granted for the fiscal year, irrespective of the payment date.
(3) Compensation paid throughout the fiscal year.
(4) Variable compensation paid during the fiscal year is the amount due in respect of the prior period.
(5) Ms. Caroline Parot was provided with a company car, a corporate officer unemployment insurance and an annual health check.

	Amounts in respect of fiscal year 2020		Amounts in respect of fiscal year 2019	
(in euros)	**Payable (2)**	**Paid (3)**	Payable (2)	Paid (3)
Fabrizio Ruggiero – Deputy Chief Executive Officer and Member of the Management Board				
Fixed compensation (1)	415,000	343 173	401,154	401,154
Annual variable compensation (1)	105,825		0	294,286
Multi-year variable compensation (1)		–	–	-
Exceptional compensation (1)			–	-
Compensation allocated to the member of the Management Board in respect of his or her term of office	–	–	–	-
Benefits in kind (5)	85,366	85,366	85,383	85,383
TOTAL	**606,191**	**428,539**	**486,537**	**780,823**

(1) Gross before taxes. Fixed compensation 2020 is calculated on the basis of an increase at May 1, 2019. The 2020 compensation of an initial amount of €415,000 was reduced by 25% as of April 1, 2020 in view of the Covid-19 crisis, as approved by the General Meeting on June 12, 2020. As a result, the amount paid totaled €343,173 and represented all of the fixed compensation due for 2020.
(2) Compensation granted for the fiscal year, irrespective of the payment date.
(3) Compensation paid throughout the fiscal year.
(4) Variable compensation paid during the fiscal year is the amount due in respect of the prior period.
(5) Fabrizio Ruggiero was provided with a company car, a foreign service allowance, company accommodation in France, an annual health check, as well as additional accident and health insurance taken out on his behalf.

(in euros)	**Amounts in respect of fiscal year 2020**		Amounts in respect of fiscal year 2019	
	Payable (2)	**Paid (3)**	Payable (2)	Paid (3)
Olivier Baldassari – Countries and Operations Director and Member of the Management Board				
Fixed compensation (1)	330,000	268,125	329,113	329,113
Annual variable compensation (1)	84,150		0	-
Multi-year variable compensation (1)	-	-	-	-
Exceptional compensation (1)			-	-
Compensation allocated to the member of the Management Board in respect of his or her term of office	-	-	-	-
Benefits in kind (4)	5,064	5,064	4,812	4,812
TOTAL	**419,214**	**273,189**	**333,925**	**333,925**

(1) Gross before taxes. The 2020 compensation of an initial amount of €330,000 was reduced by 25% as of April 1, 2020 in view of the Covid-19 crisis, as approved by the General Meeting on June 12, 2020. As a result, the amount paid totaled €268,125 and represented all of the fixed compensation due for 2020.
(2) Compensation granted for the fiscal year, irrespective of the payment date.
(3) Compensation paid throughout the fiscal year.
(4) Olivier Baldassari was provided with a company car.

(in euros)	**Amounts in respect of fiscal year 2020**		Amounts in respect of fiscal year 2019	
	Payable (2)	**Paid (3)**	Payable (2)	Paid (3)
Alberic Chopelin – Director of Sales and Customer Accounts and Member of the Management Board				
Fixed compensation (1)	233,333	200,003	284,450	284,450
Annual variable compensation (1)	0	0	0	-
Multi-year variable compensation (1)	-	-	-	-
Exceptional compensation (1)	314,146	314,146	-	-
Compensation allocated to the member of the Management Board in respect of his or her term of office	-	-	-	-
Benefits in kind (4)	4,570	4,570	3,229	3,229
TOTAL	**552,049**	**518,719**	**287,680**	**287,680**

(1) It is noted that Mr. Albéric Chopelin left the Company on July 31, 2020.
(1) Gross before taxes. The 2019 compensation covers the period from April 15, 2019 (start date of Mr. Chopelin) to December 31, 2019. The 2020 compensation of an initial amount of €233,333 was reduced by 25% as of April 1, 2020 in view of the Covid-19 crisis, as approved by the General Meeting on June 12, 2020. As a result, the amount paid totaled €200,003 and represented all of the fixed compensation due for 2020. The exceptional compensation represents the severance pay for Mr. Chopelin.
(2) Compensation granted for the fiscal year, irrespective of the payment date.
(3) Compensation paid throughout the fiscal year.
(4) Albéric Chopelin was provided with a company car.

Annual compensation (previously known as attendance fees) and other compensation allocated and received by non-executive corporate officers – *(Table 3 AFEP MEDEF Code)*

Members of the Supervisory Board		Gross amounts paid in 2019[1] *(in euros)*	Gross amounts paid in 2020[2] *(in euros)*
Jean-Paul Bailly	Annual compensation (attendance fees)	76,110	56,961
	Other compensation	165,000	123,750
Patrick Sayer	Annual compensation (attendance fees)	36,348	28,886
	Other compensation	-	-
Pascal Bazin	Annual compensation (attendance fees)	74,970	54,661
	Other compensation	-	-
Sanford Miller	Annual compensation (attendance fees)	45,750	28,799
	Other compensation	24,000	-
Virginie Fauvel	Annual compensation (attendance fees)	64,578	49,826
	Other compensation	-	-
Petra Friedmann	Annual compensation (attendance fees)	67,578	42,981
	Other compensation	-	-
Philippe Audouin	Annual compensation (attendance fees)	38,174	37,152
	Other compensation	-	-
Éric Schaefer	Annual compensation (attendance fees)	42,240	26,305
	Other compensation	-	-
Kristin Neumann	Annual compensation (attendance fees)	56,382	18,648
	Other compensation	-	-
Amandine Ayrem	Annual compensation (attendance fees)	31,500	7,367
	Other compensation	-	-
Sophie Flak	Annual compensation (attendance fees)	N/A	15,545
	Other compensation	N/A	-
Martine Gerow	Annual compensation (attendance fees)	N/A	28,422
	Other compensation	N/A	-
Antonin Marcus	Annual compensation (attendance fees)	N/A	16,937
	Other compensation	N/A	-
TOTAL		**738,990**	**412,442**[2]

(1) Amount including, far attendance fees, the attendance fees paid in 2019 in respect of fiscal year 2019. All of the attendance fees due for 2019 were paid in December 2019.
(2) The total gross annual compensation package of an initial amount of €550,000 was reduced by 25%, as proposed by the members of the Supervisory Board in view of the Covid-19 crisis. This reduction was approved by the General Meeting on June 12, 2020. As a result, the total gross annual compensation package for 2020 amounted to €412,500. Payment will be made subject to approval by the General Meeting on June 30, 2021.

Stock option allocations made during fiscal year 2020 to each executive corporate officer – *(Table 4 AFEP MEDEF Code)*

Plan	Type of option (purchase or subscription)	Value of options according to the method chosen for the consolidated financial statements	Number of options allocated during the year	Exercise price	Exercise period
None					

Stock option allocations exercised during fiscal year 2020 by each executive corporate officer – *(Table 5 AFEP MEDEF Code)*

Name of corporate officer	Plan	Type of option (purchase or subscription)	Number of options exercised during the year	Exercise price
	None			

Free shares granted during fiscal year 2020 to each corporate officer

Free shares granted during the fiscal year to each corporate officer	Number and date of the plan	**Number of shares allocated during fiscal year 2020**	Valuation of the shares	Date of acquisition	Date of availability	Performance conditions
None		0				

Free shares that became available during fiscal year 2020 to each corporate officer

Free shares that became available during the fiscal year to each corporate officer	Number and date of the plan	Number of shares that became available during fiscal year 2020	Acquisition conditions
None			

History of stock option allocations – *(Table 8 AFEP MEDEF Code)*

	Plan
Date of Management Board meeting	None

Options allocated to and exercised by the top ten non-executive officers

	Total number of options granted/shares subscribed or purchased	Average weighted price	Plan
Options granted during the fiscal year by the Company and any company in the scope of the option allocation plan to the ten employees of the Company and any company within the Group scope who received the highest number of these options (overall figure)	-	-	None
Options on the Company and the companies previously mentioned exercised during the fiscal year by the ten employees of the Company and such companies who purchased or subscribed for the greatest number of these options (overall figure)	-	-	None

History of free share grants

	AGA Plan 2018	AGA Plan 2019
Date of meeting	May 10, 2016	April 26, 2019
Date of Management Board or Supervisory Board meeting	July 24, 2018	May 22, 2019
	October 25, 2018	November 04, 2019
Total number of shares granted	**901,781**	**968,000**
Of which granted to:		
Caroline Parot	86,052	86,000
Fabrizio Ruggiero	62,429	62,000
Olivier Baldassari	-	47,000
Albéric Chopelin	-	40,000
Date shares acquired	December 31, 2021	May 23, 2022
	October 25, 2021	November 05, 2022
Retention period end date	July 24, 2021	-
	October 25, 2021	
Performance conditions	(8)	(9)
Number of shares acquired on March 30, 2020 (most recent date) including the number of shares acquired by:		
Ms. Caroline Parot	-	-
Fabrizio Ruggiero	-	-
Cumulative number of shares canceled or lapsed	-	-
Of which number of shares canceled or lapsed initially granted to:		
Ms. Caroline Parot	-	-
Fabrizio Ruggiero	-	
Olivier Baldassari	-	-
Albéric Chopelin	-	-
Free shares granted remaining at the end of the year	-	-

(1) Decision of the Supervisory Board of March 13, 2017.
(2) 195,400 shares granted by decision of the Supervisory Board on March 13, 2017, 326,100 shares granted by decision of the Management Board on April 25, 2017, and 69,500 shares granted by decision of the Management Board on July 4, 2017.
(3) Regarding the 195,400 shares granted by decision of the Supervisory Board on March 13, 2017.
(4) Regarding the 326,100 shares granted by decision of the Management Board on April 25, 2017.
(5) Regarding the 69,500 shares granted by decision of the Management Board on July 04, 2017.
(6) Performance criteria are presented in Section 5.3.1.3.1 of this Universal Registration Document.
(7) Under Article 9 of the AGA Plan 2017, beneficiaries who, two months before the end of the vesting period are not tax-resident in France can opt for (i) a one-year extension of their vesting period to the third anniversary of the grant date, with their eligibility being re-assessed at that date and (ii) they will then be exempt from the retention period under the AGA Plan 2017 and can sell their shares immediately as of the new vesting date.
(8) Performance criteria are presented in Section 5.3.1.3.2 of this Universal Registration Document.
(9) Performance criteria are presented in Section 5.3.1.3.3 of this Universal Registration Document.

Summary of the multi-year variable compensation of each executive corporate officer – *(Table 10 AFEP MEDEF Code)*

Name and position	Fiscal year 2018	Fiscal year 2019	Fiscal year 2020
Caroline Parot Chairwoman of the Management Board	None	None	None
Fabrizio Ruggiero Chief Executive Officer, Member of the Management Board	None	None	None
Olivier Baldassari Member of the Management Board	None	None	None
Albéric Chopelin Member of the Management Board	None	None	None

Summary of some of the information required Table 12 - Summary of some of the information required within the framework of the AFEP-MEDEF recommendations – *(Table 11 AFEP MEDEF Code)*

Members of the Management Board	Employment agreement		Supplemental pension plan		Severance or other benefits due or likely to become due as a result of termination or change of office		Compensation under a non-compete clause	
	Yes	No	Yes	No	Yes	No	Yes	No
Caroline Parot Chairwoman of the Management Board Beginning of term: March 09, 2015 End of term: March 08, 2023		✓		✓	✓		✓	
Fabrizio Ruggiero Chief Executive Officer Group Business Units and Member of the Management Board Beginning of term: March 09, 2015 End of term: March 08, 2023	✓			✓ (1)		✓	✓	
Olivier Baldassari Countries and Operations Director and Member of the Management Board Beginning of term: January 1, 2019 End of term: March 1, 2023	✓			✓		✓	✓	
Albéric Chopelin Director of Sales and Customer Accounts and Member of the Management Board Beginning of term: April 15, 2019 End of term: April 15, 2023	✓			✓		✓	✓	

(1) Mr. Fabrizio Ruggiero benefits from a supplementary pension plan related to his employment contract with Europcar Italia S.p.A. However, this plan is not comparable to a supplementary pension plan within the meaning of Article L. 137-11 of the French Social Security Code.

Equity ratio

Equity ratio between the level of the compensation of corporate officers and the average and median compensation of company employees

The information below has been presented in accordance with the terms of law No.°2019-486 of May 22, 2019 (the Pacte law), aimed at ensuring companies comply with new transparency requirements for executive compensation.

This information has also been presented in accordance with AFEP recommendations, which were updated in February 2021.

The ratios presented were calculated on the basis of fixed and variable compensation paid during the years mentioned, and performance shares allocated over the same periods and valued at fair value.

As from April 2020, the members of the Management Board decided to reduce their fixed annual compensation by 25% until the end of 2020. This reduction is not taken into account in the above calculation, for the sake of consistency with the calculation of average and median compensation for ECI/EMG/ECF.

In addition, no variable compensation was paid to them in 2020 for the year 2019.

Lastly, no free share plan was established in 2020.

The workforce taken into account for this calculation consists only of permanent, full-time employees present for the full year of each fiscal year.

The scope used for this analysis consists of French companies excluding acquisitions over the past five years.

As Olivier Baldassari joined the Group in January 2019, he is included in this table only from 2019. His 2019 compensation does not include variable compensation for fiscal year 2018.

Albéric Chopelin joined the Group on April 15, 2019 and left it on July 31, 2020, and is therefore not included in the table below.

	Fiscal year 2020	Fiscal year 2019	Fiscal year 2018	Fiscal year 2017	Fiscal year 2016
JEAN-PAUL BAILLY – Chairman of the Supervisory Board					
Average compensation ratio	4.43	5.16	5.16	5.18	3.59
Median compensation ratio	5.95	6.72	6.70	6.68	4.72
CAROLINE PAROT – Chairwoman of the Management Board					
Average compensation ratio	14.52	31.80	29.86	38.33	29.98
Median compensation ratio	19.51	41.42	38.81	49.45	39.38
FABRIZIO RUGGIERO – Deputy Chief Executive Officer and Member of the Management Board					
Average compensation ratio	12.27	24.57	23.02	27.69	16.15
Median compensation ratio	16.49	32.00	29.92	35.73	21.21
OLIVIER BALDASSARI – Chief Countries and Operations officer and Member of the Management Board					
Average compensation ratio	8.21	13.10	N/A	N/A	N/A
Median compensation ratio	11.04	17.06	N/A	N/A	N/A
Average compensation for ECI/EMG/ECF	40,791	46,724	45,215	42,847	43,075
Median compensation for ECI/EMG/ECF	30,352	35,873	34,796	33,213	32,801
Jean-Paul Bailly's compensation	180,711	241,110	233,094	221,995	154,830
Caroline Parot's compensation	592,291	1,485,831	1,350,309	1,642,240	1,291,531
Fabrizio Ruggiero's compensation	500,366	1,147,863	1,040,965	1,186,647	695,603
Olivier Baldassari's compensation	335,064	612,165	N/A	N/A	N/A
Operating cash flow (€m)	-419	118	135	91	157

5.6 SUMMARY STATEMENT OF TRANSACTIONS IN COMPANY SECURITIES BY CORPORATE OFFICERS

In accordance with Article L. 621-18-2 of the French Monetary and Financial Code and Article 19 of regulation (EU) No. 596/2014 of April 16, 2014 on market abuses (the "MAR regulation"), the table reports the transactions in Europcar Mobility Group SA securities carried out in 2019 by members of the Management Board and members of the Supervisory Board or by a person closely related to them (within the meaning of Articles 19 and 3.1.26 of the MAR regulation), on the basis of statements made by interested parties to the French financial markets authority, available on www.amf-france.org.

Last name, First name	Position	Type of transaction	Financial instrument	Date and place of transaction	Price *(in euros)*	Volume of the transaction
Antonin Marcus	Member of the Supervisory Board	Free loan for use	Stock loan	September 03, 2020 Euronext Paris	0	500
Martine Gerow	Member of the Supervisory Board	Acquisition	Share	September 16, 2020 Euronext Paris	0.58	500

6

INFORMATION ON THE COMPANY AND ITS CAPITAL

6.1 INFORMATION ON THE COMPANY

6.1.1 Corporate name

The name of the Company is "**Europcar Mobility Group**".

6.1.2 Place and number of registration

The Company is registered with the Trade and Companies Register of Paris under number 489 099 903.

The identifier of the Company's legal entity is 969500XCGTMV08D76N87.

6.1.3 Date of incorporation and legal life

The Company was registered on August 3, 2006.

The Company has a legal life of 99 years as from its registration with the Versailles Trade and Companies Register, subject to early dissolution or extension.

6.1.4 Headquarters, legal form and applicable law

The Company's headquarters are located at 13 *ter*, Boulevard Berthier – 75017 Paris, France
Tel: +33 (0)825 35 83 58

The Combined shareholders' General Meeting of January 20, 2021 approved a change in the Company's governance and management structure to adopt management by a Board of Directors governed by Articles L. 225-17 to L225-56 of the French Commercial Code. This change took effect on February 26, 2021.

Before that date and since March 9, 2015, Europcar Mobility Group was a public limited company (*société anonyme*) with a Management Board and a Supervisory Board governed by French law.

Initially and at the time it was incorporated in 2006, the Company was a public limited company with a Board of Directors.

The Company's fiscal year begins on January 1 and ends on December 31 of each year.

6.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

The Company's by-laws were prepared in accordance with French law and regulations on public limited companies with a Board of Directors.

The key points described below are taken from the Company's by-laws approved by:

- the Combined Shareholders' Meeting on February 24, 2015, amended by the Management Board on June 26, 2017, July 30, 2019, then on January 20, 2020;
- the Combined Shareholders' Meeting of the Company on May 17, 2018;
- the Combined Shareholders' Meeting of the Company on June 12, 2020;
- the Combined Shareholders' Meeting of the Company on January 20, 2021.

6.2.1 Corporate purpose

Article 3 of the by-laws states that the Company's corporate purpose, directly or indirectly, in France or abroad, is to:

- acquire investments by way of asset transfers, purchases, subscriptions or otherwise in any company regardless of its form and purpose;
- provide all types of management services to other firms, in particular strategic, organizational, accounting, financial, IT and commercial services;
- manage a portfolio of trademarks and patents, in particular by way of licensing rights;
- lease any machinery and equipment of any kind whatever;
- own, by way of acquisition or otherwise, and manage, in particular by way of leasing, any buildings, real property and property rights;
- take direct or indirect part in any transaction that might directly or indirectly be connected with the corporate

purpose through the creation of new companies, asset transfers, subscriptions or purchases of securities or company rights, mergers, alliances, joint ventures and by any other means and in any forms used in France and abroad;

- and more generally, to engage in all commercial, financial (including any loan, advance, security or any cash transaction within the Group), industrial and real or personal property transactions that might directly or indirectly be connected with the corporate purpose and with any purposes that are similar or connected or capable of promoting the achievement thereof.

6.2.2 Management and administrative bodies

6.2.2.1 General Management – Article 14 of the by-laws

(i) The Company's senior management is assumed, under his or her responsibility, either by the Chairman of the Board of Directors who then holds the title of Chairman-Chief Executive Officer, or by another individual appointed by the Board of Directors, who then holds the title of Chief Executive Officer.

(ii) Provided that the question has been included on the agenda, the Board of Directors chooses between the two methods of conducting senior management by a majority vote of the members.

(iii) When there is a separation between the duties of Chairman and those of Chief Executive Officer, the Chief Executive Officer, who is not necessarily a Director, is appointed for a duration freely determined by the Board of Directors, but when the Chief Executive Officer is also a Director, the duration of his or her appointment may not exceed his or her term of office as Director.

In both cases, the Chief Executive Officer is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of sixty-eight (68) years.

(iv) The Chairman-Chief Executive Officer or the Chief Executive Officer, as applicable, is vested with the broadest powers to act under any circumstances in the name of the Company. He or she exercises these powers within the limitations of the corporate purpose and subject to the powers expressly attributed by law to shareholders' meetings and to the Board of Directors. He or she represents the Company in its relations with third parties.

(v) On the proposal of the Chairman-Chief Executive Officer or the Chief Executive Officer, as applicable, the Board of Directors may appoint, from among Board members or outside the Board, one or more individuals to assist the Chairman-Chief Executive Officer or the Chief Executive Officer, under the title Deputy Chief Executive Officer.

The number of Deputy Chief Executive officers may not be greater than five (5). The scope and duration of the powers granted to Deputy Chief Executive officers are determined by the Board of Directors in consultation with the Chairman-Chief Executive Officer or the Chief Executive Officer. The Deputy Chief Executive Officer has the same powers as the Chairman-Chief Executive Officer or the Chief Executive Officer with respect to third parties.

6.2.2.2 Board of Directors – Articles 12 to 17 of the by-laws (except Article 14)

- **Composition of the Board of Directors – Article 12 of the by-laws**

(i) The Company is administered by a Board of Directors composed of at least three (3) members and no more than eighteen (18) members elected by the Shareholders' Meeting.

The Directors are elected by the Ordinary Shareholders' Meeting, but the Board has the power, in the event of a vacancy for one or more positions, to appoint replacements by way of co-option for the remainder of the predecessors' terms of office and subject to ratification by the next Ordinary Shareholders' Meeting.

Sections I to IV of this Article do not apply to Directors named in accordance with sections V and VI below.

(ii) The number of Directors over the age of seventy-five (75) may not exceed one third of the members on the Board. Should this proportion be exceeded, the term of office of the oldest member of the Board, other than the Chairman, expires at the end of the next Ordinary Shareholders' Meeting.

(iii) The term of office of members of the Board of Directors is four (4) years. The Shareholders' Meeting may stipulate, at the time of the appointment of certain Directors, that their term of office will be less than four (4) years in order to stagger the renewal of the terms of office of Directors. They may be re-elected. The duties of a Director cease at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which the term of office expires.

They may be dismissed at any time by the Ordinary Shareholders' Meeting.

(iv) During his or her term of office, each Director must own at least 100 shares in the Company under the terms and conditions stipulated by the provisions of the Internal regulations of the Board of Directors.

(v) When the report presented by the Board of Directors to the Shareholders' Meeting pursuant to Article L. 225-102 of the French Commercial Code establishes that the shares owned by the Company's employees and by companies affiliated with the Company under Article L. 225-180 of said Code represent more than three per cent (3%) of the share capital, a Director representing employee shareholders shall be named by the Ordinary Shareholders' Meeting in accordance with the terms and conditions set forth by the laws and regulations in force and these by-laws.

Prior to the Ordinary Shareholders' Meeting called to appoint the Director representing employee shareholders, the Chairman of the Board of Directors refers to the Supervisory Boards of the Company mutual funds created under the employee savings plan of the Company and the entities it controls under Article L. 233-3 of the French Commercial Code (together the "Group") and invested principally in the Company's shares, and consults employee shareholders under the conditions stipulated in these by-laws.

Candidates for appointment are nominated under the following conditions:

a) when the voting right attached to shares owned by employees is exercised by members of the Supervisory Board of a company mutual fund, that Board may designate one candidate chosen from among its regular members representing the employees; when there are several such company funds, the Supervisory Boards of those funds may agree, in identical resolutions, to present two common candidates chosen from among their regular members representing the employees;

b) when the voting right attached to shares owned by employees is directly exercised by those employees, one candidate may be nominated at the time of the consultations organized by the Company. These consultations, preceded by a call for applications, are organized by the Company by any technical means that make it possible to ensure the reliability of the vote, including electronic or postal voting. In order to be admissible, candidate applications must be presented by a group of shareholders representing at least five percent (5%) of the shares held by employees exercising their individual right to vote.

The Company can form an *ad hoc* election Committee to ensure the process is regular.

The minutes drawn up by the Supervisory Boards of the Company mutual funds or by the *ad hoc* election committees presenting the applications must be sent to the Board of Directors no later than eight (8) days before the date of the Board meeting called to establish the resolutions for the Shareholders' Meeting on the appointment of the Directors representing the employee shareholders.

In order to be admissible, each application must present a principal and alternate candidate. The alternate candidate, who must meet the same conditions of eligibility as the principal, may be co-opted by the Board of Directors to succeed the representative appointed by the Shareholders' Meeting in the event the principal candidate is unable to complete his or her term of office. The co-optation of the alternate by the Board of Directors shall be submitted for ratification by the next Shareholders' Meeting.

In order to ensure the continuity of employee shareholder representation until the end of the term of office, and in the event that the alternate is also unable to complete the term of office, the Chairman of the Board of Directors shall consult the body that originally nominated the candidate (the Supervisory Board of a company mutual fund or a group of employee shareholders) so that it can nominate a new candidate whose appointment will be submitted to the Shareholders' Meeting.

The terms and conditions for the nomination of candidates not defined by the laws and regulations in force or by these by-laws are set by the Chairman of the Board of Directors, particularly with regard to the timetable for the nomination of candidates.

Each procedure mentioned in a) and b) above is recorded in minutes that include the number of votes received for each of the candidates. A list of all the candidates validly designated is established.

The Ordinary Shareholders' Meeting rules, under the conditions applicable to any appointment of a Director, on all validly designated candidates. The candidate who obtains the highest number of votes held by the shareholders present or represented during this Shareholders' Meeting will be appointed as the Director representing the employee shareholders. These members are not counted when determining the minimum and maximum numbers of Directors stipulated in section I above.

The term of office of a Director representing the employee shareholders is four (4) years. Their term of office ceases at the end of the Shareholders' Meeting convened to approve the financial statements for the previous fiscal year held in the year in which their term of office expires. However, the term of office ceases automatically and the Director representing the employee shareholders is deemed to have automatically resigned in the event that he or she ceases to be an employee of the Company (or of a company or economic interest grouping affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code).

In the event that the office of Director representing the employee shareholders becomes vacant for any reason, the replacement will be arranged under the conditions set out above, no later than prior to the next Shareholders' Meeting or, if this meeting is held less than four (4) months after the seat on the Board becomes vacant, prior to the following Shareholders' Meeting. The new Director is appointed by the Ordinary Shareholders' Meeting for the remainder of their predecessor's term of office.

The Board of Directors may validly meet and deliberate until the date of replacement of the Director or Directors (if applicable) representing the employee shareholders.

The provisions of the first paragraph of section V shall cease to apply when, at the close of a fiscal year, the percentage of capital owned by employees of the Company and companies affiliated with the Company within the meaning of Article L. 225-180 of the French Commercial Code, in the context set out by Article L. 225-102 of said Code, represents less than three per cent (3%) of the capital; it is specified that the term of office of any member appointed pursuant to the first paragraph of section V will expire at the end of the term of office.

The provisions of section IV governing the number of shares that must be owned by a Director do not apply to the Directors representing the employee shareholders. Nevertheless, directors representing employee shareholders must, either individually or through a company mutual fund created under the Group's employee savings plan, own at least one share or a number of units of said fund equivalent to at least one share.

(vi) The Board of Directors also comprises, as applicable, one or two members representing the employees in accordance with Article L. 225-27-of the French Commercial Code.

If, during a fiscal year, the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, is less than or equal to eight (8), the Group Works Council, stipulated by Article L. 2331-1 of the French Labor Code, appoints a single Director representing the employees, by a majority vote.

If, during a fiscal year, the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, is greater than eight (8), and provided that this criterion is still met on the day of the appointment, the European Works Council, stipulated by Article L. 2342-9 of the French Labor Code, appoints a second Director representing the employees.

The term of office of the Directors representing the employees is four (4) years, renewable one (1) time, from the date of their appointment.

As an exception, if a Director representing the employees is appointed according to one of the two methods stipulated above during the term of office of a Director representing the employees, the term of office of the newly appointed Director will be shortened in such a way that the end of his or her term coincides with the term of the already appointed Director representing the employees.

If the number of Directors, calculated in accordance with Article L. 225-27-1 II of the French Commercial Code, initially greater than eight (8) members, falls below or becomes equal to eight (8) members, the terms of office of the Directors representing the employees shall be maintained until their expiration.

The terms of office of the Directors representing the employees end at the end of the Ordinary Shareholders' Meeting convened to approve the financial statements for the previous fiscal year, held during the year in which their term of office expires. Nevertheless, their term of office ends automatically under the terms and conditions stipulated by law and this Article, and the Director representing the employees is deemed to have automatically resigned in the event the Director ceases to be an employee of the Company or of a company it controls, as defined by Article L. 233-3 of the French Commercial Code. In the same manner, if the terms and conditions for the application of Article L. 225-27-1 of the French Commercial Code are no longer met, the term of office of the Director or Directors ends at the end of the meeting at which the Board of Directors duly notes that the Company is no longer within the scope of this obligation.

In the event that the position of a Director representing the employees becomes vacant for any reason, a replacement will be arranged in accordance with the terms and conditions set out above. The Board of Directors may validly meet and deliberate until the date of replacement of the Director or Directors (as applicable) representing the employees.

The provisions of section IV governing the number of shares that must be held by a Director do not apply to Directors representing the employees. In addition, the Directors representing the employees will not receive any compensation for this office, unless decided otherwise by the Board of Directors.

The Directors representing the employees are not counted when determining the minimum and maximum numbers of Directors stipulated in section I above.

- **Internal regulations of the Board of Directors**

The Board of Directors has Internal regulations which determine its workings.

- **Chairman of the Board of Directors – Article 13 of the by-laws**

(i) The Board of Directors elects from among its members a Chairman, an individual, for a term that may not exceed his term of office as a Director, but the Chairman may be re-elected. The age limit for holding the office of Chairman is set at:

  - sixty-eight (68) when the Chairman also holds the position of Chief Executive Officer of the Company (Chairman-Chief Executive Officer). In this case, the Chairman-Chief Executive Officer is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of sixty-eight (68) years;
  - seventy-five (75) when the Chairman does not also hold the position of Chief Executive Officer of the Company. In this case, the Chairman of the Board of Directors is automatically deemed to have resigned at the end of the Shareholders' Meeting convened to approve the financial statements for the fiscal year in which he or she reaches the age of seventy-five (75) years.

The Chairman of the Board chairs the meeting of the Board of Directors and establishes its agenda. He or she organizes and directs the work of the Board and reports that work to the Shareholders' Meeting. The Chairman ensures the correct operation of the Company's bodies and ensures that the Directors are able to perform their mission.

When the Chairman of the Board of Directors also assumes the senior management of the Company, all legal and regulatory provisions governing the Chief Executive Officer shall apply to the Chairman.

(ii) If it is deem useful, the Board of Directors may also designate from among the individuals on the Board a Vice Chairman, and the Board determines the term of office within the limits of the Vice Chairman's term on the Board.

The office of Vice-Chairman carries no duty other than the duty to chair the meetings of the Board of Directors and the Shareholders' Meeting in the event the Chairman of the Board of Directors is absent.

(iii) The Board of Directors may appoint a secretary selected among its members or from outside the Board.

- **Deliberations of the Board of Directors – Article 15 of the by-laws**

(i) The Board of Directors meets on the notice from the Chairman as often as required by the interests of the Company and at least four times a year. The Directors are called to meetings of the Board of Directors by any means, even verbally.

(ii) Meetings take place at the Company's registered office or any other place specified in the notice of meeting. They are chaired by the Chairman of the Board of Directors and, if the Chairman is absent, by the Vice-Chairman.

(iii) Meetings are held and decisions made with conditions for quorum and majority provided by law and these by-laws. In the event of a tied vote, only the Chairman has the casting vote.

(iv) The Board of Directors establishes internal regulations that may stipulate that, with the exception of the adoption of decisions relating to the appointment, compensation or dismissal of the Chairman or the Chief Executive Officer, or the method for conducting senior management, the establishment of the annual (parent company and consolidated) financial statements and the preparation of the management report and the Group management report, Directors who attend the meeting via videoconference or the use of telecommunications are deemed present for the calculation of the quorum and majority, subject to the conditions required by the laws and regulations in force.

(v) The minutes of meetings of the Board of Directors are prepared and copies or extracts thereof are delivered and certified as required by law.

- **Powers and duties of the Board – Article 16 of the by-laws**

(i) The Board of Directors determines the direction of strategies of the Company's business and monitors their implementation. Subject to the powers expressly reserved for shareholders' meetings, and within the limits of the corporate purpose, the Board considers any question affecting the good operation of the Company and governs the affairs affecting the Company by its deliberations.

(ii) Generally, the Board of Directors makes any decision and exercises any prerogative which, under the provisions of law, delegations of authority from the Shareholders' Meeting or these by-laws, fall within the scope of its authority.

(iii) The Board of Directors performs or oversees performance of the controls and verifications it deems timely.

(iv) Each Director receives all the information necessary to perform his or her duties and may receive all documents deemed useful.

(v) The Board of Directors may form committees responsible for studying issues that the Board or its Chairman submit for their examination and opinion. It determines the composition and remit of these committees which carry out their duties under its supervision.

- **Compensation of the members of the Board of Directors – Article 17 of the by-laws**

The Shareholders' Meeting may allocate an annual fixed sum to the Directors as compensation for their duties. The Board of Directors distributes the total amount allocated among its members. The Board of Directors may also allocate exceptional compensation in the cases and under the conditions stipulated by law.

6.2.2.3 Censor – Article 18 of the by-laws

(i) The Shareholders' Meeting may appoint censors for the purpose of assisting the board of directors. Censors may or may not be shareholders and can number up to four (4). They are appointed for a maximum term of two (2) years. The Shareholders' Meeting may revoke their appointment at any time. The Board of Directors sets their attributions and determines their compensation.

(ii) The age limit of a censor is eighty (80) years. Any censor reaching that age will be deemed to have automatically resigned.

(iii) Censors are convened to all meetings of the Board of Directors under the same terms and conditions as directors and take part in its deliberations in a solely consultative capacity. Censors express their observations during the Board of directors' meetings. They cannot replace Directors and only issue their opinions. Censors may receive compensation.

(iv) The Board of Directors may also assign specific tasks to the censors.

6.2.3 Rights and obligations attached to the shares – Articles 10 and 11 of the by-laws

- **General rights and obligations of the shares**

Ownership of a share automatically implies acceptance of the by-laws and the decisions of the shareholders' meetings.

Each share carries a right to ownership of the Company's assets and liquidation surpluses equal to the fraction of the share capital that it represents.

Whenever it is necessary to own several old shares in order to exercise any right, or in the event of a securities swap or allocation conferring a right to a new security in exchange for the delivery of several old shares, individual securities or numbers of securities lower than that required will not give their holders any rights against the Company, and shareholders must make their own arrangements to group together and potentially purchase or sell the necessary number of securities.

The shares are indivisible as regards the Company so that joint owners of undivided shares must arrange to be represented to the Company either by one of them or by a single representative appointed by the courts in the event of disagreement.

- **Voting right**

Each ordinary share grants the right to vote and to be represented at any Shareholders' Meeting in accordance with legal and statutory requirements.

- **Payment of the shares**

The sums remaining to be paid on the shares to be paid in cash are called by the Board of Directors.

The percentages called and the date on which the corresponding sums must be paid are notified to shareholders, either by an insertion placed at least fifteen (15) days in advance in a newspaper authorized to receive legal advertisements in the *departement* where the headquarters is located, or by registered letter sent to each of the shareholders by the same deadline.

A shareholder who does not make the payments due on the shares they hold, when due, is automatically, without prior formal notice to pay, liable to the company for penalty late interest calculated each day from the due date, at the legal rate plus two (2) points, without prejudice to any action that the Company may bring against the defaulting shareholders and the enforcement measures stipulated by the applicable legal and regulatory provisions. The Company may also proceed to the sale of shares not paid up on the payments due under the conditions set by law.

The net proceeds from the sale revert to the Company in the amount due and are charged against what is owed in principal and interest by the defaulting shareholder, and then on the repayment of the costs incurred by the Company to make the sale. The defaulting shareholder remains liable for the difference, if there is a deficit or, if applicable, profits from the surplus.

6.2.4 Shareholders' General Meeting

- **Composition, Notice of meeting and Conduct of shareholders' meetings**

(i) Shareholders' meetings are convened and deliberate in accordance with the law.

(ii) Meetings take place either at the headquarters or in any other place specified in the notice of meeting.

Shareholders may attend shareholders' meetings in accordance with the law.

Any shareholder may participate in shareholders' meetings either in person or by proxy. A Shareholder may participate in any meeting by postal vote under the conditions defined by the laws and regulations in force.

The Board of Directors shall have the option to authorize transfer by telecommunications (including by electronic media) to the Company of postal and proxy voting forms in accordance with applicable law and regulations in force.

When electronic signatures are used, they may take any form that complies with the conditions set out in the first sentence of paragraph 2 of Article 1367 of the French Civil Code.

On the decision of the Board of Directors to use such telecommunications means, published in the notice of meeting or notice of convocation, shareholders attending the meeting by video conference or other telecommunication methods that permit their identification as required by applicable regulations are deemed present for the purpose of calculating quorum and majority.

(iii) Meetings are chaired by the Chairman of the Board of Directors or, in the absence of the Chairman, by the Vice-Chairman. If neither is present, the meeting elects its own Chairman.

(iv) Minutes are taken of shareholders' meetings and copies or extracts provided and certified in accordance with law.

- **Voting rights**

When ordinary shares are held in usufruct, their right to vote at shareholders' meetings belongs to the usufruct-holders. However, shareholders may agree among themselves any other allocation of the exercise of voting rights at shareholders' meetings. In this case, they must notify their agreement to the Company by registered mail sent to the registered office and the Company will be obliged to respect this agreement at any Shareholders' Meeting held more than one (1) month after the date the registered letter was sent, as attested by the postmark.

Any shareholder may vote by mail under the terms and conditions and using the procedures prescribed in accordance with applicable law and regulations. Shareholders may, under the conditions set by the law and regulations, send their proxy or postal voting forms by mail, in either paper format or, on a decision of the Board of Directors published in the notice of meeting or notice of convocation, by telecommunications (including electronic media). The Company may, for this purpose, use an identification procedure that meets the conditions defined in the first sentence of the second paragraph of Article 1367 of the French Civil Code.

6.2.5 By-law provisions likely to have an effect in the event of a change of control

The Company's by-laws do not contain any provisions likely to have an effect in the event of a change of control.

6.2.6 Threshold crossing and identification of shareholders – Article 8 of the by-laws

Aside from applicable legal and regulatory thresholds, any natural person or legal entity, acting alone or in concert, who comes or ceases to hold, directly or indirectly, one percent (1%) or more of the Company's share capital or voting rights, or any multiple of this percentage, including above the declaration thresholds set by law and regulations, must inform the Company of the total number of shares and voting rights owned and of any securities giving access to the capital or voting rights potentially attached by registered post with recorded delivery to the headquarters (senior management) by the close of trading on the fourth trading day following the date the threshold was crossed.

For the purpose of determining the thresholds described above, account is also taken of the shares or voting rights held indirectly and shares or voting rights associated with shares or voting rights held as defined in Articles L. 233-7 et seq. of the French Commercial Code.

In the event of failure to comply with the requirements stipulated above, the penalties prescribed by law for failure to declare legal thresholds shall be applied only at the demand, recorded in the minutes of the Shareholders' Meeting, of one or more shareholders holding at least one percent (1%) of the Company's capital or voting rights.

The Company reserves the right to announce to the public and to shareholders either the information notified to it or any failure to comply with the above obligation by the person in question.

6.2.7 Identification of shareholders (Article 7 of the by-laws)

Fully paid up ordinary shares are held in either registered or bearer form at the shareholder's discretion.

Ordinary shares and all other securities issued by the Company are registered in the accounts of the owners pursuant to the laws and regulations in force.

The Company is entitled, under the law and regulations in force, and against payment of a fee at its own cost, to ask the central depository of financial instruments to be informed, as the case may be, of the name or corporate name, nationality, date of birth or year of formation, and mail address, and, when appropriate, electronic address, of the holders of bearer securities conferring the right to vote at its shareholders' meetings, whether immediately or in the future, together with the quantity of securities owned by each of them and, if applicable, the restrictions to which the securities may be subject. In view of the list provided by the aforementioned organization, the Company has the option to ask the persons on this list, whom the Company deems could be registered on behalf of third parties, for the above information concerning the owners of the securities.

If a person asked for information has failed to provide said information within the periods provided by the laws and regulations in force, or has provided incomplete or incorrect information relating either to their status or the owners of the securities, the shares or securities giving immediate or future access to the Company's equity in respect of which that person was registered in an account will be stripped of their voting rights for any Shareholders' Meeting held until the identification process is regularized, and payment of the corresponding dividend will be deferred until that date.

6.2.8 Change in share capital

Unless stated otherwise in the by-laws, the share capital may be increased, reduced or canceled by any method and in any manner permitted by law.

6.2.9 Distribution of profits (Article 23 of the by-laws)

Profits for each fiscal year are determined according to the legal and regulatory provisions in force.

In the event of a profit for the fiscal year after deductions to establish or increase legal reserves, the Shareholders' Meeting, on the proposal of the Board of Directors, may withdraw any sums it considers appropriate to be either retained and carried forward to the next fiscal year or allocated to one or more general or special reserve funds or distributed to shareholders.

The Shareholders' Meeting has the power to grant shareholders the option to receive payment of all or part of their dividend or interim dividend in cash or in shares under the conditions laid down by the regulations in force. In addition, the Shareholders' Meeting may decide that payment of all or part of dividends, interim dividends, distributed reserves or premiums, or any reduction in capital, will be deducted in kind using the Company's portfolio securities or assets.

All shareholders share in profits and contribute to losses in proportion to their stake in the share capital.

6.3 SHARE CAPITAL

6.3.1 Number of shares

At December 31, 2020, the share capital stood at €163,884,278. The share capital is divided into 163,884,278 ordinary shares with a par value of one (1) euro.

At March 31, 2021, the amount of the share capital is €49,514,341.00. The share capital is divided into 4,951,434,100 ordinary shares with a par value of one euro cent (0.01).

6.3.2 Securities giving access to share capital

There were no outstanding securities giving access to share capital and voting rights at December 31, 2020.

The Shareholders' Meeting of June 12, 2020 (23rd, 24th, 25th, 26th, 27th, 28th, 29th, 30th, 31st, 32nd, 33rd and 34th resolutions) gave different authorizations to the Management Board to issue investment shares giving access to share capital, described in Section 6.3.5.1 "Table of valid delegations on the date of this Universal Registration Document, with respect to capital increase and use at December 31, 2020".

6.3.3 Changes in share capital over the last three years

Year	Date	Type of transaction	Share capital before transaction *(in euros)*	Nominal amount of transaction *(in euros)*	Share capital after transaction *(in euros)*	Number of shares after transaction
2019	07/30/19	Capital increase reserved for members of an Employee Savings Plan, with waiver of preferential subscription rights for the benefit of the latter, as part of the we Share 2019 employee share ownership plan	161,030,883	2,272,661	163,303,544	163,303,544
2019	07/30/19	Capital increase reserved for categories of beneficiaries as part of the we Share 2019 employee share ownership plan	163,303,544	580,734	163,884,278	163,884,278
2021	01/20/21	Capital reduction by decreasing the unit par value of the shares	163,884,278	162,245,435.22	1,638,842.78	163,884,278
2021	02/26/21	Capital increases in cash (i) through the issue of new ordinary shares, (ii) through offset with debt	1,638,842.78	43,000,353.96	44,639,196.74	4,463,919,674

At December 31, 2020 there were no stock options outstanding.

6.3.4 Summary tables of delegations relating to share capital increases

6.3.4.1 Table of currently valid delegations on the date of this Universal Registration Document, concerning increases in share capital and utilization

At December 31, 2020

The table below summarizes all delegations that were still valid as at December 31, 2020, granted by shareholders at the Shareholders' Meeting of June 12, 2020 and the use made of such authorizations as of December 31, 2020:

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)*
06/12/2020 (16th resolution)	Authorization for the Company's share buy-back program.	€75,000,000	18 months (12/11/2021)
06/12/2020 (17th resolution)	Delegation of authority to the Management Board to increase share capital by capitalizing reserves, profits, share premiums, acquisition premiums or goodwill on consolidation.	€500,000,000	26 months (08/11/2022)
06/12/2020 (18th resolution)	Delegation of authority to the Management Board to issue shares and/or equity securities giving rights to other equity securities of the Company or giving rights to the grant of debt securities and/or to issue other securities giving rights to future shares of the Company, maintaining preferential subscription rights.	50% of the share capital (1) (2) €750,000,000 in debt securities	26 months (08/11/2022)
06/12/2020 (19th resolution)	Delegation of authority to the Management Board to issue shares and/or equity securities giving rights to other equity securities of the Company or giving right to the grant of debt securities and/or to issue other securities giving rights to future shares, with waiver of preferential subscription rights and public offering, other than those referred to in Article L. 411-2 1° of the French Monetary and Financial Code, or as part of a public offer involving an exchange component.	10% of the share capital (1) (2) (3) €750,000,000 in debt securities	26 months (08/11/2022)
06/12/2020 (20th resolution)	Delegation of authority to the Management Board to issue shares and/or equity securities giving rights to other equity securities of the Company or giving right to the grant of debt securities and securities giving rights to future shares, with waiver of preferential subscription rights as part of a public offer referred to in Article L. 411-2 1° of the French Monetary and Financial Code.	10% of the share capital (1) (2) (3) €750,000,000 in debt securities	26 months (08/11/2022)
06/12/2020 (21st resolution)	Authorization to the Management Board, in the event of issuance of shares and/or equity securities giving rights to other equity securities of the Company or giving rights to the grant of debt securities and/or other securities giving rights to future shares, without preferential subscription rights, through an offer to the public or through a private placement to set the issue price subject to a limit of 10% of the share capital per year.	10% of the share capital (1)	26 months (08/11/2022)
06/12/2020 (22nd resolution)	Authorization to the Management Board to increase the number of shares and/or equity securities giving rights to other equity securities of the Company or to the grant of debt securities and/or securities giving rights to future shares, to be issued in the event of a capital increase with or without preferential subscription rights for shareholders.	15% of the initial issue (1) (3)	26 months (08/11/2022)
06/12/2020 (23rd resolution)	Delegation of power to the Management Board to issue shares and/or equity securities giving rights to other equity securities of the Company or giving rights to the grant of debt securities and other securities giving rights to future shares, with waiver of preferential subscription rights, as remuneration for contributions in kind granted to the Company.	10% of the share capital (1)	26 months (08/11/2022)

Shareholders' Meeting Date *(resolution no.)*	Type of authorization	Authorized share capital ceiling *(nominal amount or percentage)*	Term *(expiration)*
06/12/2020 (24th resolution)	Delegation of authority to the Management Board to issue shares and/or equity securities giving rights to other equity securities of the Company or giving right to the grant of debt securities and to issue other securities giving rights to future shares, with waiver of preferential subscription rights for the benefit of a certain category of persons as part of an equity line transaction.	10% of the share capital (1) (2) (3)	18 months (12/11/2021)
06/12/2020 (25th resolution)	Authorization to be granted to the Management Board for the purpose of allotting shares in the Company, free of charge, to corporate officers and employees of the Group, entailing automatic waiver of shareholders' preferential subscription rights.	2% of the share capital of which 0.4% of the share capital for corporate officers	26 months (08/11/2022)
06/12/2020 (26th resolution)	Delegation of authority to the Management Board to increase the share capital through the issuance of shares and/or other securities giving rights to the share capital reserved for participants in a Company Savings Plan, with waiver of preferential subscription rights in favor of the plan participants.	3% of the share capital (1) (2)	26 months (08/11/2022)
06/12/2020 (27th resolution)	Delegation of authority to the Management Board to increase the share capital, with waiver of preferential subscription rights for shareholders, with the securities issued being reserved for categories of beneficiaries within the framework of an employee shareholding operation.	3% of the share capital (1) (2)	18 months (12/11/2021)

(1) The total maximum nominal amount of capital increases that may be carried out pursuant to this delegation shall be charged against the amount of the total nominal ceiling which may not exceed an amount representing more than 50% of the Company's share capital on the date of the Shareholders' Meeting of June 12, 2020.

(2) This amount may be increased by the nominal amount of ordinary shares in the Company to be issued in future, if applicable, in order to safeguard the rights of holders of securities giving access to the share capital in accordance with law and regulations and any applicable contractual terms stating otherwise.

(3) The overall maximum nominal amount of capital increases that may be carried out pursuant to the 19th, 20th, 22nd and 24th resolutions may not be greater than 10 % of the Company's share capital on the date the financial delegation is used by the Management Board, and shall count against the overall nominal ceiling representing more than 50% of the Company's share capital on the date of the Shareholders' Meeting of June 12, 2020.

6.3.5 Non-equity securities

As of the filing date of this Universal Registration Document, the Company has issued no non-equity securities.

6.3.6 Pledges

At the date of this Universal Registration Document, to the Company's knowledge, none of the shares comprising its capital was pledged.

6.3.7 Share buy-back program

6.3.7.1 Description of the 2020 buy-back program

The Combined Shareholders' Meeting of June 12, 2020, in its sixteenth resolution, authorized the Management Board, with the option to sub-delegate such authority under the conditions provided for by law, to trade in the Company's shares under the conditions defined hereinafter and:

- supersedes, with immediate effect, for the portion not used, the authorization granted by the 23rd resolution of the Combined Shareholders' Meeting of April 26, 2019 to the Management Board to trade in the Company's shares;
- authorizes the Management Board to trade in the Company's shares representing up to 10% of the share capital on the date of such purchases as calculated pursuant to the applicable laws, specifying however that the maximum number of shares owned after those purchases shall not exceed 10% of the share capital.

The maximum unit purchase price is set at twenty euros (€20) (excluding acquisition fees) and the maximum number of shares that may be purchased is 16,388,427 shares (i.e. ten percent (10%) of the number of shares composing the Company's share capital at December 31, 2019). The total maximum amount that the Company may devote to the purchase of its own shares may not exceed seventy-five (75) million euros. However, in the event of a capital transaction, particularly the capitalization of reserves, and allotments of free shares, stock split or reverse stock split, the number of shares and the price stated above shall be adjusted accordingly.

These shares may be purchased, sold or transferred by any means, on one or more occasions, on the market or over-the-counter, including by the acquisition or sale of blocks, public offerings, through the use of derivative financial instruments or warrants or securities giving rights to shares of the Company, or through the implementation of options strategies under the conditions stipulated by market authorities and in compliance with the applicable regulations.

The Company may use this authorization for the following purposes and objectives:

(i) canceling in whole or in part, treasury shares by virtue of an authorization to the Management Board conferred by the Extraordinary Shareholders' Meeting;

(ii) market-making for the share under a liquidity contract entered into with an independent investment services provider in accordance with market practices permitted by the AMF;

(iii) allocating or transferring of shares to employees and corporate officers of the Company and/or companies that are or will be related to it under the conditions defined by the applicable law, notably the exercise of stock options, the grant of free shares company profit-sharing schemes;

(iv) any hedging transactions related to transactions for the benefit of employees and corporate officers of the Company and/or its affiliates as referred to in (iii) above;

(v) remittance or exchange of shares for the exercise of rights attached to debt securities entitling their holders in any way whatsoever to the grant of the Company's shares;

(vi) retaining or subsequently delivering further to an exchange or in consideration of any external growth transactions; or

(vii) any other practice allowed by law or by the AMF, or that comes to be allowed, or any other objective that complies with the prevailing regulations.

For transactions carried out outside the above objectives, the Company shall inform its shareholders by means of a press release. In accordance with Article L. 225-209-2 of the French Commercial Code, the number of shares acquired by the Company to be retained or subsequently remitted as payment or in exchange in the context of an external growth operation may not exceed five percent (5%) of the number of shares composing its share capital.

This authorization has been granted for a duration of eighteen (18) months effective from this Shareholders' Meeting.

Transactions to purchase, sell or transfer shares of the Company may be executed, at times that the Management Board shall consider appropriate, in compliance with applicable legal and regulatory provisions. However, the Management Board may not, unless authorized beforehand by the Shareholders' Meeting, make use of this delegation as from the filing by a third party of a preliminary tender offer for the Company's shares up until the end of the offer acceptance period.

The Company, in accordance with applicable regulations, must inform the French financial markets authority about the purchases, sales and transfers carried out and more generally, perform any formalities and make any declarations necessary.

6.3.7.2 Share buy-backs and disposals carried out by Europcar Mobility Group in 2020

During the 2020 fiscal year, the Management Board did not implement the Buy-back Program and no shares were purchased in this respect.

a) Buy-back of shares for cancellation

Europcar Mobility Group did not cancel any shares during fiscal year 2020.

b) Buy-back of shares for market making purposes under the liquidity contract

At December 31, 2020, 0 shares were held under this liquidity contract.

The total number of shares bought in fiscal year 2020 on behalf of the Company under a liquidity contract dated January 24, 2019, replacing the liquidity contract of August 7, 2015, as amended by the additional agreements of August 7, 2015 and July 29, 2016 for the purposes of market making entered into with Rothschild Martin Maurel, was 3,607,135 shares bought back at an average price of €1.7356 per share, for a total cost of €6,260,568.

c) Buy-back of shares to be allocated to employees and corporate officers

None.

d) Buy-back of shares for retention and for future use in external growth transactions

None.

e) Disposals of shares during fiscal year 2020

During fiscal year 2019, the total number of shares sold on behalf of the Company, under the liquidity contract entered into on January 24, 2019, for the purposes of market making entered into with Rothschild Martin Maurel was 3,742,135 shares, at an average price of €1.8104 per share, for a total cost of €6,774,974.37.

f) Methods used for share buy-backs

None.

g) Possible re-allocations

The Company did not re-allocate any shares during fiscal year 2020.

h) Amount of trading fees

The amount of trading fees with respect to share buy-backs totaled €88,669.21 excluding taxes in fiscal year 2020.

6.3.7.3 Share buy-backs and disposals carried out in early 2021

Since the beginning of the 2021 fiscal year and up to March 31, 2021, Rothschild Martin Maurel has not bought any shares on behalf of Europcar Mobility Group as part of its share acquisition mandate.

As part of a liquidity contract signed on January 24, 2019 with Rothschild Martin Maurel, the total number of shares purchased between the beginning of the 2021 fiscal year and March, 30 2021, was 2,096,530 shares at an average price of €0.3024 per share.

6.3.8 Conditions governing all rights of acquisition and/or all obligations attached to subscribed but not paid up share capital

Not applicable.

6.3.9 Share capital of any company within the Group subject to an option or an agreement providing for it to be placed under option

Not applicable.

6.4 PRINCIPAL SHAREHOLDERS OF THE COMPANY

6.4.1 Company shareholding at December 31, 2020 and changes in price during the last three fiscal years

Share capital distribution during the last three fiscal years

The table below gives information about the Company's shareholding structure at December 31, 2019, and its changes during the last three years. In accordance with the French financial markets authority's Position-Recommendation 2009-16, it shows theoretical or "gross" voting rights, which include votes attached to non-voting shares in accordance with Article 223-11 of the French financial markets authority General regulation. This forms the denominator for shareholders to calculate their percentage holdings of the share capital and voting rights for the purpose of regulatory declarations (including threshold crossing regulations).

At December 31, 2020, to the Company's knowledge, with the exception of Eurazeo S.E., DWS Investment GmbH and Merrill Lynch, there is no other shareholder holding directly or indirectly, alone or in concert, more than 5% of the share capital or voting rights.

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in shareholders' meetings	% Voting rights exercisable in shareholders' meetings
At December 31, 2020						
Eurazeo S.E.	48,988,240	29.89%	48,988,240	29.74%	48,988,240	31.42%
DWS Investment GmbH	9,161,334	5.59%	9,161,334	5.56%	9,161,334	5.88%
Merrill Lynch	8,282,744	5.05%	8,282,744	5.03%	8,282,744	5.31%
Treasury shares (including liquidity agreement)	8,760,539	5.35%	8,760,539	5.32%	-	-
FCPE EUROPCAR	615,428	0.38%	615,428	0.37%	615,428	0.39%
Other	88,075,993	53.74%	88,891,823	53.97%	88,886,823	57.00%
TOTAL	**163,884,278**	**100.00%**	**164,700,108**	**100.00%**	**155,934,569**	**100.00%**
At December 31, 2019						
Eurazeo S.E.	48,988,240	29.89%	48,988,740	29.79%	48,988,740	31.51%
Morgan Stanley	13,330,226	8.13%	13,330,226	8.11%	13,330,226	8.57%
CIAM	12,151,978	7.42%	12,151,978	7.39%	12,151,978	7.82%
Financière de l'Échiquier	9,552,508	5.81%	9,552,508	5.79%	9,552,508	6.12%
Invesco	8,117,866	4.95%	8,117,866	4.93%	8,117,866	5.22%
ECIP Europcar Sarl (4)	4,990,000	3.05%	4,990,000	3.03%	4,990,000	3.21%
Management and employees	4,644,698	2.83%	4,912,358	2.99%	4,912,358	3.16%
Public	53,176,483	32.45%	53,481,498	32.52%	53,909,001	34.39%
Treasury shares	8,962,279	5.47%	8,962,279	5.45%	0	0.00%
TOTAL	**163,884,278**	**100%**	**164,457,453**	**100%**	**155,495,174**	**100%**
As of December 31, 2018						
Eurazeo S.E.	48,987,740	30.42%	48,988,006	30.40%	48,988,066	31.23%
Morgan Stanley	8,177,148	5.08%	8,177,148	5.07%	8,177,148	5.21%
Kairos Investment Management S.p.A.	8,072,043	5.01%	8,072,043	5.01%	8,072,043	5.15%
ECIP Europcar Sarl (4)	4,990,000	3.10%	4,990,000	3.10%	4,990,000	3.18%
Management and employees	2,170,500	1.35%	2,229,555	1.38%	2,229,555	1.42%
Public	84,299,003	49.91%	84,370,893	52.36%	84,370,893	53.79%
Treasury shares	4,315,547	2.68%	4,315,547	2.68%	-	0.00%
TOTAL	**161,030,883**	**100%**	**161,162,094**	**100%**	**156,846,547**	**100%**

Share capital breakdown at March 31, 2021

	Shares	% of share capital	Theoretical voting rights	% of theoretical voting rights	Voting rights exercisable in shareholders' meetings	% Voting rights exercisable in shareholders' meetings
ANCHORAGE CAPITAL GROUP	1,249,312,849	25.23%	1,249,312,849	25.23%	1,249,312,849	28.04%
MARATHON ASSET MANAGEMENT LP	584,533,664	11.81%	584,533,664	11.80%	584,533,664	13.12%
ATTESTOR LTD	536,210,526	10.83%	536,210,526	10.83%	536,210,526	12.03%
DIAMETER CAPITAL PARTNERS LP	293,023,894	5.92%	293,023,894	5.92%	293,023,894	6.58%
CENTERBRIDGE Partners	309,517,229	6.25%	309,517,229	6.25%	309,517,229	6.95%
CARVAL INVESTORS LP	311,093,147	6.28%	311,093,147	6.28%	311,093,147	6.98%
Treasury shares	9,580,539	0.19%	9,580,539	0.19%	0	0.00%
FCPE	773,228	0.02%	773,228	0.02%	773,228	0.02%
Other	1,657,389,024	33.47%	1,658,121,936	33.48%	1,171,445,724	26.29%
TOTAL	**4,951,434,100**	**100.00%**	**4,952,167,012**	**100.00%**	**4,455,910,261**	**100.00%**

6.4.2 Notices of threshold crossings

During fiscal year 2020, the following legal threshold crossings were declared:

Shareholders	Date of threshold crossing	No. of AMF declaration	Shares held	% of share capital and/or declared voting rights	Threshold crossing (upwards or downwards) Type of transaction
Morgan Stanley & Co. International plc	January 14, 2020	220C0180	11,499,507	7.02%	↗
Morgan Stanley & Co. International plc	January 15, 2020	220C0197	368,084	0.22%	↘
Morgan Stanley & Co. International plc	January 16, 2020	220C0217	10,742,884	6.56%	↗
Morgan Stanley & Co. International plc	January 17, 2020	220C0237	368,084	0.22%	↘
Invesco Ltd.	January 20, 2020	220C0262	8,117,866	4.95%	↘
Morgan Stanley & Co. International plc	January 21, 2020	220C0266	11,111,547	6.78%	↗
Morgan Stanley & Co. International plc	February 17, 2020	220C0636	349,509	0.21%	↘
Morgan Stanley & Co. International plc	February 20, 2020	220C0690	13,372,152	8.16%	↗
Financière de l'Échiquier	March 16, 2020	220C0971	4,930,369	3.01%	↘
CIAM	March 19, 2020	220C1033	17,253,425	10.53%	↗
Morgan Stanley Corp.	April 2, 2020	220C1192	9,711,819	5.93%	↘
Morgan Stanley Corp.	April 8, 200	220C1231	16,182,117	9.87%	↗
Morgan Stanley Corp.	April 16, 2020	220C1279	9,488,298	5.79%	↘
Kairos Investment Management S.p.A.	April 17, 2020	220C1288	8,148,273	4.97%	↘
Morgan Stanley & Co. LLC	April 17, 200	220C1299	544		↘
Morgan Stanley Corp	May 4, 2020	220C1426	15,198,610	9.27%	↗
Morgan Stanley & Co	April 28, 2020	220C1449	1,688,118	1.03%	↘
DWS Investment GmbH	April 29, 2020	220C1468	9,161,334	5.59%	↗
Morgan Stanley & Co	May 4, 2020	220C1474	8,499,111	5.19%	↗
Bank of America Corporation	May 13, 2020	220C1548	8,497,322	5.18%	↗
Morgan Stanley & Co	May 11, 2020	220C1549	7,322,954	4.47%	↘
Morgan Stanley Corp.	May 13, 2020	220C1571	23	N/A	↘
Bank of America	May 22, 2020	220C1691	8,290,305	5.06%	↘
Bank of America	May 29, 2020	220C1751	0	0%	↘
Morgan Stanley Corp.	June 15, 2020	220C2036	11,780,382	7.19%	↗
Nomura International Plc	June 19, 2020	220C2083	8,941,545	5.46%	↗
Merrill Lynch International	June 18, 2020	220C2110	8,282,744	5.06%	↗
Morgan Stanley Corp.	June 18, 2020	220C137	36,892	0.02%	↘
CIAM	June 25, 2020	220C2197	16,368,882	9.99%	↘
Nomura International	June 24, 2020	220C2198	6,003,649	3.66%	↘
Bank of America Corporation	June 23, 2020	220C2215	N/A	less than 5%	↘
Bank of America Corporation	June 30, 2020	220C2330	10,345,205	6.31%	↗
Bank of America Corporation	July 29, 2020	220C2841	N/A	less than 5%	↘
CIAM	September 8, 2020	220C3555	6,066,720	3.70%	↘

↗ Threshold crossing (upwards).
↘ Threshold crossing (downwards).

From January 1, 2021 to March 31, 2021, the following legal threshold crossings were declared:

Shareholders	Date of threshold crossing	No. of AMF declaration	Shares held	% of share capital and/or declared voting rights	Direction of threshold crossings
EURAZEO	January 29, 2021	221C0295	41,088,240	24.95%	↘
EURAZEO	February 4, 2021	221C0295	37,088,240	22.63%	↘
EURAZEO	February 10, 2021	221CO369	26,588,240	16.22%	↘
EURAZEO	February 11, 2021	221CO369	16,088,240	9.82%	↘
EURAZEO	February 17, 2021	221C0383	0	0.00%	↘
MARATHON	February 26, 2021	221C0410	584,533,664	13.09%	↗
Carval Investors L.P.	February 26, 2021	221C0451	311,093,147	6.97%	↗
	February 25, 2021		13,888,077	8.47%	↗
Monarch Master Funding 2	February 26, 2021	221C0480	175,777,113	3.94%	↘
ATTESTOR	February 26, 2021	221C0494	536,210,526	12.01%	↗
ANCHORAGE	February 26, 2021	221C0495	1,089,405,527	24.40%	↗
DIAMETER	February 26, 2021	221C0496	293,023,894	6.56%	↗
CENTERBRIDGE PARTNERS	February 26, 2021	221C0503	309,517,229	6.93%	↗
Marathon Asset Management L.P	February 26, 2021	221C0510	584,533,664	13.09%	↗
Anchorage Capital Group, L.L.C	March 4, 2021	221C0549	1,249,312,849	26.35%	↗

↗ Upwards.
↘ Downwards.

6.4.3 Shareholders' voting rights

Information on voting rights is provided in Section 6.2.4 "shareholders' meetings" of this Universal Registration Document.

6.4.4 Control of the Company

At March 31, 2021, the earliest preparation date for this Universal Registration Document, ANCHORAGE was the shareholder with the highest percentage of the Company's share capital and voting rights.

As required by Article L. 233-7 VII of the French Commercial Code and Article 223-14 I of the General regulations of the AMF, Anchorage Capital Group, L.L.C., acting on behalf of the funds under its management, makes the following statements with respect to EUROPCAR MOBILITY GROUP for the next six months:

- the subscription to the share capital increase (share subscription warrants) did not involve any external funding (it was financed by the Group's cash assets or through inter-fund calls for funds);
- it is not acting in concert with Attestor Limited, Diameter Capital Partners LP, King Street Capital Management LP and Marathon Asset Management LP (members of the Coordinating Committee);
- plan on selling or buying EUROPCAR MOBILITY GROUP shares depending on market conditions, within the limit of the obligation to submit a takeover offer;
- does not intend to take control, within the meaning of Article L. 233-3 of the French Commercial Code, of the company;
- supports the strategy of managers regarding the context of the financial restructuring, as described in the prospectus approved by the AMF on January 12, 2021 under number 21-011 and that of February 4, 2021 approved under number 21-027;
- in accordance with the prospectus described above, it does not plan on making any changes to the strategy or to the operations listed in Article 223-17 I, 6° of the General regulations of the AMF;
- it is not party to any agreement or financial instrument described in 4° and 4A of Article L. 233-9 of the French Commercial Code;
- it has not entered into any temporary assignment agreement pertaining to the shares or voting rights of EUROPCAR MOBILITY GROUP;
- it intends to exercise the right along with the other members of the Coordinating Committee, to propose the appointment of two independent members to the Board of Directors (including the independent member appointed chair of the Board of Directors) in accordance with the accelerated financial recovery plan.

6.4.5 Shareholders' agreements

6.4.5.1 Agreements concerning Company securities declared to the French financial markets authority

At March 31, 2021, the earliest preparation date for this Document, no shareholders' agreement had been reported to the French financial markets authority concerning the Company's investment shares.

It must be noted that, Pursuant to Article L. 233-11 of the French Commercial Code, the French financial markets authority has made public the shareholders' agreement signed on July 31, 2015 between Eurazeo and ECIP Europcar (Decision and Information No. 215C1243). This agreement bears on the possible sale of their respective investments in the Company.

The main provisions of the agreement are as follows:

- absence of action in concert: the parties have declared that they do not intend to act in concert with each other with regard to the Company within the meaning of Article L. 233-10 of the French Commercial Code;
- transfer of securities: the agreement provides that in case of sale of all or part of the interest held by Eurazeo and ECIP Europcar in the capital of the Company, Eurazeo and ECIP Europcar will sell their respective investments in the Company concurrently on the same legal and financial terms. In case of partial sale, the number of shares of the Company sold respectively by Eurazeo and ECIP Europcar will be determined in proportion to their respective investments in the Company before the partial sale in question;
- term of the agreement: the agreement provides that it will last as long as each party holds shares in the Company. Either party may terminate the shareholders' agreement by written notification to the other party at least three months before the effective date of termination.

By letter received on February 17, 2021, the European company Eurazeo reported that on February 15, 2021, it fell below the 5% thresholds for EUROPCAR MOBILITY GROUP share capital and voting rights and no longer holds any share in this company. This happened as a result of a market divestment of EUROPCAR MOBILITY GROUP shares.

6.4.5.2 Agreements entered into by shareholders

At the date of this Universal Registration Document and to the best of the Company's knowledge, no agreements had been entered into by shareholders, other than agreements entered into as part of the financial restructuring and described in the Amendment to the 2019 Universal Registration Document.

6.4.6 Agreements likely to lead to a change of control

As of the date of this Universal Registration Document, to the Company's knowledge, there are no agreements whose enforcement could lead to a change of control at a later date.

6.5 PROFIT-SHARING AGREEMENT AND INCENTIVE PLANS – EMPLOYEE SHAREHOLDING

For more information on profit-sharing and on stock options held by members of the Management Board and Supervisory Board and by certain Group employees, see Section 5.3 "Compensation and benefits in any kind for members of the Management Board and Supervisory Board" and Section 6.3 "Share Capital" in this Universal Registration Document.

As at December 31, 2020, the employees of the Company and its affiliates held, via FCPE, a total of 615,428 ordinary shares, representing a total of 0.38% of the Company's share capital and 0.37% of its voting rights. To be verified with BP2S and CACEIS.

6.5.1 Profit-sharing agreements

Pursuant to Article L. 3322-2 of the French Labor Code, profit-sharing agreements are mandatory in companies with 50 or more employees which have taxable profits of greater than a 5% return on shareholders' equity.

The companies Europcar International S.A.S.U. and Europcar France, which have more than 50 employees each, have entered into their own profit-sharing agreements. Each agreement covers all employees that have been with either company for more than three months.

The equation set forth in the French Labor Code is used to calculate the special profit-sharing reserve for each agreement.

6.5.2 Company savings plans and similar plans

Pursuant to Articles L. 3323-2 and L. 3323-3 of the French Labor Code, companies with profit-sharing agreements are also required to maintain a company savings plan. A company or group savings plan is a collective savings scheme offering employees of the member companies the ability, with the help of their employer, to build an investment portfolio. In particular, it can receive amounts from a profit-sharing agreement or incentive plan as well as voluntary contributions. Amounts invested in a company savings plan cannot be withdrawn for five years except in the early withdrawal cases provided for by law.

The Company is part of a group savings plan with Europcar International S.A.S.U., while the Company Europcar France has its own Company Savings Plan.

In accordance with Article L. 3332-25 of the French Labor Code, investors have the right to liquidate the assets available in the plan in order to exercise options on shares granted pursuant to Articles L. 225-177 or L. 225-179 of the French Commercial Code. The shares thus subscribed for or purchased by the investor are then paid into the savings plan and only become available five years after this payment.

6.5.3 Incentive plans

The incentive plan is an optional scheme whose purpose is to enable a company to give employees a collective interest in the Company's results or performance through immediately payable bonuses pursuant to Article L. 3312-1 of the French Labor Code defined by means of a random equation contingent on the Company's results or performance.

As such, the Group has incentive plans with the majority of its French entities.

6.5.4 Employee share ownership

In 2016, the Group launched the ESOP 2017 Plan, its first international share offer reserved for employees of the Company and Group subsidiaries wholly owned either directly or indirectly by the Company, who are members of Europcar's Group Employee Savings Plan (the "GESP") and the International Group Employee Savings Plan ("IGESP") and whose registered offices are in Australia, Belgium, France, Germany, Spain, Italy, New Zealand, Portugal, the USA and the United Kingdom.

In the summer of 2019, the Group launched a new employee shareholding plan, We Share 2019. Offered to the vast majority of the Group's employees in sixteen countries (Australia, Austria, Belgium, Luxembourg, Denmark, France, Germany, Greece, Ireland, Italy, New Zealand, Portugal, Slovakia, Spain, Turkey and the United Kingdom), this new plan has enabled the integration of recent acquisitions such as Ireland, Denmark, Goldcar and Buchbinder. At the same time, the Group capitalized on its strategy and values.

The shares held by Group employees represented 0.38% of the Company's share capital and 0.37% of its voting rights at December 31, 2020.

6.6 ITEMS LIKELY TO HAVE AN IMPACT IN THE EVENT OF A PUBLIC TAKEOVER BID

The disclosures required pursuant to Article L. 225-37-5 of the French Commercial Code are contained in Sections 6.3 "Share capital" (concerning the capital structure), 6.4.5.1 "Agreements concerning Europcar securities declared to the French financial markets authority" (on clauses in agreements notified to the Company pursuant to Article L. 233-11 of the French Commercial Code), 6.4.2. "Notices of threshold crossings" (relating to investments reported under Article L. 233-7 the French Commercial Code), 6.4.5.2 "Agreements entered into by shareholders" (concerning shareholder agreements resulting in restrictions on the transfer of shares), 6.2.2.1 "Management Board" and 6.2.2.2 "Supervisory Board" (on the rules governing the appointment and replacement of Executive Board and Supervisory Board members and amendments to the by-laws of Europcar Mobility Group), 6.3.5.1 "Table of currently valid delegations on the date of this Universal Registration Document, concerning increases in share capital and utilization as at December 31, 2019" and 6.3.8 "Share buy-back agreement" (concerning the purchase by Europcar Mobility Group SA of its own shares), 6.4.5.2 "Agreements entered into by shareholders" (concerning agreements ending in the event of a change of control) and 5.3.1.7 "Compensation in the event of forced termination of office" (concerning the indemnities in the event of termination of office for members of the Management Board) of this 2020 Universal Registration Document.

This Universal Registration Document is available on the French financial markets authority website (www.amf-france.org) and on the Europcar Mobility Group website (http://investors.europcar-group.com).

6.7 DIVIDEND POLICY

6.7.1 Dividend policy

In accordance with the law and the Company's by-laws, the Shareholders' Meeting, on the recommendation of the Board of Directors, may authorize the distribution of a dividend for the previous fiscal year, or a distribution by withdrawal from the Company's share premium.

We remind you of the distribution policy applied by the Company over the last three years:

- for the fiscal year ended December 31, 2017, the Shareholders' Meeting of May 17, 2018 voted in favor of a one-off cash distribution in the total amount of €24,440,400 corresponding to €0.1518 per share. The right to this special distribution was allocated on May 29, 2018 and was paid exclusively in cash on May 31, 2018;
- for the fiscal year ended December 31, 2018, the Shareholders' Meeting of April 26, 2019 voted in favor of a distribution of a cash dividend of €0.16 per share, i.e. a total amount of €25,764,941.28 as well as a one-off cash distribution in the total amount of €16,103,088 corresponding to €0.10 per share. These dividends were allocated on May 21, 2019 and paid exclusively in cash on May 23, 2019;
- for the fiscal year ended December 31, 2019, the Shareholders' Meeting of June 12, 2020 approved the assignment of all its earnings to "retained earnings (losses)", which would be raised to €16,880,450.97, a decision made in the context of the Covid-19 pandemic.

The reader is reminded that during the establishment of a loan for €220 million signed with the Group's main French and international banks, which benefits from a 90% guarantee from the French State via Bpifrance ("State-Guaranteed Loan"), the Company entered into a contractual agreement to make no dividend payment for fiscal years 2020 and 2021, which was one of the conditions for this loan. (Press release of May 3, 2020).

6.7.2 Restrictions on dividend payments

The restrictions on dividends and reserves under the Group's principal debt instruments are set out below. For more information on the Group's debt instruments, the reader is invited refer to Section 3.2.3 "Description of financing as of December 31, 2020" of this Universal Registration Document.

2024 Senior Subordinated Notes

With the exception of the possible distribution of dividends between restricted subsidiaries, the documentation applicable to 2024 Senior Subordinated Notes limits the distribution of dividends or other forms of distribution by the Company and its restricted subsidiaries. Payment of dividends and other forms of distribution are authorized as summarized below.

The documentation applicable to the 2024 Senior Subordinated Notes authorizes the payment of dividends or other forms of distributions by the Company and its subsidiaries as long as no default, or default events have taken place or may take place as a result of such a distribution and as long as the Company is able to take on at least €1 in additional debt in compliance with the restriction applicable to additional indebtedness, according to which the Company may contract additional debt as long as, on a pro forma basis, the corporate consolidated fixed charge coverage ratio (as defined under the terms of the 2024 Senior Subordinated Notes) is higher than 2.0:1.0; and the total amount of the proposed dividend (together with the amounts of the other payments subject to restrictions) and paid after the issuance date of these 2024 Senior Subordinated Notes does not exceed the following aggregate amount (without duplication):

a) 50% of consolidated net profit for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus
b) 100% of the aggregate net cash proceeds and the fair market value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (other than certain exceptions); plus
c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to the 2024 Senior Subordinated Notes permits the payment of dividends by the Company so long as no default or default event has occurred or might occur as a result of such payment that may not exceed an annual total of more than the highest of either:

a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

b) (i) 7% of the Company's market capitalization (on the basis of the arithmetic mean of the closing price of the Company's share within 30 consecutive trading days which do not precede the dividend payment declaration by more than seven days); provided that after having given effect, on a pro forma basis, to the payment of such dividends, the Company's consolidated financial gearing ratio (as defined in the terms and conditions of the 2024 Senior Subordinated Notes) is less than 3.0: 1.0; or (ii) 5% of the Company's market capitalization, provided that having given effect on a pro forma basis to the payment of such dividends, the Company's consolidated financial ratio (as defined by the issue contract) shall be higher than or equal to 3.0: 1.0 but less than 3.5: 1.0.

These notes expired on February 26, 2021.

2026 Senior Subordinated Notes

With the exception of the possible distribution of dividends between restricted subsidiaries, the documentation applicable to 2026 Senior Subordinated Notes limits the distribution of dividends or other forms of distribution by the Company and its restricted subsidiaries. Payment of dividends and other forms of distribution are authorized as summarized below.

The documentation applicable to the 2026 Senior Subordinated Notes authorizes the payment of dividends or other forms of distributions by the Company and its subsidiaries as long as no default, or default events have taken place or may take place as a result of such a distribution and as long as the Company is able to take on at least €1 in additional debt in compliance with the restriction applicable to additional indebtedness, according to which the Company may contract additional debt as long as, on a pro forma basis, the corporate consolidated fixed charge coverage ratio (as defined under the terms of the 2026 Senior Subordinated Notes) is higher than 2.0:1.0; and the total amount of the proposed dividend (together with the amounts of the other payments subject to restrictions) and paid after the issuance date of these 2026 Senior Subordinated Notes does not exceed the following aggregate amount (without duplication):

a) 50% of consolidated net profit for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

b) 100% of the aggregate net cash proceeds and the fair market value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (other than certain exceptions); plus

c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to the 2026 Senior Subordinated Notes permits the payment of dividends by the Company so long as no default or default event has occurred or might occur as a result of such payment that may not exceed an annual total of more than the highest of either:

a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

b) (i) 7% of the Company's market capitalization (on the basis of the arithmetic mean of the closing price of the Company's share within 30 consecutive trading days which do not precede the dividend payment declaration by more than seven days); provided that after having given effect, on a pro forma basis, to the payment of such dividends, the Company's consolidated financial gearing ratio (as defined in the terms and conditions of the 2024 Senior Subordinated Notes) is less than 3.0: 1.0; or (ii) 5% of the Company's market capitalization, provided that having given effect on a pro forma basis to the payment of such dividends, the Company's consolidated financial ratio (as defined by the issue contract) shall be higher than or equal to 3.0: 1.0 but less than 3.5: 1.0.

These notes expired on February 26, 2021.

EC Finance Notes

With the exception of possible distributions of dividends between restricted subsidiaries, the documentation applicable to EC Finance Notes limits the distribution of dividends by the Company and its restricted subsidiaries. Payment of dividends is authorized as summarized below.

The documentation applicable to EC Finance Notes authorizes the distribution of dividends by the Company and its restricted subsidiaries insofar as no default has occurred or is likely to occur following such a distribution and the Company is in a position to contract at least €1.00 of additional debt in accordance with the restriction applicable to additional debt (according to which the Company may contract additional debt insofar as, on a pro forma basis, the coverage ratio for the Company's consolidated fixed costs (as defined in the terms and conditions of the EC Finance Notes) exceeds 2.0: 1.0); and the total amount of the envisaged dividend (together with the amounts of the other payments subject to restrictions) and distributed subsequently to the issue date of these EC Finance Notes does not exceed the following total sum (without duplication):

a) 50% of consolidated net profit of the Company for the period (treated as one accounting period) from January 1, 2017 to the end of the most recent fiscal half ending prior to the date of such payment for which financial statements are available (or, in case such consolidated net income is a deficit, minus 100% of such deficit); plus

b) 100% of the aggregate net cash proceeds and the fair value of property or assets received by the Company from the issue or sale of its qualified share capital or other capital contributions, after the completion date (subject to certain exceptions); plus

c) certain other amounts relating to the conversion of certain debt securities into stock and other amounts.

Furthermore, the documentation applicable to EC Finance Notes authorizes the payment of dividends by the Company insofar as no default or default event has occurred or is likely to occur as a result of such payment that may not exceed an annual total of more than the highest of either:

a) 6% of the aggregate gross cash proceeds received by the Company in or from such public offering of equity securities (other than certain exceptions); and

b) (i) 7% of the Company's market capitalization (on the basis of the arithmetic mean of the closing price of the Company's share within 30 consecutive stock market days which do not precede the dividend payment declaration by more than seven days); provided that having given impact on a pro forma basis for the payment of such dividends, the Company's consolidated financial leverage (as defined in the terms and conditions of the EC Finance Notes) be less than 3.0: 1.0; or (ii) 5% of the Company's market capitalization, provided that having given effect on a pro forma basis to the payment of such dividends, the Company's consolidated financial ratio (as defined by the issue contract) shall be higher than or equal to 3.0: 1.0 but less than 3.5: 1.0.

PGE financing

In accordance with the provisions of the French government guaranteed loan (PGE Financing), Europcar Mobility Group S.A. is not allowed to pay dividends for the fiscal years ended December 31, 2019 and December 31, 2020, as doing so would trigger an accelerated amortization of the PGE Financing. For the fiscal years starting on or after December 31, 2021, Europcar Mobility Group S.A. will not be allowed to pay out dividends if its debt to equity ratio is not below 3:1.

6.8 MARKET ON WHICH THE SHARE IS TRADED

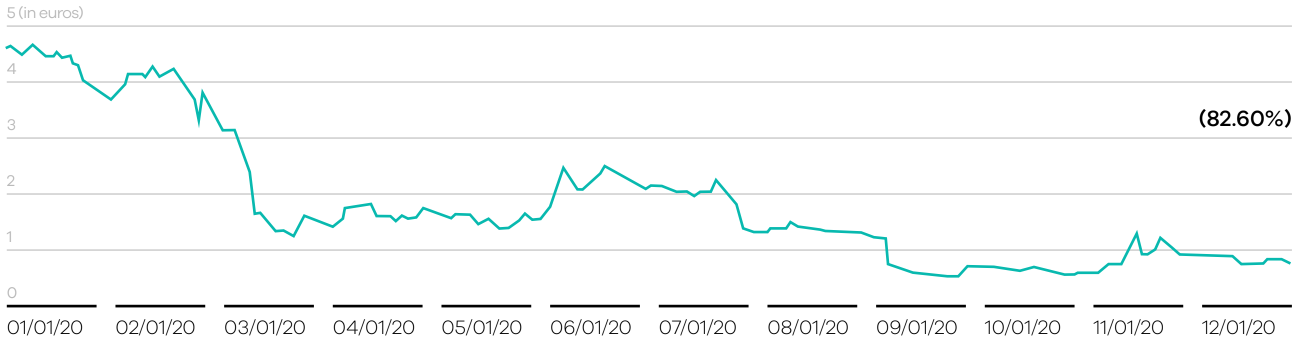
6.8.1 Market where Europcar Mobility Group shares are traded

Europcar Mobility Group shares are listed on Euronext – compartment A of the Euronext Paris regulated market.

Europcar Mobility Group share fact sheet

- ISIN Code: FR0012789949.
- Listings: continuous trading on Euronext – Compartment A of the Euronext Paris regulated market.
- Other listings: none.
- Par value: €0.01.
- Securities outstanding at December 31, 2020: 163,884,278.
- Share price at December 31, 2020: €0.756.
- Market capitalization at December 31, 2020: €123,896,514.

6.8.2 Trading volumes and trends in 2020



Source: Bloomberg.

(share price in euros)	**2020**			2019			2019-2020 change in the last share price of the year *(as %)*
	High	**Low**	**12/31/20**	High	Low	12/31/19	
Share	4.66	0.50	0.76 (1)	8.36	3.05	4.33	(82.6%)
CAC 40 Index	6,111.2	3,754.8	5,551.41	6,037.39	4,611.49	5,978.06	(7.1%)

	2020		2019	
	Total	**Daily average**	Total	Daily average
In number of shares (1)	1,575,832,443	6,131,644	165,300,738	648,238
In capital *(in millions of euros)*	1,240.287	4.83	841.480	3.30

(1) Source: Bloomberg. Share price of € 0.419 at 12/31/2020 adjusted for transactions related to financial restructuring.

7

ADDITIONAL INFORMATION

7.1 PERSONS RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT

7.1.1 Name and position of the person responsible for the Universal Registration Document

Ms. Caroline Parot, Chief Executive Officer of the Company.

7.1.2 Statement by the person responsible for the Universal Registration Document including the annual financial report

"I hereby certify that the information contained in this Universal Registration Document is, to the best of my knowledge, in accordance with the facts and contains no omission that could affect its scope.

I certify, to the best of my knowledge, that the financial statements were prepared in accordance with applicable accounting standards and that they give a fair view of the assets, financial position and results of the Company and of all companies included in the consolidation, and that the management report attached provides a fair picture of the development of the business, results and financial position of the Company and all companies included in the consolidation, and that it describes the principal risks and uncertainties they face."

Caroline Parot, Chief Executive Officer of the Company

7.1.3 Name and position of the person responsible for the financial information

Luc Peligry
Chief Financial officer
13 ter Boulevard Berthier, 75017 Paris, France
E-mail: investor.relations@europcar.com
http://investors.europcar-group.com

7.1.4 Persons responsible for auditing the financial statements

7.1.4.1 Statutory Auditors

	Start date of 1st term	Date of renewal of last term of office	Term (expiry) of current term of office
PricewaterhouseCoopers Audit (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by Romain Dumont 63 rue de Villiers, 92200 Neuilly-sur-Seine	March 9, 2006	May 17, 2018	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2023
Mazars (member of the Compagnie Régionale des Commissaires aux Comptes de Versailles) Represented by Isabelle Massa 61 rue Henri Regnault, 92400 Courbevoie	May 16, 2013	April 26, 2019	At the end of the Shareholders' Meeting called to approve the financial statements for the fiscal year ended December 31, 2024

7.2 RELATED PARTY TRANSACTIONS

7.2.1 Guarantee

The Company has granted its subsidiaries a joint and several guarantee for the benefit of a group of lenders (including in particular Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG and Société Générale) to guarantee the payment of sums owed by the Group's borrowing entities (the Company, Europcar International S.A.S.U, Europcar Holding S.A.S., Europcar Autovermietung GmbH, Europcar International S.A.S.U. & Co. OHG, Europcar France S.A.S. and Europcar IB, S.A.) pursuant to Clause 24.1 of the Senior Revolving Facility Agreement entered into on July 13, 2017, as amended, including the amendments of December 21, 2018 and May 29, 2019 between the Group of lenders, the Group's loan entities and the guarantors (i.e. The Group's borrowing entities plus Europcar UK Ltd. and Europcar Italia S.p.A.).

See Section 3.2 "the Group's liquidity and capital resources" in this Universal Registration Document for information on the guarantees and securities granted by Group entities in connection with the Group's financing.

7.2.2 Cash Pooling Agreement

On April 27, 2011, the Company (as a centralized company) entered into a cash management agreement with its indirect subsidiary Europcar Holding (as a centralizing company) and certain other Group entities as centralized companies (Europcar International S.A.S.U., Europcar France S.A.S., Europcar Participations S.A.S., Europcar S.A., Europcar Autovermietung GmbH, Europcar Italia S.p.A., Europcar Internacional Aluguer de Automoveis S.A., Europcar Services, Unipessoal Lda, Europcar IB S.A., Europcar UK Ltd., Europcar Mobility Group UK Ltd., PremierFirst Vehicle Rental Franchising Limited, Executive Trust Limited, Europcar Lab S.A.S., Lor'Rent S.A.S., Buchbinder Holding GmbH, Charterline Fuhrpark Service GmbH, Car Partner Leasing GmbH, LC EC Participations Investments S.L.U., Car Rentals TopCo S.L.U., Car Rentals ParentCo S.A.U., Car Rentals Subsidiary S.A.U., Goldcar Spain S.L.U., Interrent S.à.r.l and Ubeeqo International S.A.S.) in order to optimize cash management (shortages and surpluses) within Group companies and to be able to negotiate optimal banking terms.

7.2.3 Loan agreement

The Company and Europcar International S.A.S. are parties to a loan of €144,122,000. This loan was initially granted by the Company to Europcar Holding S.A.S., a subsidiary of Europcar International S.A.S., for the acquisition of operating companies in the United Kingdom. In connection with the recapitalization of Europcar Holding S.A.S. in 2014, the Company transferred the loan to Europcar International S.A.S.U. Since the loan transfer, Europcar International S.A.S.U. owes this amount to the Company.

7.2.4 Tax agreements

Since July 1, 2006, the Company and its direct and indirect French subsidiaries of which it holds more than 95% have formed a tax consolidation group. The creation of this group led to the Company entering into tax consolidation agreements with each of the member companies of the Group to govern the subsidiaries' contribution to the total tax for which the Company is the sole taxpayer in its capacity as the parent company. The Supervisory Board of February 24, 2016 decided to reclassify the tax consolidation agreement between the Company and Europcar International S.A.S., Europcar Holding S.A.S., Europcar Lab S.A.S., Europcar Participations S.A.S., Europcar France S.A.S., EuropHall S.A.S., Parcoto Services S.A.S., EC3 S.A.S.U., EC4 S.A.S.U. and Locaroise S.A.S., insofar as this agreement is entered into between the Company and its directly or indirectly wholly owned subsidiaries, in accordance with the provisions of Article L. 225-87 of the French Commercial Code. In respect of the 2019 fiscal year, the following companies are included in the tax consolidation group: Ubeeqo International S.A.S.U., Ubeeqo France S.A.S.U., Goldcar FleetCo France SARL and Goldcar France SARL.

In 2020 the companies EuropHall S.A.S. and Locaroise S.A.S. withdrew from the tax consolidation group.

Since 2010, the Group has also maintained a second tax consolidation group in France, of which the parent company is Securitifleet Holding S.A. This tax consolidation group includes in 2020 Securitifleet S.A.S., SF Location S.A.S., Goldfleet France S.A.S. and Goldfleet Location S.A.S.

7.2.5 General Services Agreements signed by the Company

The Company provides Europcar International S.A.S.U. with its know-how regarding fleet organization, sales, marketing, communications, Human Resources management, accounting, finance, operations and legal services. In consideration of these services, Europcar International S.A.S.U. pays monthly compensation to the Company calculated using the cost-plus method. Under the terms of this agreement, management fees of €4,248,642 for 2020 were billed (versus €7,759,378 in 2019).

The Company acquired the InterRent® trademark from Europcar International S.A.S. In this regard, the Company receives a 1% fee from Europcar International S.A.S. for the brand's concession.

7.2.6 Agreements signed by Europcar International

Europcar International S.A.S. entered into license agreements for the Europcar trademark® with the Group's operating companies in 2001 and with the Australian and New Zealand subsidiaries in 2009.

In 2013, Europcar International entered into licensing agreements for the InterRent® trademark with the operating companies that use this brand (in the United Kingdom, Spain, Portugal, France and Germany), under which Europcar International S.A.S. receives royalties based on a percentage of the revenues of the Operating Company (2.75% for the Europcar® brand and 1% for the InterRent® brand). The operating entities have the right to sub-license the trademarks with Europcar International S.A.S.U.'s approval. The license agreement relating to the Europcar trademark has a term of five years, with automatic renewal each year. The license agreement relating to the InterRent® trademark has a term of two years, renewable automatically for further one-year periods.

Europcar International S.A.S. has also entered into international franchise agreements in over 130 countries, for which payment consists of trademark royalties in varying amounts depending on the franchisee and the services rendered.

In 2011, Europcar International S.A.S. entered into General Services Agreements with each of the main operating entities. The services rendered relate in particular to senior management, finance, Human Resources, legal, sales and marketing, fleet management, procurement and customer service. In consideration of these services, the operating entities pay monthly compensation to Europcar International S.A.S.U. calculated using the cost-plus method (as defined in the OECD guidelines). Amendments to these contracts have been entered into to take into account the changes since 2011 in the departments and services that make up Europcar International S.A.S.U.

Europcar International S.A.S. entered into a service agreement dated May 19, 2014 with Europcar Services, Unipessoal, Lda through which the shared services center located in Portugal bills to Europcar International S.A.S.U. its costs calculated using the cost-plus method (as defined in the OECD guidelines).

Europcar International S.A.S. entered into an IT services agreement with the operating companies applicable since November 1, 2014. In consideration of these services, the operating entities pay monthly compensation to Europcar International S.A.S.U. calculated using the cost-plus method (as defined in the OECD guidelines). Prior to November 1, 2014, information services were provided by the Europcar Information Services Economic Interest Grouping (the "EEIG"). The operating entities contributed a percentage of their revenues and in return had access to various services rendered by the EEIG. The EEIG was converted into a general partnership (*société en nom collectif*) in November 2014 and then merged with Europcar International S.A.S. through a universal transfer of assets and liabilities as of January 2, 2015.

In 2017, Europcar International S.A.S. entered into a services agreement with each of Europcar Participations S.A.S. and Europcar International S.A.S.U. und Co. OHG, which will allow them to invoice Europcar International S.A.S. for the cost of expertise on a cost-plus basis (as defined in the OECD principles).

For a description of transactions with companies over which the Company has significant influence, see Note 11 "Related Parties" to the Group's consolidated financial statements included in Section 3.4 "Consolidated financial statements and Statutory Auditors' report for fiscal year ended December 31, 2020" of this Universal Registration Document.

7.2.7 Agreements signed with the Company's corporate officers

The agreements listed below and described in Section 7.4 "Statutory Auditors' special report on related party agreements and regulated commitments" of this Universal Registration Document were authorized by the Supervisory Board during previous fiscal years and had already been approved by the Shareholders' Meeting:

- renewal of commitments taken in favor of Ms. Caroline Parot under the terms of her mandate agreement by the Supervisory Board at its meeting on December 21, 2018. Mandate agreement for Ms. Caroline Parot, authorized by the Supervisory Board on December 15, 2016 and entered into on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board. Compensation payable to Ms. Caroline Parot in the event of dismissal, relating to termination of office and under a non-compete clause, is described more fully in Sections 5.5.2.5 "Compensation in the event of forced termination of office" and 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- renewal of the commitments made by the Supervisory Board meeting of December 21, 2018 in favor of Mr. Fabrizio Ruggiero. Commitments made by the Supervisory Board meeting of July 22, 2016 in favor of Mr. Fabrizio Ruggiero. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- commitments made by the Supervisory Board meeting of October 18, 2018 in favor of Mr. Olivier Baldassari. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- mandate agreement for Ms. Caroline Parot, authorized by the Supervisory Board on December 15, 2016 and entered into on December 22, 2016 between the Company and Ms. Caroline Parot in her capacity as Chairwoman of the Management Board. Compensation payable to Ms. Caroline Parot in the event of dismissal, relating to termination of office and under a non-compete clause, is described more fully in Sections 5.5.2.5 "Compensation in the event of forced termination of office" and 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;
- commitments made by the Supervisory Board meeting of July 22, 2016 in favor of Mr. Fabrizio Ruggiero. For further information on compensation due in the event that a non-compete clause is put into effect, see Section 5.5.2.6 "Compensation under a non-compete clause" of this Universal Registration Document;

For further information on these agreements see Section 7.4 "Statutory Auditors' special report on related party agreements and regulated commitments".

7.3 MATERIAL CONTRACTS

The following significant contracts are described in Section 3.2.3.1 "Corporate Debt" and Section 3.2.3.2 "Debt related to fleet financing" of this Universal Registration Document:

- Senior Facilities Agreement (SFA) for Revolving Credit dated February 25, 2020;
- Europcar Vehicles Fleet Financing Facilities Agreement (VFFFA) dated February 25, 2021;
- French state-guaranteed loan dated May 2, 2020;
- Spanish state-guaranteed loans signed in April 2020;
- debt issue agreement (indenture) for corporate bonds dated November 2, 2017;
- debt issue agreement (indenture) for corporate bonds dated April 24, 2019;
- debt issue agreement (indenture) for bonds concerning the fleet dated November 2, 2017, plus a new tranche of bonds dated June 29, 2018;
- NEU CP "Negotiable European Commercial Paper" program launched on February 11, 2019;
- unsecured term loan concluded on December 27, 2019;
- amendments to the securitization documents, to allow the financing of the Goldcar fleet in France, Italy and Spain, dated May 14, 2018; and
- refinancing agreement with Club Facility dated October 19, 2018, to allow the financing of the fleet in the United Kingdom.

7.4 STATUTORY AUDITORS' SPECIAL REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

In our capacity as Statutory Auditors of your company, we hereby report on related party agreements.

We are required to inform you, based on the information we have been given, of the terms and conditions as well as the reasons justifying the benefits for the Company of those agreements that have been indicated to us, or that we may have discovered during our assignment. We are not required to comment on whether they are beneficial or appropriate or to ascertain if any other agreements exist. It is your responsibility, in accordance with the terms of Article R. 225-58 of the French Commercial Code, to evaluate the benefits resulting from these agreements prior to their approval.

In addition, we are required, where applicable, to inform you, in accordance with Article R. 225-58 of the French Commercial Code, of any agreements previously approved by the Shareholders' Meeting which were executed during the year.

We have performed the procedures that we deemed necessary to comply with professional standards applicable in France to such engagements. These procedures consisted in verifying that the information we were given was consistent with the underlying documentation.

Agreements and commitments submitted for approval by the Shareholders' Meeting

Agreements and commitments authorized and concluded during the fiscal year under review

We hereby inform you that we have not been advised of any agreements authorized and concluded during the past fiscal year to be submitted for the approval of the Shareholders' Meeting pursuant to the provisions of Article L. 225-86 of the French Commercial Code.

Agreements previously approved by the Shareholders' Meeting

We hereby inform you that we have not been advised of any agreement previously approved by the Shareholders' Meeting, the implementation of which would have continued during the past fiscal year.

Signed in Neuilly-sur-Seine and Paris-La Défense, April 6, 2021

The Statutory Auditors

Mazars Isabelle Massa	PricewaterhouseCoopers Audit Romain Dumont

7.5 PUBLICLY AVAILABLE DOCUMENTS

The by-laws, minutes of shareholders' meetings as well as other corporate documents of the Company, the reports of the shareholders' meetings as well as financial information and any expert valuation or statement requested by the Company and to be made available to shareholders in accordance with current regulations may be consulted at the Company's headquarters: Europcar Mobility Group, 13 ter boulevard Berthier, 75017 Paris, France.

Some of these documents are also available on the Europcar Mobility Group website (http://investors.europcar-group.com).

7.6 CONCORDANCE TABLES (EUROPEAN REGULATION NO. 2019/980, ANNUAL FINANCIAL REPORT, MANAGEMENT BOARD REPORT, CONCORDANCE TABLE FOR SOCIAL, SOCIETAL AND ENVIRONMENTAL DATA)

Concordance Table with the annual financial report

The concordance table below enables the identification in this Universal Registration Document of information contained in the annual financial report referred to in Article L. 451-1-2 of the French Monetary and Financial Code and in Article 222-3 of the General regulations of the French financial markets authority (AMF).

	Subject	Chapters	Pages
1	**Declaration of the natural persons who assume responsibility for the annual financial report**	7.1	388
2	**Management report**	7.6	393 to 395
3	**Financial statements and reports**		
3.1	Parent company financial statements	3.6	226
3.2	Statutory Auditors' report on the parent company financial statements	3.6	244
3.3	Consolidated financial statements	3.4	140
3.4	Statutory Auditors' report on the consolidated financial statements	3.4	219
4	**Other information**		
4.1	Declaration of the Statutory Auditors' fees	N/A	N/A
4.2	Report of the Supervisory Board on corporate governance	5.3	338
4.3	Statutory Auditors' report on the Supervisory Board report on Corporate Governance	3.6	244
4.4	Description of the share buy-back program	6.3.7.1	374

Concordance table with the management report

The concordance table below enables the identification in this Universal Registration Document of information contained in the annual management report produced by the Company's Management Board as defined in Articles L. 225-100 et seq. of the French Commercial Code.

In order to reflect the impact of the Covid-19 pandemic, several items relating to the management report and included in this Universal Registration Document have been updated from the version of the management report approved by the Management Board and approved by the Supervisory Board on February 24, 2020. These items listed below were approved by the Supervisory Board on March 25, 2020 and May 4, 2020:

- Section 1.2.3 "Significant subsequent events";
- Section 1.4.2.2 "Financial targets";
- Chapter 2 introduction: "Global tourism and transport heavily impacted by the Covid-19 pandemic in 2020";
- Section 2.1 "Risks relating to the Group's industry and markets";
- Section 2.2 "Operational risks related to the business";
- Section 2.3 "Risks related to the operation and organization of the Group";
- Section 2. 4 "Financial risks";
- Section 2.5 "Regulatory and legal risks";
- Section 3.2.3.5 "Description of financing entered into after December 31, 2019";
- Section 3.8 "Group forecasts for the year ending December 31, 2020"; and
- Section 3.9.2 "Ambitions 2023, SHIFT 2023 plan".

	Subject	Chapters	Pages
1	**Information on the Company's business**		
1.1	Overview of the business (including progress made and difficulties encountered) and the results of the Company, each subsidiary and the Group	1.6 and 1.8	41 and 68
		3.1 to 3.6	106 to 248
1.2	Analysis of changes in the business, results, the financial position and in particular, the indebtedness of the Company and the Group	3.1 to 3.6	106 to 248
1.3	Foreseeable Company and/or Group trends	3.8	250
1.4	Key financial and non-financial indicators of the Company and/or the Group	1.1 and 3.1.2.1	18 and 113
1.5	Post-closing events of the Company and the Group	1.2.3 and 3.10	24 and 250

Subject		Chapters	Pages
1.6	Guidance on the use of financial instruments including the financial risks and the price, credit, liquidity and cash risks of the Company and the Group	2.4	82
1.7	Principal risks and uncertainties of the Company and the Group	2.1 to 2.5	73 to 94
1.8	Research and development information of the Company and the Group	1.9	69
1.9	Principal characteristics of the internal control and risk management procedures relating to the preparation and processing of financial and accounting information	2.6 to 2.8	90 to 99
1.10	Current branches	N/A	N/A
1.11	Guidance on financial risks related to the effects of climate change and the presentation of the measures that the Company is taking to reduce them by implementing a low-carbon strategy	4.5	273
2	**Legal, financial and tax information of the Company**		
2.1	Breakdown and change in shareholders	6.4.1	376
2.2	Name of the controlled companies holding treasury shares of the Company and share of the equity capital they hold	N/A	N/A
2.3	Significant stakes acquired during the fiscal year in companies with their headquarters in France	1.7.	63
2.4	Notice of holdings of more than 10% of the share capital of another company; disposition of cross-shareholdings	N/A	N/A
2.5	Purchases and sales by the Company of its own shares (share buy-back)	6.3.7	374
2.6	Statement of employee shareholdings	6.5	380
2.7	Notice of potential adjustments:		
	• for securities giving access to the share capital and stock options in the case of share buy-backs	6.3.4	372
	• for securities giving access to the share capital in the event of financial transactions.	6.3.4	372
2.8	Dividends paid out in the three preceding fiscal years	3.5.6	225
2.9	Non-tax-deductible expenses and charges	N/A	N/A
2.10	Terms of payment and breakdown of balance of trade payables and trade receivables by due date	Note 13 of parent company financial statements	236
		3.7	249
2.11	Injunctions or fines for anti-competitive practices	2.9	100
3	**Information on corporate officers**		
3.1	In the case of stock option grants, presentation of the information used by the Management Board to decide: to either not allow executives to exercise their options before the end of their terms of office, or to require them to hold all or part of the shares arising from options already exercised in registered form until they cease to hold office (by specifying the portion thus fixed)	N/A	N/A
3.2	Summary statement of the transactions in Company securities by executives and related parties	5.6	367
3.3	In the case of free share grants, presentation of the information used by the Management Board to decide: to either not allow executives to sell the free shares granted to them before the end of their terms of office, or to fix the quantity of these shares that they must hold in registered form until the end of their employment (by specifying the portion thus fixed)	5.5.2.3	349
4	**The Company's CSR information**		
4.1	Acknowledging the social and environmental consequences of the business and the Company's social commitments to sustainable development, including the impact of its activity on climate change and the usage of goods and services that it produces to benefit sustainable development, the circular economy, efforts to combat food waste and efforts to promote the fight against discrimination and to encourage diversity	4	251

Subject		Chapters	Pages
4.2	Collective bargaining agreements entered into in the Company and their impact on its economic performance as well as on the working conditions for employees	4.4	266
5	**Other information**		
5.1	The amount of loans of at least a two year maturity granted by the Company, and ancillary to its main business, to micro-businesses, SMEs or to medium-sized businesses with which it has economic ties justifying the loan (1)	N/A	N/A
5.2	Information on payments made to authorities in each of the countries or areas in which the Company conducts the following activities: the exploration, prospecting, discovery, exploitation or extraction of hydrocarbons, coal and lignite, metal ores, stone, sand and clay, chemical minerals and fertilizers, peat, salt or other mineral resources in the exploitation of primary forests (2)	N/A	N/A
5.3	Table showing the results for the last five years	3.5.7	225
5.4	Report of the Supervisory Board on corporate governance	5.3	338

(1) Article L. 511-6, 3 bis of the French Monetary and Financial Code as amended by law No. 2015-992 of August 17, 2015.
(2) Article L. 225-102-3 of the French Commercial Code as amended by Ordinance No. 2015-1576 of December 3, 2015.

Concordance table with the Sections from Annexes 1 and 2 of the commission Delegated regulation (EU) 2019/980 of March 14, 2019 supplementing regulation (EU) 2017-1129

The concordance table below enables identification in this Universal Registration Document of the information discussed in the various Sections of Annex 1 of the commission Delegated regulation (EU) 2019/980.

Information		Chapters	Pages
6	**Organizational structure**		
6.1	Description of the Group	1.7	63
6.2	List of significant subsidiaries	1.7.2	65
7	**Operating and financial review**		
7.1	Financial condition	3.1 to 3.6	106 to 248
7.1.1	Fair review of the development and performance of the Company's business, and of its position for each year and interim period for which historical financial information is required	3.1 to 3.6	106 to 248
7.1.2	The Company's likely future development and activities in the field of research and development	1.8	68
7.2	Operating results	3.1.2.2 and 3.5.2	114 and 224
7.2.1	Events materially affecting the issuer's income from operations	3.1 to 3.6	106 to 248
7.2.2	Narrative discussion of the reasons for material changes in net sales or revenues	3.1 to 3.6	106 to 248
8	**Capital resources**		
8.1	Information about the Company's capital resources	3.2	121
8.2	Sources and amounts and a narrative description of the issuer's cash flows	3.2.2	123
8.3	Information on the borrowing requirements and funding structure of the issuer	3.2.3	127
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect the issuer's operations	N/A	N/A
8.5	Expected financing sources deemed necessary for the Company to comply with its commitments	3.2	121
9	**Regulatory environment**	**2.5.1**	**98**
10	**Trend information**		
10.1	Main trends affecting production, sales and inventory, costs	1.3	25
	and sale prices since the end of the last fiscal year and any significant change	1.5	37
	in financial performance since the end of the last fiscal year	3.8	250
10.2	Known trends, uncertainties or requests, commitments or events reasonably likely to have a material effect on the issuer's outlook	3.8	250
	at least for the current fiscal year	3.9	250
11	**Profit forecasts or estimates**	**N/A**	**N/A**
12	**Administrative, management and supervisory bodies and senior management**		
12.1	Information on the members of the administrative or management bodies of the Company	5.1 and 5.2	296 and 311
12.2	Administrative, management and supervisory bodies and senior management conflicts of interest	5.1.4 5.2.4	306 and 328
13	**Remuneration and benefits**		
13.1	Amount of remuneration paid and benefits in kind	5.5	346
13.2	Total amount of the provisions made or recorded by the issuer or by its subsidiaries for the payment of pensions, retirement plans or other benefits	N/A	N/A
14	**Board practices**		
14.1	Date of expiration of the current terms of office	5.1.1	296
14.2	Information about members of the administrative and management bodies' service contracts	5.1.4 5.2.4	306 and 328
14.3	Information on the Audit Committee and the Compensation and Nominations Committee	5.2.5	331
14.4	Statement of compliance with the corporate governance regime	5.1.4 5.2.4	306 and 328

Information		Chapters	Pages
14.5	Potential material impacts on the corporate governance, including future changes in the Board and committees composition	N/A	N/A
15	**Employees**		
15.1	Number of employees	4.4	266
15.2	Shareholdings and stock options	5.5.2.3	349
15.3	Arrangements for involving the employees in the capital of the issuer	6.5	380
16	**Major shareholders**		
16.1	Shareholders holding more than 5% of the share capital	6.4.1 and 6.4.2	376 and 378
16.2	Existence of different voting rights	6.4.3	379
16.3	Ownership or control of the issuer	6.4.4	379
16.4	Arrangement whose operation could lead to a change in control	6.4.6	380
17	**Related party transactions**	**7.2 and 7.4**	**389 and 392**
18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information	General comments and 3	1 and 105
18.2	Interim financial and other information	N/A	N/A
18.3	Auditing of historical annual financial information	3.4 and 3.6	140 and 226
18.4	Pro forma financial information	1.1.2	19
18.5	Dividend policy	6.7	382
18.6	Legal and arbitration proceedings	2.9	100
18.7	Significant change in the financial or business position	3.10	250
19	**Additional information**		
19.1	Share capital	6.3	371
19.2	Memorandum and Articles of Association	6.2	364
20	**Material contracts**	**7.3**	**391**
21	**Documents available**	**7.5**	**392**

The concordance table below enables identification in this Universal Registration Document of the information discussed in the various Sections of Annex 2 of the commission Delegated regulation (EU) 2019/980.

Information		Chapters	Pages
1	**Information to be disclosed about the Company**		
1.1	Information required in accordance with the disclosure requirements for the Universal Registration Document for the equity securities set out in Annex 1	7.6	393
1.2	Statement indicating that the Universal Registration Document may be used for the purposes of a public offer of securities or the admission of securities to trading on a regulated market if supplemented by amendments, if any, and an approved securities note and summary and stating, where applicable, that the Universal Registration Document has been filed with the competent authority without prior approval	-	1

7.7 GLOSSARY

7.7.1 Operational glossary

Stations

Locations where the Group offers its rental services. These may take the form of station counters at certain locations such as airports.

Air Force 1

Project to improve customer service, set up by Europcar in the 20 main European airports representing 16% of the Group's rentals.

Car-sharing service

Car-sharing services restricted to subscribing members. The marketplace matches available cars to potential drivers. The car-sharing market can be divided into three segments: (i) car-sharing operators that offer urban users the virtual ownership of the vehicles, (ii) players that offer professional management and fleet optimization services and (iii) vehicle sharing platforms that put individuals in contact in order to share a vehicle.

Business Unit

Operating divisions covering the market segments in which the Group is located.

Business customers

Refers principally to "Large Corporates", small and medium-sized businesses and organizations that rent replacement vehicles.

Leisure customers

Refers principally to individual travelers renting vacation or weekend car rentals, as well as people renting vehicles to meet other personal needs, as well as travel agents, tour operators or brokers.

Auto dealer

Companies that sells new or used vehicles at the retail level, based on a dealership contract with car manufacturers or their sales subsidiaries.

Concessionary arrangement

Arrangement whereby a local authority, corporation or other legal entity grants the Group the right to use land or property.

Broker

Intermediaries acting on the leisure segment and selling vehicle rental services to end customers on behalf of the Group.

Average rental duration (days)

The average rental duration corresponds to the number of rental days divided by the number of rental agreements.

E-commerce

The sale or purchase of goods or services performed by means of a remote communications network.

Buy-back commitment

Undertaking from car manufacturers or auto dealers to repurchase vehicles at a pre-determined fixed price subject to certain terms and conditions.

Europrogramme

A corporate insurance program allowing each subsidiary operating in each country participating in the program to benefit from motor vehicle liability insurance from its local AIG Europcar Ltd branch, established in the country in which the subsidiary operates.

Customer experience

Expression that summarizes the Group's ambitions in terms of improved customer satisfaction.

Corporate countries

Countries in which the Group owns and operates its own network, where directly operated stations and agent-operated stations are located (Australia, Austria, Belgium, Denmark, Germany, Slovakia, Spain, France, Hungary, Ireland, Italy, Luxembourg, Portugal, the United Kingdom and New Zealand, as well as Croatia, Greece and Turkey which are Goldcar Corporate Countries).

Fleet

All vehicles operated by the car rental company, whether or not available for rent.

Average rental fleet

The average rental fleet corresponds to the number of vehicles in the fleet during the period, multiplied by the number of days in the period when the fleet is in operation, divided by the total number of days during the period.

Franchise/Franchising

Agreement where the franchiser grants the franchisee the right to use its trademark or trade-name as well as certain know-how in order to produce and market goods or services according to certain specifications. In return, the franchisee usually pays the franchiser an entry fee and, each year, a percentage of sales revenues as royalty.

Customer Relationship Management (CRM)

System for managing the Group's interactions with current and future customers.

Net Promoter Score (NPS)

The Net Promoter Score corresponds to the difference between the "promoters" and the "detractors" of the Europcar brand. It is obtained by adding together the people who have answered 9 or 10/10 to the question "Would you recommend Europcar to your friends or family?" minus the number of people who answered 6 or less.

Number of rental agreements

The number of rental agreements is the number of vehicle rentals billed to a customer.

Rental day volume (in millions)

Rental day volume corresponds to the rental day volume realized by the customers, including each day or period of shorter than a day for which a rental vehicle is invoiced to a client.

Holding period

The period for which a vehicle is owned or leased by the Group (i.e., from the date of acquisition or start date of a lease of a vehicle by the Group to its sale or return date).

Esop 2017 Plan

Employee shareholding plan set up in 2017 in each of the Corporate Countries.

Replacement vehicle

Service offered by the Group to insurance companies, vehicle leasing companies, vehicle dealers and other entities offering vehicle replacement services to their own customers.

General sales agent (GSA)

General sales representative who promotes and sells the services offered by Europcar in a specific country or region in consideration of a commission.

Europcar network

All of the Group's rental stations worldwide held directly or through its franchisees or agents.

Goldfleet companies

Companies formed in 2018 as part of the extension of the Group's securitization program, to purchase and own vehicles, lease them to the local operating companies of the Group in France, Germany, Italy and Spain.

Securitifleet companies

Companies formed as part of the Group's securitization program, to purchase and own vehicles, lease them to the local operating companies of the Group in France, Germany, Italy and Spain.

Système GreenWay®

Software application, owned by Europcar, offering a comprehensive business solution mainly in the areas of fleet management, e-commerce, reservations and global distribution systems and rental operations.

Global distribution system (GDS)

Computerized reservation systems operated by third parties and used by intermediaries such as travel agents and travel/tour operators to make reservations with the Europcar network.

RentWay system®

Overall vehicle rental and fleet management system for the InterRent® trademark.

Fleet utilization rate

The fleet financial utilization rate corresponds to the Number of Rental Days as a percentage of the number of days the fleet is considered financially available. The fleet's financial availability period represents the period during which the vehicles are in operation. The higher the fleet utilization rate, the fewer vehicles are necessary in the fleet to generate a given volume of rental days.

"At risk" vehicles

Vehicles purchased by the Group from car manufacturers or car dealers not benefiting from a buy-back option or agreement.

Vehicle operating lease

Agreement by which a vehicle is leased by a car rental company on a short-term basis, which pays rent periodically to a financial institution or the finance division of a car manufacturer; at the end of the operating lease, ownership does not pass to the car rental company.

For instance, in the context of the implementation of the Group's securitization program, the Securitifleet Companies, whose purpose is to purchase and own vehicles, lease said vehicles to the operating companies of the Group pursuant to master operating lease agreements.

Vehicle finance lease

Agreement by which a vehicle, held by a credit institution, is leased for a long period of time to a car rental company which in turn pays for the lease on a periodic basis and has the option to acquire ownership of such vehicle during or at the end of the rental period.

During the term of the lease, the finance company remains the legal owner of the vehicle; however the rental company retains the benefits and risks of (economic) ownership.

7.7.2 Financial glossary

Revenue per rental day – RPD (in euros)

Revenue per rental day (RPD) corresponds to vehicle rental income divided by the Number of Rental Days for the period.

Adjusted corporate EBITDA

Adjusted corporate EBITDA is a Group performance indicator. It is equal to the recurring operating income before depreciation and amortization not connected with the vehicle fleet and after deduction of the interest expense connected with the debt serving fleet financing.

Average monthly costs per fleet unit (per month and in euros)

Average monthly costs per fleet unit corresponds to the total fleet costs (fleet holding costs and fleet operating cost) excluding interest expense included in fleet operating lease rents and insurance fees, divided by the average fleet of the period, itself divided by the number of months in the period.

Organic growth in revenue

Organic growth in revenue corresponds to growth at constant consolidation and exchange rate and excludes the impact of oil-related revenue.

Net corporate debt

Net corporate debt includes all the financings recorded on the balance sheet dedicated to the financing of non-fleet purposes (mainly non-fleet working capital and capex). This cumulated amount is adjusted by the equity amount injected by the Group in the financing of the fleet, by using its available cash and general corporate purpose financings (in particular the RCF).

Net fleet debt

Net fleet debt includes all the financings related to the fleet recorded on the balance sheet. It corresponds to the total outstanding amounts owed by all the Group entities on their fleet financing facilities recorded on the balance sheet, adjusted by the equity amount injected by the Group in the financing of the fleet, by using its available cash and general corporate purpose financings (in particular the RCF).

Total net fleet debt

Total net fleet debt includes all financing in relation to the fleet whether or not it is recorded in the balance sheet. It corresponds to the net fleet debt and the estimated outstanding value of the fleet financed through operating leases (which corresponds to the net book value of the vehicles in question). The latter amount is calculated based on the purchase prices and depreciation rates of corresponding vehicles (based on contracts signed with the manufacturers).

Total net debt

Total net debt is an indicator of corporate net debt related to the fleet, whether on the statement of financial position or not. It corresponds to the sum of net corporate debt and total net fleet debt.

Adjusted Consolidated EBITDA

Adjusted consolidated EBITDA is a Group performance indicator. It corresponds to the adjusted corporate EBITDA restated for the total fleet depreciation (including fleet depreciation included in operating leases) and for the fleet financial costs (including estimated interest included in operating leases).

Corporate free cash flow

Corporate free cash flow is defined as free cash flow before the impacts of the rental fleet and acquisitions of subsidiaries.

Cash flow after payment of high-yield interest

Cash flow after payment of high yield interest corresponds to corporate free cash flow after payment of interest on high yield borrowings.

Corporate debt leverage

Corporate debt leverage corresponds to corporate net debt divided by adjusted corporate EBITDA.

Adjusted corporate EBITDA margin

The adjusted corporate EBITDA margin is an indicator of Group profitability. It corresponds to the adjusted corporate EBITDA divided by total revenue.

Vehicle rental income

Revenue from the vehicle rental business is one of the components of Group revenue. It corresponds to total revenue excluding franchising business and other revenue associated with car rental (including oil-related revenue).

Dividend payout ratio

The dividend payout ratio corresponds to the total amount of dividends for the year ended divided by the annual net profit for the same year.

Operating income

Operating income is a Group performance indicator. It corresponds to the net income/(loss) before net financing costs, income tax and share of profit/(loss) of associates accounted for under the equity method.

Adjusted recurring operating income

Adjusted recurring operating income is a Group performance indicator. It corresponds to the recurring operating income restated for the estimated interest included in operating lease rents.

Conversion rate for corporate free cash flow

The conversion rate for corporate free cash flow corresponds to corporate free cash flow divided by adjusted corporate EBITDA (excluding the New Mobility Business Unit).

Total Shareholder Return (TSR)

Total Shareholder Return is an overall performance measure for the Europcar share. It corresponds to the global rate of return of the stock for the investors over the holding period and combines dividends received and stock price.

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