Half-Year Financial Report 2021

Period from January 1 to June 30, 2021

Europcar Mobility Group

Europcar Mobility Group S.A.

A French public limited company (société anonyme) with share capital of €50,156,401

Headquarters:

13 ter boulevard Berthier
75017 Paris, France
Trade and Companies Register (R.C.S.) no. 489 099 903 Paris

CONTENTS

HALF-YEAR MANAGEMENT REPORT

1. KEY DATA FOR THE FIRST HALF OF 2021

- Revenue: up 3.3%, to reach €842 million, with an +88% surge in the second quarter of 2021, reflecting the business recovery.
- Corporate EBITDA (IFRS 16): -€25 million in H1 2021 vs -€209 million in H1 2020.
- Group net profit(loss): -€123 million.
- Corporate free cash flow: -€84 million.
- Net corporate debt: €266 million at June 30, 2021 following the debt restructuring (cf. paragraph 2.2 and 6.1)

In € millions, unless stated otherwise	H1 2021	H1 2020	% Change	% Change at constant scope of consolidation and exchange rates
Rental day volume (in millions)	26.0	27.0	-3.7%	-3.7%
Average fleet (in thousands)	198.7	275.5	-27.9%	-27.9%
Fleet utilization rate	72.4%	53.9%	*+18.5pt*	*+18.5pt*
Revenues	842	815	3.3%	3.6%
Adjusted corporate EBITDA (IFRS 16)	(25)	(209)		
Adjusted corporate EBITDA margin	-2.9%	-25.6%	*+22.7pt*	*+22.5pt*
Operating income	(90)	(267)		
Net Profit/(Loss)	(123)	(286)		
Corporate Free Cash Flow	(84)	(296)		
Net corporate debt - end of period	266	1251		

2. HIGHLIGHTS OF THE FIRST HALF OF 2021

2.1. A first half still marked by the Covid-19 health crisis

The trend in the industry and leisure segment has changed considerably since the beginning of the year with strong disparities between the countries in which the Group operates, depending on the restrictions imposed by governments, borders reopenings and the speed of Covid vaccine rollouts. The United States, the United Kingdom, Australia and New Zealand reported a significant upturn in growth in the second quarter while Europe reported an improvement in travel within the continent even though Q2 Easter was still very soft. The Revenue Per rental Day was robust in countries that experienced a sustained recovery.

2.2. Financial restructuring of the Group

Announcement of the financial restructuring since 2020

As a reminder, faced with the major impact of the Covid-19 pandemic 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 enter into discussions with its corporate debt creditors with a view to carrying out a financial restructuring, 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 holding stakes in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company’s Supervisory Board. On February 26, 2021, the effective date of the financial restructuring, this notably resulted in:

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

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

(iii) the refinancing of the RCF through the implementation of a “Term Loan B” for a total amount of €500 million and a new RCF for a total amount of €170 million.

All these instruments were fully secured by the members of the coordination committee, which is made up of this significant group of cross-holders, holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holding stakes in the RCF and Credit Suisse Facility. They were 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 concluded, Europcar Mobility Group announced the initiation of an accelerated financial safeguard procedure on December 14, 2020 (*procédure de sauvegarde financière accélérée*).

Approval of the conditions of the financial restructuring plan in 2021

On January 20, 2021, the Extraordinary Shareholders' Meeting approved the terms of the financial restructuring plan and capital operations. It also approved the Company’s new form of governance, which entered into effect on February 26, 2021. As a result:

- 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, replacing the previous structure comprising 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.

On February 26, 2021, the Group announced that it had completed its balance sheet restructuring, thanks to the successful completion of the final steps of the accelerated financial safeguard plan approved by the Commercial Court of Paris on February 3, 2021. The main characteristics and impacts of the restructuring plan are described below.

Effects of these events on the Group’s consolidated financial statements at June 30, 2021

The debt restructuring resulted in the following accounting impacts:

- Derecognition of previous corporate debt and recognition of new credit lines and cash injection as disclosed in Note 9 “Financing and financial risk management”;

- The issuance of new equity instruments (shares and warrants) as disclosed in Note 8 “Capital and reserves”. The new capital structure of the Group following this transaction is set out in the same Note.

The difference between the derecognized debt and new resources obtained was recognized in the financial result in accordance with IFRS 9 and IFRIC 19, generating an income of €48 million as disclosed in Note 4 “Main items of income statement”.

The derecognition of corporate debt resulted in the acceleration of transaction costs related to said debt for an amount of €12 million in the financial result as disclosed in Note 4 “Main items of income statement”.

2.3. Ratings agencies

S&P Corporate Ratings

On April 9, 2021, the agency upgraded the rating from “Selective Default” (“SD”) to CCC+ with negative outlook following the completion of the debt restructuring on February 26, 2021.

Moody’s

On March 3, 2021, the agency removed the “limited default” (“LD”) rating, following the completion of the debt restructuring, on February 26, 2021 and on April 19, 2021, it upgraded the rating to Caa2 with a positive outlook.

3. SUBSEQUENTS EVENTS

On July 27, 2021, the group finalized and signed the extension of the €1.7 billion SARF (the fleet financing securitization instrument) for a period of three years with an international banking pool.

4. H2 2021 OUTLOOK

The Group remains reasonably optimistic for Q3 2021, with a contrasted picture across countries:

- Ongoing strong recovery in Travel & Leisure in the US (travelers booking with more immediacy, even for trips further out)
- Europe: gradual but volatile recovery due to fast-spreading “Delta variant”, rollout of vaccination campaigns and EU sanitary pass. Overall, long-haul traffic is expected to be limited in H2 2021
- Positive pricing impact likely to continue due to the excess demand over supply given the persisting shortage of semiconductors components and the overall large defleeting in the industry over the past months to mitigate the impact of the pandemic, adjusting to lower demand
- Possible impact of the shortage of semiconductor components at OEMs level on vehicles deliveries

In this context, the Group is not yet in a position to provide full guidance for the FY 2021. However, assuming no further deterioration on travel restriction and shortage of semiconductors:

- The Group is confident that 2021 revenues will increase significantly compared to 2020 with:
    - Resilience of Leisure and domestic demand
    - Resilient domestic revenue generation driven by Vans & Trucks and first positive intake for new service solutions of Professional Services lines
    - Positive impact of pricing
- Corporate net debt expected in the range of €300-350m for the FY 2021

The Group is on track to deploy its Connect plan roadmap through the implementation of new engines of growth (Connected cars, LTS, sustainable fleet) and the unified and strongly integrated IT system.

5. ANALYSIS OF OPERATING INCOME

Except where explicitly otherwise indicated, the figures from fiscal years 2021 and 2020 are in the notes and tables after application of IFRS 16.

Following the introduction of Service lines and "One fleet" strategy, the Group is now reporting KPIs including Urban Mobility, as a result, the figures for the former Urban Mobility business unit (revenue, rental days and volume of vehicles) are now fully integrated in rental revenue, average fleet and rental day volume.

5.1. Key indicators

	Half-year ended June 30			
In € millions, unless stated otherwise	**2021**	**2020**	**Change**	**Change at constant exchange rates**
Revenues	**842**	**815**	**3.3%**	**3.6%**
Vehicle rental revenue	**808**	**778**	**3.8%**	**4.1%**
Rental day volume (thousands)	26.0	27.0	(3.7)%	
Average rental duration (in days)	8.3	7.4	12.6%	
Average fleet size (thousands) (1)	198.7	275.5	(27.9)%	
Average revenue per unit per month (in €) (2)	678	471	44.0%	44.3%
Average fleet costs per unit per month (in €) (3)	(260)	(249)	4.5%	4.6%
Fleet utilization rate (in %) (4)	72.4%	53.9%	18.5 pt	
Margin after Direct Costs	**241**	**90**	**166.7%**	**164.6%**
Margin after direct costs as % of revenue	28.6%	11.1%	+17.5 pt	+17.4 pt

(1) Average fleet during the period is calculated as the number of days in the period during which the fleet was available (period during which the Group held the vehicles), divided by the number of days of the same period, multiplied by the number of vehicles in the fleet during the period. The average monthly fleet comprised 198.7 thousand vehicles as of June 30, 2021, compared with 275.5 thousand as of June 30, 2020.

(2) Average revenue per unit per month corresponds to the vehicle rental revenue, divided by the average fleet for the period; the average fleet for the period itself is divided by the number of months for the period.

(3) Average fleet costs per unit per month corresponds to total fleet cost (fleet holding and operating costs), excluding interest expense included in the expenses for the fleet vehicle operating leases and insurance costs, divided by the average fleet during the period. The average fleet during the period is then divided by the number of months during the period.

(4) The fleet utilization rate corresponds to the rental day volume 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 Group holds the vehicles.

5.2. Comparison of Operating Results

Analysis in this section is based on the Group's income statement, prepared in accordance with IFRS, as well as data provided by management intended for strategic guidance. Management data are prepared in order to reflect and clarify the presentation of Group economic performance.

IFRS Income Statement

in € millions	Half-year ended June 30 2021	2020	2019
Revenues	**841.9**	**814.8**	**1306.5**
Fleet holding costs	(249.6)	(352.7)	(369.0)
Fleet operating, rental and revenue related costs	(309.5)	(322.3)	(443.2)
Personnel costs	(184.4)	(204.7)	(264.6)
Network and headquarters overhead costs	(90.0)	(105.4)	(120.3)
Other income	1.9	0.7	4.1
Depreciation, amortization and impairment expense	(68.4)	(77.1)	(73.4)
Current operating income	**(58.0)**	**(246.8)**	**40.2**
Other non-recurring income and expenses	(18.5)	(20.4)	(26.0)
Impact of restructuring on non-recurring income and expenses	(13.6)	-	-
Operating income	**(90.0)**	**(267.2)**	**14.2**
Net financing costs	(77.4)	(96.3)	(105.9)
Impact of restructuring on net financing costs	35.9	-	-
Profit/(loss) before tax	**(131.6)**	**(363.5)**	**(91.7)**
Income tax	8.8	77.2	22.8
Share of profit/(loss) of associates	-	-	(0.1)
Net profit/(loss)	**(122.8)**	**(286.2)**	**(69.0)**

MANAGEMENT PERFORMANCE INDICATORS

In € millions	Half-year ended June 30 2021	2020	Change
Revenues	**841.9**	**814.8**	**3.3%**
Fleet holding costs, excluding estimated interest included in operating leases	(238.2)	(333.6)	28.6%
Variable costs	(309.5)	(322.3)	4.0%
Costs related to marketing expenses	*(6.7)*	*(10.3)*	35.7%
Fleet financing expenses, including estimated interest included in operating leases	(46.6)	(58.1)	19.9%
Total of direct and variable costs	**(600.9)**	**(724.4)**	**17.0%**
Margin after direct costs	**241.0**	**90.4**	**166.7%**
As % of revenue	**28.6%**	**11.1%**	**+17.5pt**
Personnel costs	(184.4)	(204.7)	9.9%
Headquarters overhead costs, network, IT and other costs	(81.4)	(94.4)	13.7%
Total personnel costs, network and headquarters overhead costs, IT and other	**(265.8)**	**(299.0)**	**11.1%**
Adjusted corporate EBITDA incl. IFRS 16	**(24.8)**	**(208.7)**	
As % of revenue	**-2.9%**	**-25.6%**	**+22.7pt**
Depreciation, amortization and impairment expense	(68.4)	(77.1)	11.3%
non-recurring income and expenses	(18.5)	(20.4)	
Other financing income and expense not related to the fleet	(42.3)	(57.3)	26.2%
Net financial costs of restructuring	22.3	-	
Profit/(loss) before tax	**(131.6)**	**(363.5)**	
Income tax	8.8	77.2	
Share of net profit or loss in companies accounted for by the equity method	-	-	
Net profit/(loss) incl. IFRS 16	**(122.8)**	**(286.2)**	

The table below presents a reconciliation of current operating income to adjusted current operating income, adjusted corporate EBITDA and adjusted consolidated EBITDA. Adjusted current operating income, adjusted consolidated EBITDA and adjusted corporate EBITDA are presented because the Group believes that these measures provide readers with important additional information for an evaluation of Group 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 that adjusted current operating income, adjusted consolidated EBITDA and adjusted Corporate EBITDA are useful indicators for measuring the Group's capacity to meet its debt-service obligations. IFRS does not recognize adjusted current operating income, adjusted consolidated EBITDA or adjusted Corporate EBITDA. Therefore, these indicators should not be viewed as alternatives to operating income or net profit, nor should they be considered indicators of operating results or of cash flows as measures of liquidity.

	Half-years ended June 30	
In € millions	**2021**	**2020**
Adjusted consolidated EBITDA	**206.9**	**126.4**
Fleet depreciation (IFRS)	(107.9)	(189.0)
Fleet depreciation included in operating lease [1]	(77.2)	(87.9)
Total fleet depreciation	***(185.1)***	***(277.0)***
Interest expense related to operating lease payments [1]	(11.4)	(19.1)
Net fleet financing expense	(35.2)	(39.0)
Fleet financing expenses, including estimated interest included in operating leases	***(46.6)***	***(58.1)***
Adjusted corporate EBITDA	**(24.8)**	**(208.7)**
Depreciation, amortization and impairment expense	(68.4)	(77.1)
Reversal of net fleet financing expenses	35.2	39.0
Reversal of interest expense for operating lease payments (estimated)	11.4	19.1
Adjusted current operating income	**(46.6)**	**(227.6)**
Interest expense related to operating lease payments (estimated)	(11.4)	(19.1)
Current operating income [2]	**(58.0)**	**(246.8)**

(1) Expenses related to operating leases for fleet vehicles comprise depreciation, interest and, in some cases, a small management fee. For contracts that do not provide a breakdown of rent payments in accordance with these expenses, the Group makes estimates on the basis of data provided by the lessors. Furthermore, because interest expense for operating leases is essentially a fleet financing cost, Europcar management reviews fleet holding costs and Group adjusted operating income net of this expense.

(2) As set forth in the consolidated income statement.

5.2.1 Revenue

The following table shows changes in Group consolidated revenue for the half-years ended June 30, 2021, and June 30, 2020, as a total and by revenue type:

In € millions by Business Unit	2021	2020	Change
Cars & Other BU	667	667	0.0%
Vans & Trucks BU	175	147	19.0%
Revenues	**842**	**815**	**3.3%**

Total revenues totaled €842 million in the first half of 2021, i.e., an increase of +3.3% compared to the first half of 2020. Restated for exchange rate effects, the increase is 3.6%.

Vehicle rental revenues, which improved by +4.1% at constant exchange rate, was driven by the business upturn in the second quarter thanks to an increase in RPD (revenue per rental day) of +7.9%, specifically related to a shortage of vehicles on the market and despite a decrease in Rental Day Volume of (3.7)% with 26.0 million rental days in the first half of 2021. The Cars & Other business unit was stable compared to the previous year. The Vans & Trucks business unit, which had already demonstrated resilience in the first half of 2020, improved by +19%.

5.2.2 Fleet holding costs

Fleet holding costs include operating fleet holding costs, namely fleet depreciation expenses (vehicles acquired and financed through funding recorded on the statement of financial position) and payments on operating leases for vehicles including their financial component, in compliance with accounting standards (e.g., vehicles financed through leasing). Rental payments under operating leases include a component of financial interest.

As explained below, the accounting methods used for fleet-financing expenses depend on the type of financing (operating lease or other type of financing). For clarity purposes, the Group combines all fleet-financing expenses in its management income statement. For analytical purposes, the expenses are included in adjusted corporate EBITDA but are excluded from fleet holding costs.

Adjusted for estimated financial expenses on operating leases (i.e., respectively €11.4 million and €19.1 million in the first half of 2021 and 2020), fleet holding costs totaled €238.2 million, compared to €333.6 million in 2020, down by (28.6)%, mainly due to the decrease in the volume of vehicles.

5.2.3 Fleet operating, rental and revenue related costs

In the first half of 2021, rental fleet operating, rental and revenue related costs totaled €309.5 million, down (4.0)%. This is mainly explained by the decrease in the volume of vehicles with improvement of utilization rate, as well as the decline in rental day volume and increase in average duration.

5.2.4 Personnel costs

In the first half of 2021, personnel costs totaled €184.4 million, down by (9.9)% compared to 2020. This decrease can be explained by the decrease in headcount and the continuation of the furlough measures when possible.

5.2.5 Network and headquarters overhead costs

In the first half of 2021, network and headquarters overhead costs totaled €90.0 million, a decrease of 14.7%. This decrease is explained by the company’s network and headquarters restructuring measures, and by the reduction of external expenses.

5.2.6 Adjusted corporate EBITDA

In the first half of 2021, Adjusted Corporate EBITDA totaled €(24.8) million, compared to €(208.7) million in the first half of 2020, which can be partly explained by the +€27.2 million improvement in revenue, but mostly by the different cost-cutting measures implemented since March 2020. The Group continued to further reduce its semi-fixed and fixed costs in the first half of 2021.

5.2.7 Other non-recurring income and expenses

Non-recurring expenses (excluding financial restructuring costs) were contained to an expense of €18.5m in H1 2021 (expense of €20.4m in H1 2020). As part of the continuation of the Reboot plan, initiated in 2020, they primarily reflected adaptation measures in HQs and Network which have been implemented to deliver a fast payback in adapting the cost base to the new size of the company.

5.2.8 Net financial restructuring costs

Net financial restructuring costs totaled €22.3m in H1 2021, recorded in Q1 2021, split into -€13.6m of restructuring fees (accounted in the P&L) and +€35.9m non-cash income (including +€48m booked under IFRIC 19 accounting standards, coming from the difference between the book value of the debt converted into equity instruments and the fair value of these instruments at the transaction date; and -€12m of previous transaction cost write-off).

5.2.9 Net financing costs

Net fleet and non-fleet financing costs (excluding net financial restructuring costs) amounted to a net expense of €77.4 million in the first half of 2021 compared to €96.3 million in the first half of 2020 mainly due to the positive impact of the conversion of the 2024 Bonds and 2026 Bonds into equity, partially offset by new interests on state guaranteed loans incurred in H1 2021 and increased costs of the facilities (TLB and RCF) put in place post-restructuring.

5.2.10 Income tax

At June 30, 2021, income tax amounted to €9 million corresponding to an effective tax rate of 7%.

5.2.11 Net profit/(loss)

Net profit (loss) in the first half of 2021 was a loss of €123 million, compared to a loss of €286 million for the first half of fiscal year 2020.

5.3 Analysis by operating segment

Since early 2021 the former “Low-Cost” and “Urban Mobility” business units have been integrated into the “Cars” business unit. For more details, refer to Note 4.1 “Segment Reporting Information” presented in the Notes to the Group’s financial statements in the section dedicated to this half-year financial report.

The table below presents (i) the breakdown of revenue earned by the various Business Units and (ii) the Margin after Variable Costs for the fiscal years ending June 30, 2021 and 2020.

BY BUSINESS UNIT
In € millions

	2021	2020	Change
Cars & Other BU	667	667	0.0%
Vans & Trucks BU	175	147	19.0%
Revenues	**842**	**815**	**3.3%**
Cars & Other BU	185	74	150.0%
Vans & Trucks BU	56	17	229.4%
Margin After Direct Costs (MADC)	**241**	**90**	**167.8%**
Margin after direct costs as % of revenue	*28.6%*	*11.1%*	+17.5pt

5.3.1 Revenues

In the first half of 2021, revenue totaled €842 million, up by 3.3% over 2020. This increase can be mainly explained by the 7.9% increase in revenue per rental day despite a decline in rental day volume (3.7)% against the background of a business upturn.

The **Cars & Other** Business Unit reported total revenues of €667 million for the first half of 2021, i.e., stable compared to the same period the previous year.

The **Vans & Trucks** Business Unit reported total revenues of €174.7 million for the first half of 2021, i.e., an increase of 19.0% compared to the same period the previous year. With a stable RPD (+0.5%), this performance was driven by the 18.2% increase in rental day volume.

5.3.2 Margin after direct costs

In the first half of 2021, the Group's Margin After Direct Costs (MADC) totaled €241 million with a 28.6% margin, up 17.5 pts on the previous year, mainly driven by the recovery of the "Cars" Business Unit in the second quarter of 2021. The "Vans & Trucks" Business Unit demonstrated strong resilience in the first half of 2021, leading to an improvement in Margin after direct costs.

6. LIQUIDITY AND FINANCIAL POSITION

6.1. Total net debt

As at June 30, 2021, Group net corporate debt amounted to €266 million, compared with €1,251 million as at June 30, 2020 and €1,426 million as at December 31, 2020.

On the same date, total net fleet debt, excluding fleet-related lease payments totaled €2,442 million, compared with €2,039 million as at December 31, 2020.

IFRS 16 lease liabilities totaled €385 million (of which €105 million is fleet related) as at June 30, 2021, compared to €354 million (of which €75 million is fleet related) as at December 31, 2020.

In addition, the loan to value ratio (LTV ration) as at June 30, 2021 stood at 94.9% and corresponds to the debt of Securitifleet Holding, Securitifleet and EC Finance plc (total amount of €1,421 million on the test date) divided by the total net asset value of the companies on the statement of financial position (i.e., €1,497 million as at June 30, 2021).

The table below presents net corporate debt and total net debt (excluding IFRS 16 lease liabilities).

(In € millions)	**June 30 2021**	**Dec. 31 2020**
Unsecured senior subordinated notes, 4.125%, due in 2024 (A)	-	600
Unsecured senior subordinated notes, 4%, due in 2026 (B)	-	450
Existing Senior revolving credit facility & Term Loan B (C)	500	624
Loans guaranteed by the French and Spanish governments (D)	282	281
Crédit Suisse facility (E)	-	50
FCT junior notes (F), accrued interest not due, capitalized costs of financing contracts and other (G) (H)	(198)	(204)
Gross corporate debt	**584**	**1,801**
Short-term investments and cash in operating entities (I)	(318)	(375)
Net corporate debt	**266**	**1,426**
Secured senior notes, 2.375%, due in 2022 (J)	500	500
New fleet financing credit facility (K)	50	-
Senior asset revolving credit facility for fleet financing	770	445
FCT junior notes (F), financing capitalized costs and other	223	243
UK, Australia and other fleet-financing facilities	997	969
Gross financial fleet debt on statement of financial position	**2,540**	**2,157**
Cash held in fleet-financing entities and short-term fleet investments	(98)	(118)
Fleet net debt on statement of financial position	**2,442**	**2,039**

(A) On October 16, 2017, Europcar Mobility Group S.A. announced the issuance of an offering of €600 million senior notes due 2024 by Europcar Drive D.A.C., a special purpose entity created for this issuance.

(B) On April 17, 2019, the Group announced the success of the €450 million Senior Notes issued at a rate of 4% by Europcar Drive D.A.C, a special purpose entity.

As part of the financial restructuring finalized by the Group in the first quarter of 2021, 2024 and 2026 Senior Notes were converted into equity on February 26, 2021.

(C) As part of the financial restructuring, the Group refinanced the €670 million RCF by arranging a €500 million Term Loan and another €170 million RCF. There had been no drawdowns on the RCF as at June 30, 2021.

(D) To deal with the Covid-19 crisis, on May 2, 2020, the Group negotiated a €220 million loan, 90% guaranteed by the French government. This loan has an initial maturity of one year, renewable for up to five years, and will be used to meet the Group's general requirements. During the quarter, the Group also negotiated state-guaranteed loans from the Spanish government (70% guarantee) amounting to €101 million. These loans, with a three-year maturity, are intended for the general needs of Europcar and Goldcar in Spain.

(E) As part of the financial restructuring, the Crédit Suisse loan of €50 million was also converted into equity.

(F) Revenue from the FCT junior notes subscribed by Europcar International SAS ("ECI") provides overall credit enhancement and, when applicable, additional liquidity. FCT junior notes are used only to finance the fleet debt requirement. FCT junior notes are subscribed by ECI during using available cash or drawing on the senior revolving credit facility.

(G) For countries where fleet costs are not financed through dedicated entities (e.g., the Securitifleet entities), the cash used to finance the fleet (which could have been financed by fleet debt) is restated from the net fleet debt through a de-risk ratio.

(H) Including accrued interest not due for financial assets (Euroguard).

(I) Includes the Group's insurance program.

(J) On October 16, 2017, Europcar announced the launch of a €350 million Secured Senior Notes issue, due 2022 by EC Finance Plc. On June 15, 2018, Europcar Mobility Group announced the offering by EC Finance plc of €150 million of Senior Secured Notes due 2022 at a 2.375% interest rate.

(K) €225 million of additional financing following the financial restructuring. This line is dedicated to the rental fleet and €50 million had been withdrawn as at June 30, 2021.

6.2. Analysis of corporate free cash flow

6.2.1. Overview

The Group uses corporate free cash flow as its liquidity indicator. The Group believes that corporate free cash flow is a useful indicator because it measures the Group's liquidity on the basis of its operating activities, including net financing costs on borrowings dedicated to fleet financing, without taking into account (i) past disbursements for debt refinancing, (ii) exceptional costs that are not representative of trends in Group operating results, and (iii) cash flows in relation to the fleet. These cash flows are analyzed separately because the Group makes vehicle acquisitions through asset-backed financing.

The table below shows the calculation of corporate free cash flows, as well as the regrouping of certain items deemed significant for the analysis of Group cash flow, including cash flow relating to changes in the rental fleet, in fleet-related trade receivables and payables, and in fleet-related financing and other working capital facilities used principally for fleet-related needs. This presentation differs from the IFRS statement of cash flows, mainly because of analytic regrouping and the inclusion of items that do not affect cash flows that vary based on the financial data used as the starting point (in this case, adjusted Corporate EBITDA, as presented below, compared with pre-tax profit in the IFRS statement of cash flows).

Management Cash Flows		
	Half-year ended June 30	
In € millions	**2021**	**2020**
Adjusted corporate EBITDA	**(25)**	**(209)**
Other non-recurring income and expenses	(18)	(21)
Acquisitions of intangible assets and property, plant and equipment (net of proceeds from disposals)	(26)	(25)
Changes in working capital requirement and provisions	41	7
Income taxes received (paid)	(12)	4
Repayment of the rental debt	(43)	(52)
Corporate free cash flow	**(84)**	**(296)**
Interest paid on corporate financing	(16)	(21)
Cash flow after payment of interest on corporate financing	**(100)**	**(317)**
Other investments	10	4
Changes in rental fleet, working capital requirement, and in fleet financing and working capital facilities	(176)	181
Capital increase and buy back of treasury shares	248	-
Payment of transaction costs and other	(48)	(15)
Increase/(decrease) in cash and cash equivalents before impact of foreign exchange differences	**(66)**	**(147)**
Cash and cash equivalent at beginning of period	445	628
Changes in scope of consolidation	-	-
Effect of foreign exchange differences	(1)	(4)
Cash and Cash equivalents at end of period	**379**	**477**

6.2.2. Corporate free cash flow

Corporate free cash flow is defined as free cash flow before impacts from rental fleet, refinancing and acquisitions of subsidiaries.

Free cash flow in the first half of 2021 consisted in an outflow of €84 million, compared with an outflow of €296 million in the first half of 2020, i.e., an improvement of €212 million.

- Adjusted corporate EBITDA is a loss of €25 million, compared to a loss of €209 million in the first half of 2020 mainly due to a return to a positive Adjusted Corporate EBITDA in the second quarter of 2021.
- *Other non-recurring income and expenses* represent an expense of €18 million in the first half of 2021 versus an expense of €21 million in the first half of 2020. Costs were kept under control and are in line with the *"Reboot*" plan launched in 2020 and mainly reflect the adaptation measures taken at headquarters and in the network to obtain rapid return on investment and adapt the cost base to the company's new size.
- *Acquisition of intangible assets and property, plant and equipment* totaled €26 million in the first half of 2021 compared to €25 million in the first half of 2020 and is focusing on the Group's digital transformation.
- *Changes in WCR excluding rental fleet and provisions* amounted to €41 million in 2021 compared to €(7) million in the first half of 2020, reflecting the gradual business upturn, with a strong emphasis on inflows from trade receivables.
- *Income taxes received/(paid).* Income tax outflows in the first half of 2021 amounted to €12 million compared to the €4 million inflow in 2020 (mainly related to reimbursements in Germany and Australia in fiscal year 2020).

6.2.3. Other components of cash flow

Payment of corporate interest totaled €16 million in the first half of 2021 compared with €21 million in 2020. Following the renegotiation of the debt carried out during the half year and previously described (see Note 2.2 Financial restructuring), the corporate interest paid by the Group is now limited to interest on financial liabilities related to government measures (state-guaranteed loan in France in particular), interest on the "Term Loan B" and interest on the senior Asset Revolving Facility.

Changes in rental fleet, working capital requirement, and in fleet financing and working capital facilities totaled €(176) million in the first half of 2021.

In 2021, the capital increase and treasury shares buy back for €248 million include:

- the capital increase in cash through a rights issue with shareholders' preferential subscription rights by issuance of new ordinary shares for an amount of €250 million,
- injection of €6 million of cash related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders.
- Fees paid for €9 million,
  The financial restructuring of the Group has been described in Note 2.2 of this half-year financial report.
- changes in treasury shares for €1 million.

6.3. ANALYSIS OF CASH FLOW (IFRS)

The Group's principal cash flow drivers are its operating performance (as reflected in its operating income before changes in working capital requirement), cash flow from financing transactions, interest on Corporate debt, cash flow from acquisitions and disposals of fleet, and cash flow from investing activities.

The interim consolidated financial statements, the comments required to understand them and the cross references to the different explanatory sections of the notes are presented in the Group's primary financial statements in the section dedicated to the half-year financial report.

	Half-year ended	
(In € millions)	**2021**	**2020**
Net cash generated from (used by) financing activities	(534)	419
Net cash flows from (used in) investing activities	(17)	(22)
Net cash generated from (used by) financing activities	483	(545)
Net increase/(decrease) in cash and cash equivalents after impact of foreign exchange differences	**(68)**	**(148)**

6.3.1. Net cash generated from (used by) financing activities

The table below summarizes the Group's net cash flow from operations for the first halves of 2021 and 2020.

	Half-year ended	
(In € millions)	2021	2020
Operating income before changes in working capital requirement	**(32)**	**(213)**
Changes in rental fleet and in rental fleet working capital requirement	(465)	678
Changes in non-rental fleet working capital requirement	36	22
Cash generated from operations	**(461)**	**487**
Income taxes received/(paid)	(12)	4
Net interest paid	(60)	(72)
Net cash generated from (used by) financing activities	**(534)**	**419**

6.3.2. Net cash flows from (used in) investing activities

The table below summarizes the Group's net cash flow from investing activities for the half-years ended June 30, 2021, and June 30, 2020.

	Half-year ended June 30	
In € millions	2021	2020
Acquisitions of intangible assets and property, plant and equipment	(29)	(27)
Proceeds from disposal of intangible assets and property, plant and equipment	2	1
Other investments and loans	10	3
Net cash flows from (used in) investing activities	**(17)**	**(22)**

6.3.3. Net cash generated from (used by) financing activities

The tables below present the Group's net cash flow from financing activities for the half-years ended June 30, 2021, and June 30, 2020.

	Half-year ended June 30	
In € millions	2021	2020
Increase in share capital net of paid expenses	247	-
Change in other borrowings	258	(445)
Change in rental debt	(16)	(99)
Payment of transaction costs	(7)	(2)
(Purchases)/Sales of treasury shares	1	1
Net cash generated from (used by) financing activities	**483**	**(545)**

7. REGULATORY, LEGAL AND ARBITRATION PROCEEDINGS

The main disputes and proceedings underway or having changed as of June 30, 2021 are described in Note 11.2 to the Condensed interim half-year financial statements for the first half of 2021.

8. TRANSACTIONS WITH RELATED PARTIES

See Note 12 of the condensed interim half-year financial statements for the first half of 2021.

9. FORWARD-LOOKING STATEMENTS

This half-year report contains statements regarding the prospects and growth strategies of the Group. These statements are sometimes identified by the use of the future or conditional tense, or by the use of forward-looking statements such as “considers,” “envisages,” “believes,” “aims,” “expects,” “intends,” “should,” “anticipates,” “estimates,” “thinks,” “wishes” and “might,” or, if applicable, the negative form of such terms and similar expressions or similar terminology. Such information is not historical in nature and should not be interpreted as a guarantee of future performance. Such information is based on data, assumptions, and estimates that the Group considers reasonable. Such information is subject to change or modification based on uncertainties in the economic, financial, competitive or regulatory environments. This information is contained in several sections of this Document and includes statements relating to the Group’s intentions, estimates and targets with respect to its markets, strategies, growth, and results of operations, financial position and liquidity. The Group’s forward-looking statements speak only as of the date of this Document. Absent any applicable legal or regulatory requirements, the Group expressly disclaims any obligation to release any updates to any forward-looking statements contained in this Document to reflect any change in its expectations or any change in events, conditions or circumstances, on which any forward looking statement contained in this Document is based. The Group operates in a competitive and rapidly evolving environment; it may therefore be unable to anticipate all risks, uncertainties or other factors that may affect its business, their potential impact on its business or the extent to which the occurrence of a risk or combination of risks could have significantly different results from those set out in any forward-looking statements, it being noted that such forward-looking statements do not constitute a guarantee of actual results.

Europcar Mobility Group S.A.

Interim condensed consolidated financial statements

for the six months ending June 30, 2021

INCOME STATEMENT

In thousands of euros	Notes	As of June, 30 2021	As of June, 30 2020
Revenue		**841,919**	**814,774**
Fleet holding costs	***5.2***	(249,604)	(352,736)
Fleet operating, rental and revenue related costs	***5.3***	(309,501)	(322,341)
Personnel costs	***10.1***	(184,348)	(204,665)
Network and head office overhead costs		(89,953)	(105,427)
Depreciation, amortization and impairment expenses	***4.2***	(68,335)	(77,099)
Other income		1,857	731
Current operating income		**(57,965)**	**(246,763)**
Other non-recurring expenses	***4.3***	(32,063)	(20,406)
Operating income		**(90,028)**	**(267,169)**
Net fleet financing expenses		(35,154)	(38,980)
Net non-fleet financing expenses		(26,582)	(36,286)
Net other financial expenses		20,216	(21,011)
Net financing costs	***4.4***	**(41,520)**	**(96,277)**
Profit/(loss) before tax		**(131,548)**	**(363,446)**
Income tax benefit/(expense)	***4.5***	8,798	77,231
Net profit/(loss) for the period		**(122,750)**	**(286,215)**
Attributable to:			
Owners of Europcar Mobility Group		(122,791)	(286,167)
Non-controlling interests		41	(48)
Basic earnings/(loss) per share attributable to owners of Europcar Mobility Group (in €)	***4.6***	*(0.036)*	*(1.746)*
Diluted earnings/(loss) per share attributable to owners of Europcar Mobility Group (in €)	***4.6***	*(0.036)*	*(1.746)*

STATEMENT OF COMPREHENSIVE INCOME

In thousands of euros	As of June, 30 2021			As of June, 30 2020		
	Before tax	Tax income/ (expense)	After tax	Before tax	Tax income/ (expense)	After tax
Net profit/(loss) for the period	**(131,548)**	**8,798**	**(122,750)**	**(363,446)**	**77,231**	**(286,215)**
Items that will not be reclassified to profit or loss	**9,182**	**(2,846)**	**6,336**	**-**	**-**	**-**
Actuarial gains/(losses) on defined benefit pension schemes	9,182	(2,846)	6,336	-	-	-
Items that may be reclassified subsequently to profit or loss	**16,028**	**-**	**16,028**	**(15,301)**	**-**	**(15,301)**
Foreign currency differences	4,717	-	4,717	(10,743)	-	(10,743)
Effective portion of changes in fair value of hedging instruments	11,311	-	11,311	(4,558)	-	(4,558)
Other comprehensive income for the period	**25,210**	**(2,846)**	**22,364**	**(15,301)**	**-**	**(15,301)**
Total comprehensive income/(loss) for the period	**(106,338)**	**5,952**	**(100,386)**	**(378,747)**	**77,231**	**(301,516)**
Attributable to:						
Owners of Europcar Mobility Group			(100,427)			(301,468)
Non-controlling interests			41			(48)

STATEMENT OF FINANCIAL POSITION

In thousands of euros	Notes	As of June, 30 2021	As of December 31, 2020
Assets			
Goodwill	***6.1***	1,002,861	998,119
Intangible assets	***6.2***	1,060,719	1,055,831
Property, plant and equipment		407,751	413,171
Other non-current financial assets	***9.1***	44,834	54,138
Deferred tax assets		157,825	176,851
Total non-current assets		**2,673,990**	**2,698,110**
Inventory		21,211	16,093
Rental fleet recorded on the balance sheet	***5.1***	2,843,577	2,197,240
Rental fleet and related receivables	***5.4***	815,853	504,017
Trade and other receivables		384,512	382,010
Current financial assets	***9.1***	22,568	23,238
Current tax assets		55,559	29,006
Restricted cash	***9.2***	106,874	81,953
Cash and cash equivalents	***9.2***	276,794	364,646
Total current assets		**4,526,948**	**3,598,203**
Total assets		**7,200,938**	**6,296,313**
Equity			
Share capital		50,156	163,884
Share premium		2,032,835	701,229
Reserves		(179,510)	(196,470)
Retained earnings (losses)		(483,171)	(478,898)
Total equity attributable to the owners of Europcar Mobility Group		**1,420,310**	**189,745**
Non-controlling interests		464	522
Total equity	***8.1***	**1,420,774**	**190,267**
Liabilities			
Financial liabilities	***9.3***	1,590,843	2,105,205
Non-current financial instruments		47,560	60,122
Employee benefit liabilities		156,821	167,202
Non-current provisions	***11.1***	8,810	10,842
Deferred tax liabilities		217,562	214,782
Other non-current liabilities		182	118
Total non-current liabilities		**2,021,778**	**2,558,271**
Current portion of financial liabilities	***9.3***	1,922,971	2,209,163
Employee benefits		2,622	2,622
Current provisions	***11.1***	217,379	214,226
Current tax liabilities		32,172	46,116
Rental fleet related payables	***5.4***	1,021,006	555,104
Trade payables and other liabilities		562,234	520,544
Total current liabilities		**3,758,386**	**3,547,775**
Total liabilities		**5,780,164**	**6,106,046**
Total equity and liabilities		**7,200,938**	**6,296,313**

STATEMENT OF CHANGES IN EQUITY

In thousands of euros	Attributable to owners of Europcar Mobility Group							Non-controlling interests	Total equity
	Share capital	Share premium	Hedging reserve	Translation reserve	Treasury Shares	Retained earnings	Total		
Balance as of January 1, 2020	**163,884**	**701,229**	**(62,836)**	**(62,855)**	**(74,127)**	**171,205**	**836,500**	**642**	**837,142**
Net profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**(286,167)**	**(286,167)**	**(48)**	**(286,215)**
Other comprehensive income/(loss)	**-**	**-**	**(4,558)**	**(10,743)**	**-**	**-**	**(15,301)**	**-**	**(15,301)**
Transactions with owners	**-**	**-**	**-**	**-**	**926**	**49**	**975**	**13**	**988**
Balance as of June 30, 2020	**163,884**	**701,229**	**(67,394)**	**(73,598)**	**(73,201)**	**(114,913)**	**536,007**	**607**	**536,614**
Balance as of January 1, 2021	**163,884**	**701,229**	**(53,597)**	**(69,527)**	**(73,346)**	**(478,898)**	**189,745**	**522**	**190,267**
Net profit/(loss) for the period	**-**	**-**	**-**	**-**	**-**	**(122,791)**	**(122,791)**	**41**	**(122,750)**
Foreign currency differences	-	-	-	4,717	-	-	4,717	-	4,717
Effective portion of changes in fair value of hedging Instruments	-	-	11,311	-	-	-	11,311	-	11,311
Actuarial gains (losses) on defined benefit pension schemes (1)	-	-	-	-	-	9,182	9,182	-	9,182
Income tax relating to components of other comprehensive income	-	-	-	-	-	(2,846)	(2,846)	-	(2,846)
Other comprehensive income/(loss)	**-**	**-**	**11,311**	**4,717**	**-**	**6,336**	**22,364**	**-**	**22,364**
Purchase / Sales of Treasury Shares	-	-	-	-	932	-	932	-	932
Share based payment	-	-	-	-	-	196	196	-	196
Capital reduction(2)	(162,245)	-	-	-	-	162,245	-	-	-
Reserved capital increase(3)	29,837	1,103,967	-	-	-	-	1,133,804	-	1,133,804
Capital increase in cash(4)	13,163	236,942	-	-	-	-	250,105	-	250,105
Common share purchase warrant(5)	5,517	-	-	-	-	-	5,517	-	5,517
Fees recognized in deduction of the Share Premium(6)	-	(9,302)	-	-	-	-	(9,302)	-	(9,302)
IFRIC 19 impact(7)	-	-	-	-	-	(48,400)	(48,400)	-	(48,400)
Other	-	-	-	-	-	(1,860)	(1,860)	(99)	(1,959)
Transactions with owners	**(113,728)**	**1,331,606**	**-**	**-**	**932**	**112,181**	**1,330,991**	**(99)**	**1,330,892**
Balance as of June 30, 2021	**50,156**	**2,032,835**	**(42,286)**	**(64,810)**	**(72,414)**	**(483,171)**	**1,420,310**	**464**	**1,420,774**

(1) In 2021, the pension commitments relating to Germany were revalued by €9.2 million mainly taking into account the change in the discount rate at June 30, 2021 based on the obligations of 1st category companies in Germany (0.45% as of December 31, 2020 versus 0.85% as of June 30, 2021).

(2) 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.

(3) 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) and 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).

(4) Capital increase via a capital injection and the issue of new ordinary shares, maintaining shareholders' preferential subscription rights.

(5) Cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders.

(6) As part of the financial restructuring plan, €9 million fees have been allocated to equity instruments.

(7) 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 was €48 million.

INTERIM CONSOLIDATED CASH FLOW STATEMENT

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Profit/(loss) before tax	**(131,548)**	**(363,446)**
Reversal of the following items		
Depreciation and impairment expenses on property, plant and equipment	50,450	61,262
Amortization and impairment expenses on intangible assets	17,885	15,837
Impairment of financial assets	-	1,621
Changes in provisions and employee benefits (1)	(5,250)	(13,629)
Recognition of share-based payments	195	(662)
Profit/(loss) on disposal of assets	168	33
IFRIC 19 impact (2)	(48,400)	-
Other non-cash items	(2,081)	2,464
Total net interest costs	*70,472*	*78,698*
Amortization of transaction costs (3)	*15,688*	*5,155*
Net financing costs	**86,160**	**83,853**
Net cash from operations before changes in working capital	**(32,421)**	**(212,667)**
Changes to the rental fleet recorded on the balance sheet (4)	(617,707)	649,242
Changes in fleet working capital	152,408	28,417
Changes in non-fleet working capital	36,332	22,412
Cash generated from operations	**(461,388)**	**487,404**
Income taxes received/paid	(12,420)	3,632
Net interest paid	(59,946)	(71,644)
Net cash generated from (used by) operating activities	**(533,754)**	**419,392**
Acquisition of intangible assets and property, plant and equipment(4)	(28,909)	(26,966)
Proceeds from disposal of intangible assets and property, plant and equipment	2,453	1,337
Acquisition of subsidiaries, net of cash acquired and other financial investments	9,733	3,158
Net cash used by investing activities	**(16,723)**	**(22,471)**
(Purchases) / Sales of treasury shares net	932	926
Capital increase (net of fees paid) (5)	246,723	-
Change in other borrowings(6)	257,660	(444,949)
Change in rental debt	(15,553)	(99,166)
Payment of transaction costs(7)	(7,050)	(1,594)
Net cash generated from (used by) financing activities	**482,712**	**(544,783)**
Cash and cash equivalent at beginning of period	**444,601**	**628,155**
Net increase/(decrease) in cash and cash equivalents after effect of foreign exchange differences	(67,765)	(147,862)
Changes in scope	-	-
Effect of foreign exchange differences	2,233	(3,130)
Cash and cash equivalents at end of period	**379,069**	**477,163**

(1) In 2021, the variation is mainly explained by the change in lawsuits and restructuring provisions.
In 2020, the variation is mainly explained by the variation in the insurance provision for €(13) million and the provision for the reconditioning of vehicles in Buy-Back for €(8) million.

(2) 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 has been recognized in the income statement.

(3) In 2021, includes the recycling of capitalized refinancing costs for an amount of €12 million, related to debt that was restructured and converted into equity.

(4) Given the average holding period for the fleet, the Group reports vehicles as current assets at the beginning of the contract. Their variations from one period to another is therefore similar to operating flows generated by the activity.

(5) In 2021, limited to IT developments for the Group's digital transformation.

(6) In 2021, capital increase via a capital injection and the issue of new ordinary shares, maintaining shareholders' preferential subscription rights, for an amount of €250 million, cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders for an amount of €6 million. The amount of the capital increase is net of the fees paid for €9 million.

(7) In 2021, the variation is primarily related to the changes in SARF of €352 million versus €(545) million in 2020 (Please refer to the note 9.3 loans and borrowings for more details).

(8) In 2021, primarily related to the payment of transaction costs as part of the debt restructuring for €5 million.

NOTE 1 – GENERAL OVERVIEW

1.1 GENERAL INFORMATION

Europcar Mobility Group S.A. is one of the major actor of Mobility. 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 more than 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 9 March 2006 with initial share capital of €235,000 and was converted into a French joint stock company (société anonyme) on 25 April 2006. Europcar Mobility Group changed its governance on January 20, 2021 to adopt a structure with a board of directors governed by Articles L. 225-17 to L. 225-56 of the French Commercial Code, replacing the previous structure comprising a management board and a supervisory board according to the decisions adopted by the Extraordinary Shareholders' Meeting.

Europcar Mobility Group S.A.'s registered office is 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 26 June 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 BASIS OF PREPARATION

The Europcar Group's interim condensed consolidated financial statements for the six-month period ending June 30, 2021 were prepared in accordance with IAS 34 "Interim Financial Reporting" requirements, the IFRS standard adopted by the European Union. Being only condensed statements, they do not contain all of the disclosures required for a complete set of financial statements in accordance with IFRS and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2020.

They were reviewed by the Audit Committee on July 26, 2021 and authorized for issue by the Board of Directors of Europcar Group on July 27, 2021.

The interim condensed consolidated financial statements are presented in thousands of euros, unless otherwise indicated.

1.3 MAIN EVENTS OF THE PERIOD

1.3.1 A first semester still impacted by the health crisis

The trend in Travel & Leisure industry has evolved significantly since the beginning of the year with disparities across countries in which the Group operates depending on governments' restrictions ease to open up travel again and the speed of the vaccination campaigns. During the second quarter, the US and the UK started to rebound significantly and travel in Europe slightly improved. For countries concerned by this strong improvement, the revenue per day is robust and the outlook therefore remains encouraging.

1.3.2 The Group's financial restructuring plan

Announcement of the financial restructuring plan in 2020

As a reminder, faced with the major impact of the Covid-19 pandemic 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 enter into discussions with its corporate debt creditors with a view to carrying out a financial restructuring, 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 holding stakes in the RCF and Credit Suisse Facility. It was approved unanimously by the voting members of the Company’s Supervisory Board. On February 26, 2021, the effective date of the financial restructuring, this notably resulted in:

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

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

(iii) the refinancing of the RCF through the implementation of a “Term Loan B” for a total amount of €500 million and a new RCF for a total amount of €170 million.

All these instruments were fully secured by the members of the coordination committee, which is made up of this significant group of cross-holders, holders of 2024 Senior Bonds, 2026 Senior Bonds, Senior Secured Bonds of EC Finance plc and holding stakes in the RCF and Credit Suisse Facility. They were 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 concluded, Europcar Mobility Group announced the initiation of an accelerated financial safeguard procedure on December 14, 2020.

Approval of the terms of the financial restructuring plan in 2021

On January 20, 2021, the Extraordinary Shareholders' Meeting approved the terms of the financial restructuring plan and capital operations. It also approved the Company’s new form of governance, which entered into effect on February 26, 2021. As a result:

- 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, replacing the previous structure comprising 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.

On February 26, 2021, the Group announced that it had completed its balance sheet restructuring, thanks to the successful completion of the final steps of the accelerated financial safeguard plan approved by the Commercial Court of Paris on February 3, 2021. The main characteristics and impacts of the restructuring plan are described below.

Impact of these events on the Group’s consolidated financial statements at June 30, 2021

The debt restructuring resulted in the following accounting impacts:

- Derecognition of previous corporate debt and recognition of new credit lines and cash injection as disclosed in Note 9 “Financing and financial risk management”;
- The issuance of new equity instruments (shares and warrants) as disclosed in Note 8 “Capital and reserves”. The new capital structure of the Group following this transaction is set out in the same Note.

The difference between the derecognized debt and new resources obtained was recognized in the financial result in accordance with IFRS 9 and IFRIC 19, generating an income of €48 million as disclosed in Note 4 “Main items of income statement”.

The derecognition of corporate debt resulted in the acceleration of transaction costs related to said debt for an amount of €12 million in the financial result as disclosed in Note 4 “Main items of income statement”.

1.3.3 Rating agencies

S&P Corporate Rating

On April 9, 2021, the agency upgraded the rating from "Selective Default" ("SD") to CCC+ with a negative outlook following the completion of the debt restructuring on February 26, 2021.

Moodys

On March 3, 2021, the agency removed the "limited default" ("LD") designation following the completion of the debt restructuring on February 26, 2021, and on April 19, 2021, upgraded the rating to Caa2 with a positive outlook.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

2.1 PRINCIPLE OF ACCOUNTS PREPARATION

The accounting principles used to prepare the Group's interim condensed consolidated financial statements are identical to those used on December 31, 2020 and described in the notes to the consolidated financial statements for the period ending December 31, 2020 , except for certain interim reporting treatments and new compulsory accounting standards for periods after January 1, 2021, such as those described below in the sections "New Accounting Standards and Interpretations" and "Use of estimates and judgments".

2.2 NEW ACCOUNTING STANDARDS AND INTERPRETATION

The accounting principles used are consistent with those used to prepare the consolidated financial statements for the period ended December 31, 2020, except for the adoption of the following standards, which are compulsory for accounting periods beginning on or after January 1, 2021, or applied in advance.

(i) Standards and interpretations applicable for the annual period beginning on or after January 1, 2021

New standard and interpretation	Main provisions
IAS 39, IFRS 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. They 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 but had no significant impact on the Group's financial statements.

(ii) Standards and interpretations issued but not yet applicable for the annual period beginning on January 1, 2021 (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, 2022. A draft amendment "Exposure Draft ED/2019/4 Amendments to IFRS 17" was published on June 26, 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 IFRS 17 standard.
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 from January 1, 2022.
IFRS annual improvements 2018-2020 cycle	These annual improvements relate to the following standards: • IFRS 9 (clarification 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 from the standard). These amendments are applicable from January 1, 2022.

The Group is currently analyzing the possible impacts of these new standards and interpretations.

2.3 SEASONALITY OF OPERATIONS

Revenue, recurring operating income and all operating performance indicators are subject to seasonal fluctuations, due mainly to the summer holiday season when activity in the leisure segment surges. The impact of seasonality varies depending on the country in which the Group operates. Accordingly, the interim results for the six months ended June 30, 2021, may not reflect the results that are expected for full-year 2021.

2.4 USE OF ESTIMATES AND JUDGMENTS

The preparation of interim financial information requires management to use judgment in making estimates and applying assumptions that may impact the amounts of certain assets and liabilities and income and expenses recognized in the interim condensed consolidated financial statements, as well as the information disclosed in certain explanatory notes. Actual values recognized in future periods may differ from these estimates due to changes in conditions that affect the underlying assumptions.

For the preparation of these interim condensed consolidated financial statements, the judgments exercised by management in applying the Group's accounting policies and the main estimates were identical to those used to prepare the consolidated financial statements for the year ended December 31, 2020, with the following exceptions:

- the estimate used to recognize the interim tax expense: for interim financial information, the current and deferred tax expense are determined based on the income tax rate expected to apply to full-year taxable income, i.e., by applying the expected average effective tax rate for 2021 to pre-tax income and share of profit of companies accounted for by the equity method for the interim period.

- the French business contribution on added value (CVAE), for which a provision has been set aside for 50% of the estimated annual expense.

In view of the increase in the yield on AA-rated bonds (0.45% as of December 31, 2020 and 0.85% as of June 30, 2021), the Group's main pension obligations (Germany) were remeasured as part of the preparation of the interim condensed consolidated financial statements. The pension expense for the period amounted to 50% of the estimated expense for 2021 based on the data and assumptions used as of December 31, 2020.

The estimates, judgments and assumptions used by the Group mainly concern:

- fair value measurement of assets and liabilities during the investment allocation process as part of the business combination (see Note 3);
- derivative financial instruments recorded at fair value in the Group’s statement of financial position (see Note 9.4);
- estimates of future cash flows as part of impairment tests for goodwill recorded in the statement of financial position and capitalized assets including trademarks(please refer to Notes 6.1 and 6.2);
- amounts of deferred taxes that may be recognized in the statement of financial position(please refer to Note 4.5);

With respect to the vehicle rental business, estimates specifically cover:

- the residual value of “at risk” vehicles;
- the value of vehicles purchased with manufacturer or dealer buy-back commitment when badly damaged or stolen;
- 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.

Estimates also cover provisions for disputes and litigation and the measurement of contingent liabilities.

NOTE 3 – CHANGES IN SCOPE OF CONSOLIDATION

On March 23, 2021, the Group completed the sale of 100% of the equity share capital of *Brunel Carriage Limited* held by *Brunel Group Holding Limited* to *Intercede 2052 Limited* for a sale price of €0.1 million. A loss on the disposal of €0.9 million was recognized in the financial result at June 30, 2021.

NOTE 4 – MAIN INCOME STATEMENT ITEMS

4.1 SEGMENT REPORTING

Segment information

New organization (Connect Plan)

In light of the Covid-19 health crisis, 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 toward a vision that is highly focused on customer needs and digitalization. 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 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. The entry point is not the brand anymore (Europcar for Cars, Goldcar and InterRent for Low-Cost and Ubeeqo for Urban Mobility) as was the case for the business units, and consequently the operating segments will be now: CARS & Others and Vans & Trucks.

The board of directors is the chief operating decision maker within the meaning of IFRS 8 – Operating segments, and monitors the margin after direct costs (MADC) for CARS & others and V&T.

Segment information as of June 30, 2020 and June 30, 2021

The Group discloses global reconciliation of its segment reporting and consolidated financial statements under IFRS.

In accordance with IFRS 8, the information by operating segment at June 30, 2021 is as follows:

In thousands of euros	Cars & Others	V&T	Total segments at June 30, 2021
Total Revenues	**667,257**	**174,662**	**841,919**
Fleet holding costs and Fleet (including net fleet financing costs)	(226,400)	(58,358)	(284,758)
Variable costs	(250,331)	(59,170)	(309,501)
Marketing expenses	(5,644)	(1,009)	(6,653)
Total of variable costs	**(482,374)**	**(118,538)**	**(600,912)**
Margin after Direct Costs (MADC)	**184,883**	**56,124**	**241,007**
HQ and Network Personnel costs			(184,348)
Depreciation, amortization and impairment expenses			(68,335)
Other fixed and semi-fixed costs			(46,289)
Total of fixed and semi fixed costs			**(298,973)**
Current operating income			**(57,965)**
Reversal of depreciation and impairment charges			68,335
Net fleet financing expenses			(35,154)
Adjusted corporate EBITDA			**(24,784)**

In thousands of euros	Cars & Others	V&T	Total segments at June 30, 2020
Total Revenues	**667,317**	**147,457**	**814,774**
Fleet holding costs and Fleet (including net fleet financing costs)	(320,354)	(71,363)	(391,717)
Variable costs	(264,606)	(57,735)	(322,341)
Marketing expenses	(8,749)	(1,591)	(10,340)
Total of variable costs	**(593,709)**	**(130,688)**	**(724,397)**
Margin after Direct Costs (MADC)	**73,608**	**16,769**	**90,377**
HQ and Network Personnel costs			(204,665)
Depreciation, amortization and impairment expenses			(77,099)
Other fixed and semi-fixed costs			(55,376)
Total of fixed and semi fixed costs			**(337,140)**
Current operating income			**(246,763)**
Reversal of depreciation and impairment charges			77,099
Net fleet financing expenses			(38,980)
Adjusted corporate EBITDA			**(208,644)**

4.2 AMORTIZATION, DEPRECIATION AND IMPAIRMENT EXPENSES

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Amortization of intangible assets	(17,885)	(15,837)
Depreciation of property, plant and equipment (*)	(50,450)	(61,262)
Total amortization, depreciation and impairment expense	**(68,335)**	**(77,099)**

(*) Includes the depreciation of the right of use of property assets within the scope of IFRS 16 for €40.3 million in June 2021 and €49.7 million in June 2020.

4.3 OTHER NON-RECURRING INCOME AND EXPENSES

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Reorganization expenses	(16,972)	(12,370)
Financial restructuring	(13,602)	-
Disputes	(509)	(5,476)
M&A and integration fees	(557)	(1,282)
Other non-recurring income and expenses	(423)	(1,278)
Total other non-recurring income and expenses	**(32,063)**	**(20,406)**

Recognition of the fees paid in the context of the restructuring

As part of the financial restructuring plan, €14 million and €17 million have been recognized as fees expenses through the non-recurring expenses respectively in June 2021 and in December 2020.

4.4 NET FINANCING COSTS

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Net fleet financing expenses (*)	(35,154)	(38,980)
Net other financing expenses (*)	(26,582)	(36,286)
Gross financing costs	**(61,736)**	**(75,266)**
Profit (Loss) on derivative financial instruments	1,702	(5,050)
Amortization of transaction costs	(3,388)	(5,155)
Foreign exchange gain and losses	(938)	(3,838)
Adjustments to the discounting rates applied to provisions and employee benefits	(375)	(553)
Financial restructuring impact (1)	35,900	-
Other (2)	(12,686)	(6,416)
Other financial expenses	**(20,216)**	**(21,011)**
Net financing costs	**(41,520)**	**(96,277)**

(*) Including the impacts of the implementation of IFRS 16.

(1) In 2021 and as part of the Group's financial restructuring, included a gain of € 48 million related to IFRIC19 recognition impacts (see details below) and a loss of €12 million due to the accelerated amortization of transaction costs related to debt converted into equity.

(2) Includes mainly costs associated with credit lines non-utilization and other bank charges.

Recognition of the impacts in the context of the debt restructuring

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 has been determined using the fair value of the share corresponding to the market share as of February 26, 2021 (0.28€ per share). The accounting value of the debt converted into capital respectively amounted to:

- 0.01€ per share for the warrants which generated the recognition of a loss of €147.0 million;
- 0.19€ per share for the capital increase which generated the recognition of a loss of €113.8 million;
- 0.38€ per share for the conversion into capital of the corporate debt which generated the recognition of a gain of €309.2 million.

  Therefore, in the Group's financial statement, a net income of €48.4 million was recognized.

4.5 INCOME TAX

For the interim accounts, the income tax expense (current and deferred) is calculated by applying the average annual tax rate estimated for the current year to the profit before tax for the period, entity by entity.

Where applicable, this tax is adjusted based on exceptional fiscal items that occurred during the period.

The income tax benefit amounts to €9 million as of June 30, 2021, which represents an effective tax rate of 7%.

The rate for the first half of 2021 is not representative, due to the low result for the period and the country mix (positive and negative contributions at different tax rates).

4.6 PROFIT (LOSS) PER SHARE

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Profit or Loss attributable to ordinary shareholders	**(122,791)**	**(286,167)**
Weighted average number of shares outstanding	3,412,315,422	163,884,278
Loss per share in €	*(0,036)*	(1,746)
Diluted loss per share in €	*(0,036)*	(1,746)

The number of potential dilutive shares is 1,667,681 as of June 30, 2021 (corresponding to free shares) versus 1,727,681 as of June 30, 2020.

The weighted average number of shares has been calculated taking into account the capital operations carried out as of February 28, 2021, following the debt restructuring in accordance with IAS 33.

NOTE 5 – RENTAL FLEET

5.1 RENTAL FLEET RECORDED ON THE BALANCE SHEET

The rental fleet recorded on the balance sheet is broken down as follows:

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Right of use of leased vehicles	172,557	159,275
Net book value of vehicles financed through buyback agreements (1)	1,500,241	942,701
Total "buy-back" fleet and right to use the leased vehicles	**1,672,798**	**1,101,976**
Europcar-owned vehicles held without buyback clause ("at-risk" vehicles)	1,170,779	1,095,264
Total fleet of vehicles on the Balance Sheet	**2,843,577**	**2,197,240**

(1) The net book value includes the vehicle buy-back agreement receivable and the deferred depreciation expense on vehicles.

5.2 FLEET HOLDING COSTS

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Net Fleet depreciation	(195,416)	(288,045)
Other fleet holding costs	(54,188)	(64,691)
Total fleet holding costs	**(249,604)**	**(352,736)**

5.3 FLEET OPERATING, RENTAL AND REVENUE RELATED COSTS

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Fleet operating costs	(127,952)	(135,252)
Revenue-related commissions and fees	(108,373)	(99,331)
Of which, trade receivables allowances and write-offs	*(9,570)*	*(9,865)*
Rental related costs	(73,176)	(87,758)
Total fleet operating, rental and revenue related costs	**(309,501)**	**(322,341)**

5.4 RECEIVABLES AND PAYABLES RELATED TO THE RENTAL FLEET

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Fleet-related receivables	464,506	403,602
VAT receivables (1)	351,347	100,415
Rental fleet and related receivables	**815,853**	**504,017**

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Fleet-related payables	754,451	428,066
VAT payables (1)	266,555	127,038
Rental fleet and related receivables	**1,021,006**	**555,104**

(1) VAT receivables and payables mainly concern acquisitions and sales of vehicles.

The change in the rental fleet's working capital requirements is detailed below:

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Receivables related to fleet disposal	(59,274)	299,222
VAT receivables	(250,096)	51,746
Payables related to fleet acquisition	324,211	(328,496)
VAT payables	137,567	5,945
Changes to the need for cash flow linked to the vehicle fleet	**152,408**	**28,417**

NOTE 6 – GOODWILL AND INTANGIBLE ASSETS

6.1 GOODWILL

The goodwill from leasing activities held by the Group, amounts to €1,003 million and €998 million respectively as of June 30, 2021 and December 31, 2020.

6.2 INTANGIBLE ASSETS AND TRADEMARKS

Trademarks included as intangible assets amount to €881 million as of January 1, 2021, and June 30, 2021, and the carrying value of the Europcar, Goldcar, Buchbinder Fox Rent A Car trademarks which have an indefinite useful life amount to €699 million, €137 million, €33 million and $33 million, respectively.

In thousands of euros	*Trademarks*	*Software, operating systems*	*Customer relations*	*Intangible assets in progress*	*Total*
Gross values					
Balance as of December 31, 2020	**934,929**	**353,292**	**45,291**	**116,245**	**1,449,756**
Acquisitions	-	1,713	-	20,053	21,766
Disposals	-	(814)	-	(159)	(1,025)
Transfers	-	(37)	-	-	(37)
Effect of movements in foreign exchange rates	3,338	1,024	-	-	4,414
Balance as of June 30, 2021	**938,266**	**355,178**	**45,291**	**139,139**	**1,474,875**
Depreciation and impairment losses					
Balance as of December 31, 2020	**(55,284)**	**(303,264)**	**(13,253)**	**(22,124)**	**(393,925)**
Depreciation and impairment	-	(15,655)	(2,265)	-	(17,920)
Disposals	-	814	-	-	814
Transfers	-	139	-	-	139
Effect of movements in foreign exchange rates	(2,380)	(885)	-	-	(3,265)
Balance as of June 30, 2021	**(57,664)**	**(318,850)**	**(15,518)**	**(22,124)**	**(414,156)**
Net carrying values					
As of December 31, 2020	**879,644**	**50,028**	**32,038**	**94,121**	**1,055,831**
As of June 30, 2021	**880,602**	**36,328**	**29,773**	**114,015**	**1,060,719**

6.3 IMPAIRMENT ON INTANGIBLE ASSETS

Goodwill is subject to annual impairment tests in accordance with the Group's budget timetable.

For its interim consolidated financial statements, the Group has not identified any triggering events leading it to re-examine the recoverable amount of its CGUs and its intangible assets.

Based on the activity and profitability forecasts reviewed by the Group during the first semester of 2021, the Group didn't identify any major deviation against the 2021 budget. Moreover, there is no material change in the discount rate and long term business assumptions compared to those that have been considered during the annual impairment test performed at the end of 2020 that would modify the assumptions and sensitivity analyzes described in the consolidated financial statements at December 31, 2020.

NOTE 7 – OFF-BALANCE SHEET COMMITMENT

Contracts of Operating leases that do not fall within the scope of IFRS 16

The Group's minimum lease payments for non-cancellable operating leases that are outside the scope of IFRS 16 as of June 30, 2021 are detailed below:

In thousands of euros	As of June, 30 2021		As of December 31, 2020	
	TOTAL	*Amount related to operating fleet*	*TOTAL*	*Amount related to operating fleet*
Payable :				
Less than one year	26,734		33,944	-
Between one and five years	18,450		19,345	-
More than five years	1,732		2,357	-
Total	**49,916**		**55,646**	**-**

NOTE 8 – CAPITAL AND RESERVES

8.1 SHARE CAPITAL AND SHARE PREMIUM

The following movements occurred in the share capital and share premium in 2021:

Date	Operation	Share capital (in €)	Legal reserve (in €)	Share premium (in €)	Number of shares	Nominal value (in €)
12/31/2020		**163,884,278**	**16,388,428**	**687,217,731**	**163,884,278**	**1,000**
02/26/2021	Capital reduction (1)	(162,245,435)	-	-		**0.01**
02/26/2021	Reserved capital increase(2)	29,836,935	-	1,103,966,690		**0.01**
02/26/2021	Capital increase(3)	13,163,419	-	236,941,545		**0.01**
02/26/2021	Warrants(3)	5,517,204	-	-		**0.01**
02/26/2021	Fees paid(4)	-	-	9,302,442		**0.01**
06/30/2021		**50,156,401**	**16,388,428**	**2,018,823,423**	**5,015,640,081**	**0.01**

Recognition of the impacts in the context of the debt restructuring

(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.

(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) and 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 right for €242 million and a cash injection related to the exercise of the Guarantee Warrants, the Participation Warrants and the Coordination Warrants, distributed mainly to Bondholders for €6 million.

(4) As part of the financial restructuring plan, €9 million fees have been allocated to equity instruments.

As of June 30, 2021, the breakdown of shareholders in the share capital was as follows:

Shareholders	Total number of ordinary shares and voting rights	Percentage of ordinary shares and voting rights	Percentage of share capital
ANCHORAGE CAPITAL GROUP	1 249 312 849	24.95%	24.91%
MARATHON ASSET MANAGEMENT LP	584 533 664	11.67%	11.65%
ATTESTOR LTD	536 210 526	10.71%	10.69%
DIAMETER CAPITAL PARTNERS LP	293 023 894	5.85%	5.84%
CENTERBRIDGE Partners	309 517 229	6.18%	6.17%
CARVAL INVESTORS LP	311 093 147	6.21%	6.20%
AUTODETENTION	8 920 539	0%	0.18%
FCPE	4 034 248	0.08%	0.08%
AUTRES	1 718 993 985	34.35%	34.27%
TOTAL	**5 015 640 081**	**100%**	**100%**

NOTE 9 – FINANCING AND FINANCIAL RISK MANAGEMENT

9.1 FINANCIAL ASSETS

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Other non-current financial assets		
Other non-current financial assets	60	60
Financial assets recognized at amortized costs(1)	15,201	26,416
Deposits and prepayments	27,923	27,256
Other non-current investments	406	406
Total non-current financial assets	**43,591**	**54,138**
Current financial assets		
Loans	244	261
Other current financial assets (1)	22,324	22,977
Total current financial assets	**22,568**	**23,238**

(1) Including €34.9 million to cover liabilities arising from our captive insurance structure (€46.0 million as of December 31, 2020), mainly consisting of bonds recognized at amortized cost.

9.2 CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Cash-in-hand and at bank	276,892	364,733
Accrued interest	(98)	(87)
Cash and cash equivalents	**276,794**	**364,646**
Restricted cash	106,874	81,953
Cash and cash equivalents and restricted cash	**383,669**	**446,598**

Cash-in-hand and at bank includes €39 million in cash as of June 30, 2021 (December 2020: €75.6 million) tied up in the companies Securitifleet and Goldfleet, excluding the two SFH Holdings, and are dedicated to fleet financing in France, Germany, Italy and Spain. As such, this cash is considered as non-restricted.

Cash and cash equivalents in the ad hoc structures are reported as restricted cash. For the definition of restricted cash, please refer to Significant Accounting Policies, section Treasury (ii) of the December 31, 2020, financial statements (Note 8).

The following table reconciles cash and cash equivalents in the balance sheet with cash and cash equivalents in the cash flow statement:

In thousands of euros	**As of June, 30 2021**	**As of December 31, 2020**
Cash and cash equivalents	276,794	364,646
Restricted cash	106,874	81,953
Bank overdrafts[1]	(4,599)	(1,997)
Cash and cash equivalents reported in the cash flow statement	**379,069**	**444,601**

[1] Included in current loans and borrowings (see Note 9.3).

9.3 LOANS AND BORROWINGS

In thousands of euros	At 31 December 2020	Variation with cash impact	Restructuration	Foreign exchange impacts	Others	At June, 30 2021
Notes issued	1,550,000	-	(1,050,000)	-	-	500,000
Term Loan B	-	500,000	-	-	-	500,000
Other bank loans dedicated to fleet financing	44,421	84,778	-	4,175	(84,929)	48,445
Financial debts linked to government measures (*)	309,409	15,260	-	-	14,338	339,007
Liabilities related to leases	214,616	-	-	1,469	(5,910)	210,175
Transaction costs/Premiums/Discounts	(13,241)	(7,050)	12,104	(9)	1,412	(6,784)
Non-current liabilities	**2,105,205**	**(592,989)**	**1,037,896**	**(5,635)**	**(75,089)**	**1,590,843**
Renewable senior Revolving Credit Facility	623,748	(623,748)	-	-	-	-
Senior Credit Facility	444,784	325,610	-	-	-	770,394
Financial debts linked to government measures(*)	40,571	(13,791)	-	252	(14,785)	12,247
Other borrowings dedicated to fleet financing	566,326	98,452	-	19,703	(26)	684,455
Bank overdrafts	1,997	-	-	-	2,602	4,599
Current bank loans and other borrowings dedicated to fleet financing	366,054	(155,504)	(50,000)	3,529	111,140	275,219
Transaction costs/Premium/Discount	(8,829)	-	-	(46)	3,695	(5,180)
Liabilities related to leases	139,511	(15,553)	-	610	50,288	174,855
Accrued interest	35,001	-	(33,804)	17	5,168	6,382
Current liabilities	**2,209,163**	**(357,931)**	**(83,804)**	**24,065**	**131,478**	**1,922,971**
Total loans and borrowings	**4,314,368**	**235,058**	**(1,121,700)**	**29,700**	**56,389**	**3,513,815**

Recognition of the impacts in the context of the debt restructuring

The loans and borrowings have been impacted by the debt restructuring as of June 30, 2021 as follows:

- 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) ;
- 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);
- €225 million of new fleet financing fully dedicated to the fleet. This facility is drawn €50 million as of June 30, 2021;
- Refinancing of the RCF of €670 million through the implementation of a "Term Loan B" for a total amount of €500 million and a new RCF for a total amount of €170 million, undrawn as of June 30, 2021.

9.3.1 Net financial debt

In thousands of euros	As of June, 30 2021	As of December 31, 2020
Non-current borrowings and financial debts	1,380,668	1,890,589
Current financial borrowings and debts	1,748,117	2,069,652
Financial assets held to maturity	(15,201)	(26,416)
Other current financial assets	(21,790)	(22,453)
Cash, cash equivalents and restricted cash	(383,669)	(446,598)
Net debt on the balance sheet	**2,708,125**	**3,464,774**
Rental debt	**385,030**	**354,127**
Total net debt	**3,093,155**	**3,818,901**

9.3.2 Financial covenants

As of June 30, 2021, the Group was compliant with all financial covenants with the exception of the United States and Australia for which waivers were obtained during the first half.

9.4 OTHER DISCLOSURES RELATING TO FINANCIAL ASSETS AND LIABILITIES

The fair values of financial assets and liabilities, together with their carrying values on the balance sheet, are as follows:

In thousands of euros		Carrying value	Fair value	*Fair value through the profit or loss*	*Fair value through equity*	*Fair value at amortized cost*
Fair value as of June 30, 2021	***Notes***					
Customers		286,770	286,770	-	-	286,770
Deposits and prepayments		27,923	27,923	-	-	27,923
Vehicle buy-back agreement receivables	***5.1***	2,843,577	2,843,577	-	-	2,843,577
Fleet-related receivables	***5.4***	464,506	464,506	-	-	464,506
Deposits, other receivables and loans		28,656	28,656	-	-	28,656
Total of loans and receivables		**3,651,432**	**3,651,432**	**-**	**-**	**3,651,432**
Investments in non-consolidated entities	***9.1***	466	466	-	466	-
Current financial assets	***9.1***	22,568	22,568	-	-	22,568
Restricted cash	***9.2***	106,874	106,874	106,874	-	-
Cash and cash equivalents	***9.2***	276,794	276,794	276,794	-	-
Derivative assets		1,243	1,243	1,243	-	-
Total financial assets		**4,059,378**	**4,059,378**	***384,912***	***466***	***3,674,000***
Notes and borrowings	***9.3***	1,380,668	875,015	-	-	875,015
Trade payables		562,236	562,236	-	-	562,236
Fleet-related payables	***5.4***	754,451	754,451	-	-	754,451
Bank overdrafts and portion of loans due in less than one year	***9.3***	1,748,117	1,748,117	-	-	1,748,117
Derivative liabilities		47,560	47,560	-	*47,560*	-
Total financial liabilities		**4,493,031**	**43,987,379**	**-**	***47,560***	***3,939,819***

Over the period, there were no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

The fair value of financial instruments traded in active markets (such as cash, cash equivalents and securities held for trading and securities available for sale) is based on the market price at the closing date. The market price at the end used to evaluate financial assets held by the Group is the current bid price: level 1 in the fair value hierarchy.

The fair value of financial instruments that are not traded in an active market (such as derivatives traded OTC) is determined using valuation techniques. The Group uses different methods and assumptions based on 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 estimated discounted cash flows, are used to calculate the fair value of other financial instruments. The fair value of interest rate swaps is determined using the method of discounted cash flows: level 2 in the fair value hierarchy.

Factoring program on fleet rental receivables

As part of the factoring program set up by the Group in 2019, the total amount of receivables assigned and financed during the first half of 2021 amounted to € 64.6 million, including € 9.8 million as of June 30, 2021.

In 2020, the total amount of receivables assigned and financed during the whole year amounted to € 90.5 million, including € 12.7 million as of December 31, 2020.

NOTE 10 – PERSONNEL COSTS AND SHARE-BASED PAYMENTS

10.1 PERSONNEL COSTS

In thousands of euros	As of June, 30 2021	As of June, 30 2020
Wages and salaries	(150,904)	(163,506)
Social security contributions	(30,514)	(31,336)
Post-employment benefits	(2,954)	(3,069)
Other items	24	(6,754)
Total personnel costs	**(184,348)**	**(204,665)**

Personnel costs have been impacted by the partial unemployment measures implemented by the Group to mitigate the impact of the health and economic crisis of Covid-19 in the countries concerned when such measures are unavoidable.

10.2 SHARE-BASED PAYMENTS

At its Extraordinary Shareholders' Meeting on May 10, 2016, Europcar shareholders, in the 12th resolution, authorized the allocation of free performance shares to some of the Group's employees and managers. This authorization has been given for a 26-month period and is valid until July 8, 2018.

At its General Meeting on April 26, 2019, Europcar shareholders, in the 32nd resolution, authorized the allocation of free performance shares to some of the Group's employees and managers.

"AGA18"

On March 20, 2018, the Supervisory Board authorized the Management Board to allocate free performance shares to some of the Group's employees and managers (the "AGA 18" 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, performance conditions related to (i) Group EBITDA, (ii) revenue, and (iii) a relative TSR (Total Shareholder Return).

No retention period is required when the vesting period is equal to three years.

The number of free shares initially granted was 901,781. As of June 30, 2021, 759,681 free-shares on AGA 18 are still in their vesting period.

"AGA 19"

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 "AGA 2019 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 (i) Cumulative Group Revenue, (ii) the average corporate EBITDA margin rate and (iii) relative TSR (Total Shareholder Return).

Furthermore, following the vesting period, is equal to three years, no retention period is required for free shares.

The number of free shares initially granted was 968,000. At 30 June 2021, 908,000 free shares under AGA 19 were still vesting.

The movements related to the acquisition of free shares during fiscal years 2021 and 2020 for which IFRS 2 "Share-based payment" is applicable, are as follows:

	Number of free shares
Currently vesting as of January 1, 2020	**1,732,181**
Granted	-
Cancelled	(33,500)
Delivered	-
Currently vesting as of December 31, 2020	**1,698,681**
Granted	-
Cancelled	(31,000)
Delivered	-
Currently vesting as of June 30, 2021	**1,667,681**

At June 30, 2021, the impact on the income statement for services received was an expense of €0.2 million compared with an income of €0.7 million as of June 30, 2020. The counterpart has been credited to equity.

NOTE 11 – PROVISIONS, RISKS AND LITIGATIONS

11.1 PROVISIONS

In thousands of euros	Insurance claim provisions	Reconditioning provisions	Other provisions	Total
Balance at January 1, 2020	**110,277**	**37,337**	**78,965**	**226,578**
Provisions recognized during the period	64,325	46,679	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 of consolidation	459	-	-	459
Transfer	-	-	-	102
Effect of foreign exchange differences	(1,598)	(356)	(102)	(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*
Balance at December 31, 2020	**106,187**	**26,982**	**91,899**	**225,068**
Balance at January 1, 2021	**106,187**	**26,982**	**91,899**	**225,068**
Provisions recognized during the period	33,471	17,025	5,517	56,013
Provisions utilized during the period	(33,382)	(15,823)	(7,429)	(56,635)
Provisions reversed during the period	-	-	(3,291)	(3,291)
Changes in scope of consolidation	-	-	-	-
Transfers	1,474	-	(50)	1,424
Effect of foreign exchange differences	1,195	166	2,248	**3,610**
Balance at June 30, 2021	**108,944**	**28,350**	**88,895**	**226,189**
Non-current	-	-	8,810	8,810
Current	108,944	28,350	80,085	217,379
Balance at June 30, 2021	**108,944**	**28,350**	**88,895**	**226,189**

11.2 CONTINGENCIES

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 Article 9 of the 2008 *of the Consumer Protection Act on Unfair Trading*, 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. 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 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 Note10 "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, 2018 of this 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 will be found to be misleading under Article 9 of the 2008 Consumer Protection Act on Unfair Trading and potentially inappropriate behavior when charging repairs costs to consumers.

Based on the last events and as of June 30, 2021 the provision of £38 million still appeared in the Groups accounts.

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.

Fire in parking in Paris criminal and insurance procedure

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 euro 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 were 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.

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 euros 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 vehicle insurance coverage

Charterline entered in 2018 into a fleet insurance contract with GEFION for motor vehicle fleet insurance (motor third party liability insurance and hull insurance) for up to 16,058 vehicles. GEFION discontinued its claims payments in hull insurance and in February 2019 terminated the contract. Chaterline has no other way than to declare the set-off against the Premiums of GEFION from the period of February 2019 until December 2019. In the meantime, Chaterline has filed 321 individual claims at Bad Kreuznach District Court end of June 2019 for a sum of € 620 000. As of today more than 13 000 claims still outstanding (including those before the court). GEFION filed a counterclaim asking for rescission of the insurance contract and therefore requesting the reimbursement of all indemnities already paid to Chaterline. On April 3rd 2020 the Court reject all Charterline argues and decided that the Master agreement void and asked for the full reimbursement of all insurance indemnities paid. the appeal has been lodged. The hearing before the regional high court of Koblenz was held on March 31, 2021 The court overturns the first decision and reject Gefion requests. Parties are waiting for the supreme court to decide on the acceptance of the case based on Gefion's non-admission complaint. At the date hereof, the proceedings are still ongoing.

Bavarian DPA notification

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 12 – RELATED PARTIES

During the six months period ended June 2021, the amount of operation with related parties is not significant.

NOTE 13 – SUBSEQUENT EVENTS

On July 27, 2021, the group finalized and signed the extension of the SARF (securitization instrument for the fleet financing) for a period of 3 years and an amount of 1.7 billion euros, with a pool of international banks.

PricewaterhouseCoopers Audit
63, rue de Villiers
92208 Neuilly-sur-Seine Cedex

Mazars
61, rue Henri Regnault
92075 Paris – La Défense

Statutory auditors' review report on the interim financial information

For the period from January 1, 2021, to June 30, 2021,

This is a free translation into English of the statutory auditors' review report on the interim financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the Group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,
Europcar Mobility Group
13 Ter Boulevard Berthier
75017 Paris

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

- the review of the accompanying condensed interim consolidated financial statements of Europcar Mobility Group, for the period from January 1, 2021 to June 30, 2021;
- the verification of the information presented in the interim management report.

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

These condensed interim consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

I - Conclusion on the financial statements

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

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

II - Specific verification

We have also verified the information presented in the interim management report on the condensed interim consolidated financial statements subject to our review.

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

Neuilly-sur-Seine and Courbevoie, July 28, 2021

The Statutory Auditors French original signed by

PricewaterhouseCoopers Audit	Mazars
Romain Dumont	Guillaume Devaux

STATEMENT BY THE PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT

To the best of my knowledge, I hereby certify that the condensed half-year consolidated financial statements for the 6-month period have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of Europcar Mobility Group and all consolidated companies, and that the half-year management report attached presents a true and fair view of the significant events that occurred during the first six months of the financial year and of their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties for the remaining six months of the financial year.

Paris,
July 27, 2021

Caroline Parot
Chief Executive Officer