

Europcar Mobility Group takes a key step in the deployment of its carbon reduction plan by launching a Sustainability-linked financial Bond

As a major mobility player, Europcar Mobility Group is convinced that it can make a significant contribution to the – essential - transition to a low-carbon world: by offering attractive alternatives to vehicle ownership – and by offering more and more green mobility solutions to its customers.

In 2005, the Group was the first player in the vehicle rental sector to adhere to the United Nations Global Compact in favor of sustainable development. In 2019, Europcar Mobility Group reinforced this ambition by joining the « Science-Based Targets Initiative » *, to take actions in line with the objectives of the Paris Agreement. The launch of its "One Sustainable Fleet" program, was a step forward to actively increase the share of green vehicles within its fleet over the years.

Europcar Mobility Group's ambition is now embedded in a comprehensive carbon reduction plan, allowing the Group to have a systemic approach of carbon reduction, encapsulating and driving all key processes which have an impact.

Last week, in line with its ambition, the Group issued an offering of €500m Sustainability-linked senior secured Notes, relying on "fleet greenification" criteria and aimed at the refinancing of its fleet. The Group wishes to leverage sustainable financing schemes to accelerate its carbon transition; a lever that it considers to be both very relevant and powerful in engaging its internal and external stakeholders, as well as in transforming its operating model.

The purpose of the Notes Offering** is to proactively manage the Company's fleet-related debt profile along its €1.7bn securitization program refinanced last July. As part of its Notes Offering, Europcar Mobility Group has established robust Sustainable Performance Targets, namely:

- reducing carbon emissions for its car and van fleet to reach an average of 93 g CO₂/km for passenger cars and of 144 g CO₂/km for vans respectively, by the end of 2024,
- targeting to have green vehicles (less than 50 g CO₂/km) accounting for 20% of its car and van fleet by the end of 2024.

In this context, the Second Party Opinion requested from VE (Vigeo Eiris, part of Moody's) on the Sustainability-Linked Financing framework established by the Group has been evaluated "Advanced" ***, both in terms of KPIs' relevance and Sustainable Performance Targets' ambition.

This bond issuance - the first of its kind for Europcar Mobility Group and also a first in the car rental industry - was a great success, with more than 4x subscription rate, at a very competitive pricing.

"We believe that the mobility services we offer our customers – from car rental to car sharing to on-demand vehicles and subscription – are alternatives to vehicle ownership and thus, are part of the solutions to transition towards a low-carbon world. We are also determined to reduce our carbon footprint year after year: specifically tackling our indirect emissions, which represent 98 % of our carbon footprint and are largely dominated by the use of our fleet by our customers.

The bond issuance we have just completed reflects a choice that involves our entire organization: the choice to act directly on the "CO₂" profile of our fleet, where we can have a significant impact. Our Finance teams have perfectly integrated this commitment by translating it into the fleet financing strategy, and as such, we are particularly proud of the success met.

We are going to continue our systemic approach, with "low-carbon initiatives" in all the Group's key functions, and by progressively bringing our customers on board" – Caroline Parot, CEO, Europcar Mobility Group

* Through the 2015 Paris Agreement, States committed to curbing global temperature rise to well-below 2°C by 2100. In 2018, the Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change. To achieve this, GHG emissions must halve by 2030 – and drop to net-zero by 2050. With this limited time for action, the private sector has a crucial role to play – every sector in every market must transform. Companies joining the Science-Based Targets initiative are engaged in cutting emissions at scale.

** The issuance of the Sustainability-linked financial Bond has been supported by:

- BNP Paribas as lead left bank, ESG advisor and global coordinator,
- CACIB as global coordinator and rating advisor,
- HSBC as global coordinator.

The Sustainability-Linked Notes will bear interest at a rate of 3.0% per annum, subject to adjustments described below, and payable semi-annually. These are excellent financial terms in view of the rating of the existing Senior Secured Notes due 2022 issued by EC Finance plc (the “**2022 Notes**”): rated CCC+ by S&P and upgraded to B2 from B3 on Sept 21, 2021 by Moody’s.

***See details on Group’s Investors website:

- Group’s ESG framework for the issuance of the bond
 - o <https://investors.europcar-group.com/static-files/5f972620-490e-4bc8-b346-a8efdbdcaf15>
- VE (Vigeo Eiris) Second Party Opinion
 - o <https://investors.europcar-group.com/static-files/1fc9a304-0baf-4823-bd34-b340f0ff3d83>
- Press release announcing the launch of an offering of €500 million sustainability-linked senior secured notes
 - o https://investors.europcar-group.com/system/files-encrypted/nasdaq_kms/news/2021/09/21/7-46-19/PR%20Issuance%20of%20Senior%20Secured%20Notes%2021%20Sept%202021.pdf

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About Europcar Mobility Group

Europcar Mobility Group is a major player in mobility markets and listed on Euronext Paris. Europcar Mobility Group’s purpose is to offer attractive alternatives to vehicle ownership, in a responsible and sustainable manner. With this in mind, the Group offers a wide range of car and van rental services – be it for a few hours, a few days, a week, a month or more – with a fleet that is already “CO2 light” and equipped with the latest engines, and which will be increasingly “green” in the years to come.

Customers’ satisfaction is at the heart of the Group’s ambition and that of its employees. It also fuels the ongoing development of new offerings in the Group’s three service lines - Professional, Leisure and Proximity - which respond to the specific needs and use cases of both businesses and individuals. The Group’s 4 major brands are: Europcar® - the European leader of car rental and light commercial vehicle rental, Goldcar® - the low-cost car-rental Leader in Europe, InterRent® – ‘mid-tier’ car rental and Ubeeqo® – one of the European leaders of round-trip car-sharing (BtoB, BtoC). Europcar Mobility Group delivers its mobility solutions worldwide through an extensive network in over 140 countries (including wholly owned subsidiaries – 18 in Europe, 1 in the USA, 2 in Australia and New Zealand – completed by franchises and partners).

Further details on our website: www.europcar-mobility-group.com